

ALL INFORMATION AVAILABLE IN
VARIOUS FORMATS ON REQUEST
city@busselton.wa.gov.au

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 17 MAY 2018

TABLE OF CONTENTS

ITEM NO.	SUBJECT	PAGE NO.
1.	DECLARATION OF OPENING AND ANNOUNCEMENT OF VISITORS.....	2
2.	ATTENDANCE	2
3.	PUBLIC QUESTION TIME.....	2
4.	DISCLOSURE OF INTERESTS	2
5.	CONFIRMATION OF MINUTES	2
5.1	Minutes of the Finance Committee Meeting held 19 April 2018.....	2
6.	REPORTS	3
6.6	ASSET MANAGEMENT REPORT.....	3
6.7	REPROGRAMMING OF CITY WORKS.....	18
6.8	BUDGET AMENDMENT REQUEST - INTEREST ON R4R FUNDING BUSSELTON FORESHORE PROJECT.....	24
6.3	BUDGET AMENDMENT REQUEST	28
6.1	FINANCIAL ACTIVITY STATEMENTS - PERIOD ENDING 30 APRIL 2018.....	36
6.2	LIST OF PAYMENTS MADE APRIL 2018	48
6.4	APPLICATION FOR EXEMPTION FROM RATING - LAMP INCORPORATED.....	50
6.5	DONATIONS/CONTRIBUTIONS AND SUBSIDIES FUND - APRIL 2018	54
8.	CONFIDENTIAL REPORTS	56
8.1	PROCUREMENT IN RELATION TO SHAPE MANAGEMENT	56
7.	GENERAL DISCUSSION ITEMS	56
9.	NEXT MEETING DATE	57
10.	CLOSURE	57

MINUTES

MINUTES OF A MEETING OF THE FINANCE COMMITTEE HELD IN THE COMMITTEE ROOM, ADMINISTRATION BUILDING, SOUTHERN DRIVE, BUSSELTON, ON 17 MAY 2018 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 Paul Carter

Members:

Cr Coralie Tarbotton
Cr John McCallum
Cr Robert Reekie
Cr Rob Bennett

Officers:

Mr Mike Archer, Chief Executive Officer
Mr Tony Nottle, Director, Finance and Corporate Services
Mr Kim Dolzadelli, Manager, Finance Services
Mr Daniell Abrahamse, Manager Engineering and Technical Services (left at 10.14am)
Mr Matthew Twyman, Manager, Operations Services (left at 10.14am)
Mr Daniel Hall, Asset Coordinator (left at 9.54am)
Mr Justin Smith, Design and Survey Coordinator (left at 10.14am)
Mr Dave Goodwin, Recreation Facilities Coordinator (left at 10.23am)
Miss Kate Dudley, Administration Officer, Governance

Apologies

Cr Grant Henley

3. PUBLIC QUESTION TIME

Nil

4. DISCLOSURE OF INTERESTS

Nil

5. CONFIRMATION OF MINUTES

5.1 Minutes of the Finance Committee Meeting held 19 April 2018

COMMITTEE RECOMMENDATION

F1805/032

Moved Councillor J McCallum, seconded Councillor R Reekie

That the Minutes of the Finance Committee Meeting held 19 April 2018 be confirmed as a true and correct record.

CARRIED 5/0

9.51am

At this time the CEO entered the meeting.

6. REPORTS

6.6 ASSET MANAGEMENT REPORT

SUBJECT INDEX:

STRATEGIC OBJECTIVE:	Assets are well maintained and responsibly managed.
BUSINESS UNIT:	Engineering and Facilities Services
ACTIVITY UNIT:	Asset Management
REPORTING OFFICER:	Asset Coordinator - Daniel Hall
AUTHORISING OFFICER:	Director, Engineering and Works Services - Oliver Darby
VOTING REQUIREMENT:	Simple Majority
ATTACHMENTS:	Nil

Note: In order to accommodate the officers in attendance the Committee agreed to deal with items 6.6, 6.7, 6.8 and 6.3 on the agenda as the next items of business.

PRÉCIS

The purpose of this report is to provide the Finance Committee with asset management information relevant to the financial management of the City of Busselton. It outlines various activities and how they may or may not impact the financial management of the City. It is not intended as an exhaustive list of all of the asset management undertakings for the period, but is rather a targeted report detailing issues relevant to the Finance Committee.

Asset Management Report

The Asset Management Coordinator, along with other City staff, recently attended Service Delivery Review Training by the University of Technology Sydney. The training was held in Perth over two days and provided a good insight into what is required in order to undertake a service delivery review within Local Government.

Whilst a full service delivery review is far wider reaching than simply managing the assets, there are asset management responsibilities within the implementation of a service delivery review. The following information, delivered during the training, is intended as information for the finance committee on how asset management links with the service delivery review process. Officer comment is also provided.

“In both Australia and overseas, service delivery reviews are vital processes ensure local government services are:

Appropriate – that is, services meet current community needs and wants, and can be adapted to meet future needs and wants.

Effective – that is, councils deliver targeted, better quality services in new ways.

Efficient – that is, councils improve resource use (people, materials, plant and equipment, infrastructure and buildings) and redirect savings to finance new or improved services.

The key benefits of service delivery reviews include:

- alignment of services with community needs and a more engaged community;
- higher quality service provision;

- cost savings and sometimes income generation;
- increased efficiency of often limited resources;
- partnerships and networks with other local governments and service providers;
- increased capacity of staff to respond to the changing needs of the community;
- staff who work cooperatively across departments; and
- a more systematic approach to understanding future community needs.”

One of the key themes from the training was the need for a whole of organisation approach to service delivery reviews and integration within the Corporate Planning Framework (corporate and strategic planning, asset management and community engagement).

It highlighted the need for each area of the organisation to be aware of any reviews that other areas are undertaking to ensure that knowledge can be shared and recommendations made relevant and effective for all stakeholders.

The implementation of cross-directorate working groups was suggested as an effective way of ensuring that reviews are conducted effectively across the organisation. The City currently has several of these in place and from personal experience these work quite well. It is however, imperative that they have a clear scope and well-defined purpose to ensure they are effective.

The asset management team has also recently undertaken performance reviews for public ablutions and coastal nodes. These reviews have been specific to the assets and have been undertaken within a more narrow scope than a full service review. These could however, form part of a much larger overall service delivery review should the need arise for this to happen.

The asset management team has also been involved with cross-directorate working groups assessing provision of Rural Community Halls and more recently the Public Open Space Strategy. Again, these have been undertaken for a specific purpose, however could provide the structure for a full service delivery review if required.

The training also emphasised the need for strong top down organisational support for any service reviews that are being undertaken. It is a process that is driven by the strategic direction of the Council to assist with the management of the long-term financial, environmental and social performance of the City.

Engineering & Works Services – Regional Road Group/Busselton Traffic Study Funding Update

The following information provides an update of the progress of the works and design services of the various roadworks projects funded via the South West Regional Road Group and the Busselton Traffic Study (Traffic Study). This information forms part of the CEO's KPI's.

Job	Budget	YTD Actual	Commitments	Project Balance	Status
S0035 Strelly Street	\$549,859	\$372,568	\$107,070	\$220,220	In progress See detail below
New Budget Allocation	\$699,859				

Project Name - Strelly Street

Project Budget \$549,859

Financial information

Project Scope

This project forms part of the Traffic Study

- Short term- Construction of a direct link from the Busselton Bypass to West Street and essentially the Old Bussell Highway/Albert Street. This is known as the Strelly/ Barlee/West Street Connection which offers alternative access to Busselton Town Centre, the foreshore and the Western portion of the Busselton Township. The first stage involves the relocation of services and land resumptions where after the construction of a new roundabout at the intersection of Strelly/Barlee Street will be undertaken.
- Long Term – Construction of Dual carriageway to the above route is envisaged by 2036.

Progress Report

Works in Progress

The detailed design for the roundabout has been undertaken by an external Contractor and has been completed working collaboratively with Main Roads Western Australia (MRWA).

The undergrounding of power lines and the installation of street lights at the intersection of Strelly/Barlee Street has been completed at the end of 2017.

Relocation of services, water main, and upgrade of existing asbestos cement pipes to polyethylene pipes, has also been completed.

Relocation of services - other (i.e. Telstra and NBN). A number of Telstra/NBN pits and associated fibre optic will also need to be relocated out of the new road alignment and driveways. Some of the Telstra/NBN pits needs to be upgraded that are located in areas where they need to be trafficable.

Land resumptions – two parcels of land are now required to be able to fit the new reworked (MRWA) roundabout at the intersection of Strelly/Barlee Street intersection. City officers were unable to reach agreement with one landowner along Strelly Street which required the design to be changed and moved to the further west along Barlee Street.

City officers have issued legal agreements and are in the process of finalising the purchase of the land. As one of the purchasing prices is above the CEO's delegated authority a report will be presented to the next Council meeting with regards this land purchase.

Community consultation - Once the land requirements have been resolved a letter drop will be organised to all the property owners in the Light Industrial Area (LIA) advising them of the works.

City officers have met with the directly affected landowners earlier this year to discuss the project and will be dealing with them on a one-on-one basis as part of the way forward to progress the project from design to implementation. Officers are considering night works to avoid traffic and business related issues.

Construction works - It's anticipated that the works will be commenced with in the 2nd quarter of the 2018/19 FY i.e. Sep 2018 – Dec 2018, however it could be brought forward weather permitting.

Project Risks

Purchase of Land - This is a potential risk to the project. Once both land purchases have been completed, the 17/18 FY budget will have been expended.

The City has already secured additional funding via RRG for the 2018/2019 Financial Year, which equates to \$450,000 (\$300,000 from the RRG and \$150,000 from the City). Current outstanding funds will be spent on the purchase of the two portions of land. No carry over is expected on this project. RRG funding will be available for the 18/19 FY for the construction of the roundabout.

Project Name – Layman Road

Project Budget \$672,701

Financial information

Job	Budget	YTD Actual	Commitments	Project Balance	Status
S0049 Layman Road	\$672,701	\$531,365	\$1,260	\$140,076	Completed
Budget Amendment Not Shown					

Project Scope

This project was undertaken over four years and consisted of a full reconstruction, upgrade of drainage, street lighting and minor landscaping. This was from Navigation Way to Ford Road.

Progress Report

Works in Progress

This project has been completed.

Project Risks

Nil. The Regional Road Group (RRG) has agreed that the project balance can be used on the Strelly Street Project. No carry over expected on this project.

Project Name – Causeway Road**Project Budget \$139,032****Financial information**

Job	Budget	YTD Actual	Commitments	Project Balance	Status
S0051 Causeway Road	\$139,032	\$75,829	\$68,716	\$-5,514	Ongoing

Project Scope

This project is part of the Traffic Study

- Short Term- Construction of a roundabout on Causeway Road providing access to the new Eastern Link Bridge and Rosemary Drive.
- Short term- Construction of dual lane roundabout at Rosemary Drive, a dual lane roundabout at Strelly Street and dual lanes between Strelly St and Rosemary Drive.
- Long Term – Construction of dual carriageway from Busselton Bypass to Peel Terrace, 2036.

Note- Funding Received to date is predominantly for the detailed design of the above works that includes the roundabout at Rosemary Drive.

Progress Report***Works in Progress***

The majority of this funding is going towards the cost of the detail designs work being undertaken by Calibre as well as the relocation of services such as fibre optic communication cables.

It was recently agreed to add the Strelly Street Roundabout and the duplication of Causeway Road from Rosemary Drive to Strelly Street. This detailed design work will be underway shortly.

This year's funding has been expended and commitments will be finalised by the end of the financial year (FY)

Project Risks

The City has already secured funding via RRG for the 2018/2019 FY which equates to \$750,000 (\$500,000 from the RRG and \$250,000 from the City). Funding and costs for the new inclusions requires detailing and programming. Consideration of how the stages of the projects are implemented requires further planning.

Project Name – S0064 Peel Terrace**Project Budget \$1,102,549****Financial information**

Job	Budget	YTD Actual	Commitments	Project Balance	Status
S0064 Peel Terrace	\$1,102,549	\$62,331	\$800,822	\$239,395	Ongoing

Project Scope

This is for the reconstruction of the section of road along Peel Terrace from Queen Street to Camilleri Street, construction of a new roundabout at the intersection of Peel Terrace and Camilleri

Street and construction of a new roundabout at the intersection of Peel Terrace and Brown Street. The project includes all design works and service relocations and the reconstruction of a section of Peel Terrace between Queen Street and Stanley Place.

Progress Report

Works in Progress

Design Works – the design work on the section of Peel Terrace between Queen Street and Brown Street is currently underway and preliminary design drawings were completed in December 2017; these drawing are predominantly finalised.

These works also include the upgrade of the existing road pavement between Queen Street and Stanley Place, as this section of road is in desperate state of repair. A new roundabout at the intersection of Peel Terrace, Stanley Place and Cammilleri Street, as well as a new roundabout at Peel Terrace and Brown Street.

Relocation of services - Western Power undergrounding of power along Peel Terrace has been designed to be delivered in two phases. Phase 1 is the undergrounding of power and new street lights on Peel Terrace between Queen Street and Camilleri Street. Phase 2 is the undergrounding of power and new street lighting on Peel Terrace between Camilleri Street and Brown Street.

The designs for these works have been submitted to Western Power in July/August 2017. The City received the quotation for undertaking these works in January 2018, and purchase orders have been raised for Western Power to undertake these works. These works are now under construction. The undergrounding of the powerlines should be completed before the end of the 17/18FY. Historically WP has not been very efficient in issuing invoicing for works completed. This might introduce a risk of funding not fully expended; however City officers will be dealing with the matter to ensure no carry/over of funding.

Relocation of services - Telstra and Optus. Two pits, Telstra and Optus, and the associated fibre optic have been relocated out of the new Eastern Link road alignment.

Land resumptions - both the two new roundabouts at Peel Terrace/Cammilleri Street and Peel Terrace/Brown Street will be encroaching land that falls outside the existing road reserve. The new roundabout at Cammilleri Street encroaches Reserve 52822 – State WA – Current Purposes – Carpark. The new roundabout at Brown Street encroaches Lot 7 (73 Peel Terrace) of which the owner is the City of Busselton.

Environmental approvals are currently underway. The environmental approval for the new Eastern Link Bridge was submitted for approval to Environmental Protection Authority (EPA) in early January. The EPA has determined that the project does not need to be assessed and is currently in an appeals period. The EPBC (Commonwealth) have determined that the eastern link is to be assessed as a controlled action. City officers are now working on this with our environmental consultants.

In addition to the above, the Council resolved through a Notice of Motion not to proceed with the Eastern Link for a period of 6 months, whilst further consultation on the Traffic Study is undertaken. From a construction point of view, this means that the roundabout connecting the Eastern Link/Cammilleri and Peel Terrace cannot proceed, nor the Stanley Road intersection upgrade (as this upgrade is specific to the roundabout noted above).

The rationale behind this is if the Council resolved in the future not to proceed with the Eastern link, then the roundabout connecting the Eastern Link/Camilleri and Peel Terrace would not be required (at this point in time). Instead a modified intersection at Stanley and Peel would be required and the roundabout at Peel and Brown would still be required.

The section of Peel Terrace from Causeway Road to the Western side of Stanley Place is still required to be reconstructed. It is planned to complete these works with the unspent funds by the end of the 2017/2018 FY.

These works were originally due to be completed in conjunction with the other works on Peel Terrace to provide an economy of scale, however the above noted delays have prevented this from occurring as originally planned.

Therefore this section of road will be constructed separately. In addition City officers have requested funds from the RRG Queen Street project be allocated to the Peel Terrace project in order to complete these road upgrade works.

Project Risks

Western Power delays in getting the undergrounding of power completed before mid-June 2018 could potentially delay the expenditure of the majority of the RRG funding allocated for the 17/18FY.

Environmental approvals have delayed the construction of the new Eastern Link Bridge over the Vasse River. (Note comment above)

The Council endorsed Notice of Motion (NoM) has delayed the commencement of the Eastern Link pending further public consultation.

Funding - Construction of the roundabouts and the upgrade of Peel Terrace in the current financial year is dependent on the outcome of the funding remaining after all services have been relocated. The City has already secured funding via RRG for the 2018/2019 FY which equates to \$750,000 (\$500,000 from the RRG and \$250,000 from the City). Pending the final outcome of the community consultation this funding might not be enough to complete the works on the works on the Peel Terrace side of the Eastern Link project, if this project is altered in any way.

Project Name – S0066 Queen Street

Project Budget \$254,412

Financial information

Job	Budget	YTD Actual	Commitments	Project Balance	Status
S0066 Queen Street	\$254,412	\$27,403	\$24,713	\$202,296	Ongoing

Project Scope

This project is part of the Traffic Study.

- Short term- Minor modifications to the road layout and lanes on the section of Queen Street from Peel Terrace and Albert Street. Detailed design and modelling associated with traffic congestion and the improvement of traffic flow into the town centre. Redesign and re-programming of traffic signal sequencing at the intersection of Queen and Albert and West/Albert.

- Long Term- The intersection to be upgraded to accommodate Causeway Road to be a dual carriage way.

Note- Funding received to date is predominantly for the detailed design of the above works.

Progress Report

Works in Progress

Detailed modelling has been undertaken of numerous options associated with the intersection treatments for this area.

City officers have narrowed the intersection design of Queen/Albert Street down to a roundabout in lieu of traffic signals. This option will require additional traffic modelling and preliminary designs to establish if this is a viable option. Preliminary concepts are underway for the roundabout that connects Queen and Albert St.

No final design has been determined at this point as priority has been given to the completion of the Eastern Link, Peel Terrace upgrade and the Barlee Street/Strelly Street upgrades, noting that City officers would expect to complete the detailed design of this area towards the end of the financial year. It is likely that this will not expend all of the current funds allocated to this project and remaining funds may have to be returned to the MRWA RRG or transferred to other RRG projects.

City officers have also engaged a specialist consultant to do a detailed assessment of the traffic signal sequencing along all the entire Bussell Highway to establish if there are options to switch over from normal traffic to peak flow traffic. This work has been completed and officers are working with MRWA to re synchronize the traffic lights on Queen/Albert and Albert/West.

Minor road upgrades have been completed, lane upgrades and channelization.

Relocation of services such as Telstra and Western Power is currently also being investigated.

A portion of funds from this project will be allocated to the Peel Terrace project in order to complete the section from Causeway Road to Stanley Place. Remaining funds on the 17/18 FY are required for continued design work and traffic light optimisation. There is likely to be a small carry over of funds on this project.

Project Risks

A final design of this intersection cannot be completed until further detailed modelling of various options can be finalised. This is in order to develop the most appropriate design that caters for all the associated different factors such as East/West and North/South Access, minimising service relocation, minimising land acquisition, and minimising the use of the reserve, all with the intention of improving traffic flow.

This can only be done when other elements of the Traffic Study are finalised. This will be the most complicated and risky part of the overall project and will require the appropriate attention to finalise. Currently City officers are prioritising the Eastern Link works, Peel Terrace works and the Barlee Street/Strelly Street connection.

Remaining funds may be required to be carried over. However the City will request consideration to use these funds on Peel Terrace upgrade works, noting that RRG approval is pending for this to occur.

Project Name – Layman Road**Project Budget \$600,000****Financial information**

Job	Budget	YTD Actual	Commitments	Project Balance	Status
S0067 Layman Road	\$600,000	\$357,000	\$36,500	\$206,500	Ongoing

Project Scope

Reconstruction between SLK 3250 and SLK 3620; asphalt overlay between SLK 5010 to 5110 and asphalt overlay with drainage improvements between SLK 6000 to 6500.

Progress Report***Works in Progress***

Design works completed and have been issued for construction. Works commenced in March 2018.

Project Risks

Risk is currently low for this issue.

Project Name – S0068 Georgiana Molloy (GMAS) Bus Bay Facilities
\$200,000

Project Budget**Financial information**

Job	Budget	YTD Actual	Commitments	Project Balance	Status
S0068 Georgiana Molloy Bus Bay Facilities	\$200,000	\$390	\$0	\$199,610	Ongoing

Project Scope

Funding provided by State Government via Libby Mettam MLA to assist with congestion associated with school busses around the GMAS during pick up and drop off.

Progress Report***Works in Progress***

A design has now been agreed with GMAS. Detailed designs are underway. Construction is expected to be completed before the end of the FY. Officers are meeting with GMAS to finalise the construction of works with the works on the road reserve at a minimum being completed by the end of the FY

Project Risks

- Project Exceeds budget. On this basis the school will be requested to fund the balance.
- That the school further delay the project.

Project Name – V0002 Busselton Dunsborough Traffic Implementation Works
Project Budget \$2,325,000

Financial information

Job	Budget	YTD Actual	Commitments	Project Balance	Status
V0002 Busselton Dunsborough Traffic Implementation Works	\$2,325,000	\$0	\$0	\$2,325,000	Ongoing

Project Scope

Funding has been provided for all elements of Busselton Dunsborough Traffic Implementation Works (Traffic Study) noting that the predominant action for this funding is the construction of the Eastern Link, connecting Causeway Road to Peel Terrace via a bridge from Rosemary Drive/Causeway Road to Peel Terrace (between Stanley Place and Cammilleri Street). This link road will provide East Busselton and Geographe-bound traffic with a more direct route.

Indicative estimated cost \$3.8M (*this project costing excludes potential land acquisition, relocation of services, draining and landscaping*).

Progress Report

Works in Progress

The City has received a grant from the federal bridge renewal program of \$1.25 million towards the construction of the bridge spanning the Vasse River.

The bridge design, roundabout design (Rosemary, Causeway and Eastern Link Connection) and Peel Terrace design is in the detailed design phase and practically complete.

In addition to the above, the Council resolved through a Notice of Motion not to proceed with the construction of the Eastern Link for a period of 6 months, whilst further consultation on the Traffic Study is undertaken.

From a construction point of view this means that the roundabout connecting the Eastern Link/Cammilleri and Peel Terrace cannot proceed, nor the Stanley Road intersection upgrade (as this upgrade is specific to the roundabout noted above), nor the construction of the Bridge, or the construction of the Rosemary/Causeway roundabout and the section of road connecting the Eastern Link Bridge to the Causeway/Rosemary roundabout. These works (other than design works or similar) cannot proceed until further consultation has taken place and a further report presented to the Council.

Environmental approvals are currently underway. The environmental approval for the new Eastern Link Bridge was submitted for approval to Environmental Protection Authority (EPA) in early January 2018. The EPA has determined that the project does not need to be assessed and is currently in an appeals period. The EPBC (Commonwealth) have determined that the eastern link is to be assessed as a controlled action. We are now working on this with our environmental consultants.

City officers finalised in January 2018 negotiations with Guides WA and Scouts WA re relocation of their facilities, which are currently located on the land where the new road works (roundabout) will be located.

Consultation on these works has commenced and meetings have been held with the general public, specific resident and stakeholders during November and December 2017. Full details of the project have also been advertised in the local press; project hand-outs have been developed and are available in the Admin building front desk. Information is also available on the City's External website and the "Council's "Have Your Say" website.

Note as a result of the Nom further consultation is now due to take place, City officers are currently busy putting together a Communication Strategy/Plan to roll out the consultation process.

Project Risks

Full project budget is currently insufficient if the project were to proceed in its current form; however the City's Long Term Financial Plan (LTFP) provides a mechanism by which funds can be derived which will be included in 2018/19 Budget considerations.

Project delayed by EPA/Federal Government approvals.

Engineering & Works Services – Current Progress – Narrow Seal Rural Roads Report

Rural single lane seal roads were first identified as a priority area within the 2013 Roads Asset Management Plan. Along with the adoption of the plan, staff presented a report to the Council on the condition assessment and renewal program for rural single lane seal roads.

The report outlined that a large amount of road improvements were carried out in the 1960s, when State and Federal Government funding was made available to seal lengths of existing gravel roads. A majority of these roads were sealed to a width of 3.7m, which was deemed adequate at the time but no longer conforms to current road width standards.

The result of this work carried out in the 1960's was that the City had some eighty two kilometers of rural single lane seal roads with an average seal age of twenty one years and nearing the end of its useful life; twenty five years being the predicted average useful life for a seal within the City of Busselton.

The report also noted that maintenance costs on these narrow seal roads were indicatively very high, as both the seal edges and the gravel shoulders wear out more than on full width sealed roads. This is on the basis that the shoulders on the narrow seal roads get exposed to more traffic.

The plan provided detail on the rural single lane seal roads and identified a priority list of roads considered to be the most essential for renewal works within the first ten years of the plan. These priorities were based on location and linkage provided within the overall network, traffic volumes, school bus routes, tourism factors and condition.

The roads listed as priority roads in 2013 were Boallia Road, Hairpin Road, North Jindong Road, Tom Cullity Drive, Puzey Road, Yelverton Road and Wonnerup South Road. Works to Abbeys Farm Road were already in progress and therefore not included in the priority list.

Single lane Seal sections of Yoongarillup, Chapman Hill and Don Road have since been added to this list on the basis of providing network linkage in line with the other priority roads. These were added during the 2015 review.

Table 5 shows the list of priority rural single lane seal roads as it stood in 2015. Some of these roads have since been renewed as outlined in the works completed column of Table 7 below.

Table 5: 2015 Priority Rural Single Lane Seal Roads

Road Name	Priority Sections of Single Lane Seal Km (2015)
Tom Cullity Drive	1.9
Puzey Road	4.5
Yelverton Road	4.7
North Jindong Road	4.4
Yoongarillup Road	3.1
Boallia Road	5.3
Wonnerup South Road	5.0
Hairpin Road	5.1
Chapman Hill Road	1.6
Don Road	1.9
Total Kilometers	37.5

The remainder of the rural single lane seal roads are shown in Table 6. These will also be required to be renewed over time however will be subject to further assessment before this happens. These remaining roads are generally lower traffic roads with less strategic importance than those listed as priority roads. It is anticipated that the works to renew these, whilst including some level of upgrade works, will also include like for like renewal and rationalisation.

Like for like renewal may involve simply replacing the narrow seal with a new narrow seal and rationalisation could mean returning the road back to a gravel (unsealed) surface. The option of returning the road back to gravel would require some level of consultation with affected landowners before it can be undertaken.

It should also be noted here that once the priority roads are completed, the targeted and prioritised renewal of these narrow roads will cease. This will mean that all works to the remainder of the rural single lane seal roads will be assessed and prioritised against all other proposed road renewal projects. An outcome of this may be that these roads are not renewed at the same rate as the priority roads.

Table 6: Remainder of Rural Single Lane Seal Roads

Road Name	Length of Single Lane Seals (km)
Kaloorup Road	3.03
Sugarloaf Road	2.45
Wildberry Road	0.24
Dawson Drive	0.24
Wonnerup East Road	3.73
Capel - Tutunup Road	3.36
Floodgate Road	0.70
Old Vasse Highway	1.25
Marybrook Road	0.95
Chambers Road	0.95
Florence Road	0.11
Blythe Road	1.95
Yalyalup Road	1.98
Henry Road	1.54
Oates Road	0.82
Gale Road	5.57
Willanup Rise	0.30
Princefield Road	5.86
Yallingup Siding Road	0.41
Doyle Road	1.13
Slee Road	0.82
Nuttman Road	2.23
Injidup Spring Road	0.32
Downs Road	1.60
Total Kilometers	41.50

Subsequent works programs since the 2015 review have seen a reduction in the total kilometers of priority narrow seal roads. Table 7 shows the anticipated remaining kilometers at the conclusion of the 2017/2018 Capital works program which will see 4.7km of narrow seal for Yelverton Road renewed.

Table 7: 2019 Priority Rural Single Lane Seal Roads

Road Name	Priority Sections of Single Lane Seal Km (2015)	Works Completed 2015/16 – 2017/18Km	Remaining Kms at Conclusion of 2017/18
Miamup Road	0.45	0.45	0
Tom Cullity Drive	1.9	1.9	0
Puzey Road	4.5	4.5	0
Yelverton Road	4.7	4.7	0
North Jindong Road	3.1	0	3.1
Yoongarillup Road	4.4	0	4.4
Boallia Road	5.3	0	5.3
Wonnerup South Road	5.0	1.10	5.0
Hairpin Road	5.1	0	5.1

Chapman Hill Road	1.6	0	1.6
Don Road	4.9	0	4.9
Total Kilometers	37.5	11.1	26.4

The total 11.1km of reconstruction was undertaken at a total cost of approximately \$3.9M and will leave 26.4km of priority narrow seals remaining. During this period other works have also been undertaken to roads outside of the priority narrow list such as risk reduction works to Capel-Tutunup Road (\$121,000) for the reconstruction of a dangerous and extremely poor condition junction used by school buses, and the reconstruction and widening works to Miamup Road, at a cost of \$220,000. Miamup Road was handed to the City as a donated asset following a review of roads within the LGA boundaries; unfortunately a large section of this was immediately added to the priority single lane rural seals. These works were completed economically by combining them with reconstruction works to the adjoining Tom Cullity Rd.

During this time the City has also upgraded a large section of Carter Road for \$381,000. By sealing this previously unsealed road, the City has improved safety and reduced the whole of life costs to maintain this busy section of road.

The works undertaken to the priority narrow seals have also subsequently reduced the overall distance of narrow seal rural roads. The total will be reduced from eighty two kilometers (2013) down to around seventy one kilometers at the conclusion of the 2017/2018 financial year.

Chart 1 Overall Narrow Seal Roads Distance by Condition

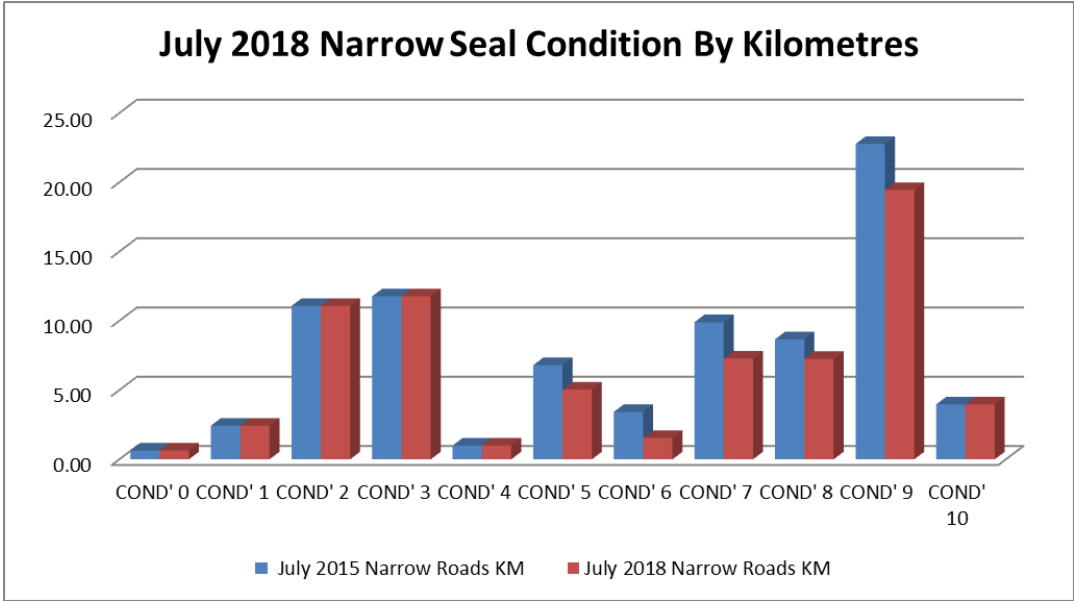


Chart 1 illustrates the spread of condition ratings and how they have reduced over time. As the chart shows, the reductions have occurred from condition five through to condition nine. In the normal course of events you would expect that the reductions would work from condition ten, nine and downwards, essentially reducing the worst condition first.

The scheduling of the works takes into account other factors in addition to condition. These factors include safety issues (mixed width seals, edge condition etc.), traffic (vehicles per day, school bus and heavy traffic routes etc.) and factors for tourism and network linkages. These factors will, from time to time, alter the priority over and above condition; however the end goal of reducing the total kilometers of narrow roads remains the same.

Also as noted above, as the program progresses there will be consideration for some roads to be returned to gravel or renewed in another manner that reflects their current usage or strategic importance.

Table 8 Narrow Roads Changes in Condition Ratings over Time

	COND' 0	COND' 1	COND' 2	COND' 3	COND' 4	COND' 5	COND' 6	COND' 7	COND' 8	COND' 9	COND' 10	Total
July 2015 Narrow Roads KM	0.64	2.43	11.08	11.77	1.00	6.80	3.42	9.90	8.66	22.77	3.967	82.44
July 2018 Narrow Roads KM	0.64	2.43	11.08	11.77	1.00	5.03	1.53	7.27	7.25	19.44	3.965	71.40
	0	0	0	0	0	-1.77	-1.89	-2.63	-1.41	-3.34	-0.002	-11.04
						Decrease	Decrease	Decrease	Decrease	Decrease	Decrease	Decrease

The largest reduction in condition rating has occurred in condition nine with 3.34km being renewed. The second highest was condition seven at 2.63km. The other reductions were spread amongst conditions eight, six and five.

Indicative delivery of the projects is as follows:

						2018/19 Forecast	2019/20 Forecast	2020/21 Forecast	2021/22 Forecast	2022/23 Forecast	2023/24 Forecast	2024/25 Forecast	2025/26 Forecast	2026/27 Forecast
36. Asset Management Plan - Roads Construction (Muni and Reserve)						3,290,000	3,402,000	3,518,800	3,640,000	3,870,000	3,910,000	3,955,000	4,000,000	4,120,000
		Annual resheets unsealed roads and shouldering				450,000	460,000	460,000	470,000	470,000	480,000	480,000	500,000	500,000
		Yoongarillup Rd (rural widening)				800,000	800,000	800,000						
		Sugarloaf rd (upgrade reconstruct)				700,000								
		North Jindong (rural widening)								780,000	800,000			
		Capel Tutenuup (rural widening)						800,000	500,000					
		Wonnerup South Rd (rural widening)										800,000	800,000	500,000
		Boallia Rd (rural widening)									1,000,000	800,000		
		Hairpin Rd (rural widening)							750,000	750,000				

COMMITTEE RECOMMENDATION AND OFFICER RECOMMENDATION

F1805/033

Moved Councillor J McCallum, seconded Councillor C Tarbotton

That the Council note the Asset Management Report for May 2018.

CARRIED 5/0

9.54am

At this time the Asset Coordinator left the meeting.

6.7 REPROGRAMMING OF CITY WORKS

SUBJECT INDEX:	Budget Planning & Reporting
STRATEGIC OBJECTIVE:	Governance systems, process and practices are responsible, ethical and transparent.
BUSINESS UNIT:	Engineering and Facilities Services
ACTIVITY UNIT:	Engineering & Works Services
REPORTING OFFICER:	Design and Survey Coordinator - Justin Smith
AUTHORISING OFFICER:	Director, Engineering and Works Services - Oliver Darby
VOTING REQUIREMENT:	Absolute Majority
ATTACHMENTS:	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 2017/2018 Municipal Budget on Wednesday, 26 July 2017 with a balanced Budget position.

Since this time Council has been advised of certain funding changes that have impacted the original Budget and Council is now being asked to consider Budget Amendments for the following Key Areas/Projects:

STATUTORY ENVIRONMENT

Section 6.8 of the Local Government Act 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

STRATEGIC COMMUNITY OBJECTIVES

This matter principally aligns with Key Goal Area 6 – 'Open and Collaborative 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

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

Consultation has occurred with the appropriate City of Busselton officers.

OFFICER COMMENT

A0022 Yallingup Beach Road Bridge 3347

This project is being undertaken by Main Roads WA who will not have completed the full project scope.

C1024 Dunsborough Road Access Improvements

Due to extensive consultation and increased project scope, the commencement date of this project has been delayed. There is a potential that this project may not be fully completed and invoiced prior to the end of the financial year.

C1513 Port Geographe Boat Trailer Parking Layout Redevelopment

This carpark project has been developed and is ready for staged construction. The delivery of this project internally prior to 30 June 2018 is not achievable primarily due to the allocation of resources to other capital projects.

C3044 Meelup Coastal Nodes

Works have been completed at the point Picquet carpark with no negative feedback being received. A preliminary design for the carpark on the opposite side of the roadway, being approximately 140m further north. The design utilised the existing area to negate the need for clearing and subsequent clearing permit application/vegetation impacts. The confines of this clearing limited the project to a small, one way in/out design which does not satisfy the desires of the Meelup Committee who seek an in-out arrangement. A subsequent preliminary design has been complete which yields less bays which will require further discussions to progress this to a deliverable project.

A preliminary design has been completed for the Gannet Rock carpark. This design has been presented to representatives from the South West Boojarah #2 WC2006/004 Native Title Claimant Group. The Group have supported the City's design subject to conditions. A Section 18 application is currently being prepared for this project to allow for future construction.

C3122 Rails to Trails

This project has been delayed primarily due to the complexity of the environmental approvals associated with the clearing and construction methodology. It is anticipated that works may commence shortly however it is unlikely that they will be fully achievable prior to the end of the financial year.

C3131 Elijah Circle Public Open Space

This project has been completed in line with the original scope. An additional shade structure and algae prevention technology to be provided.

C3146 Dunsborough Town Centre

Refer to comments provided at C1024 Dunsborough Road Access Improvements.

C3166 Vasse River Foreshore – Bridge to Bridge project Stage 1

The primary objective of this project is to enhance the conservation values of the land whilst providing managed access for pedestrians.

The path construction and bridge/boardwalk construction within the area identified as Aboriginal Heritage Site ID 16807 and Unallocated Crown Land is critical to the overall project. The support and approval from both the State Government and the South West Boojarah #2 WC2006/004 Native Title Claimant Group is required to progress this project in its current form. The support for the works in relation to the dealing with the Aboriginal Heritage Act component has not been forthcoming and is considered unlikely to be provided due to concerns with the potentially detrimental impacts of people walking dogs.

An alternative proposal is currently being prepared to achieve the primary objective with the support of the Aboriginal community and land tenure issue. Further weed control will be undertaken this financial year however this will not fully expend the budget allocation.

D0017 Chain Avenue

This project was to remove/relocate a Water Corporation drain which runs parallel to Chain Avenue which has been identified as an area of concern due to its proximity to the road edge.

The 1st stage of the State Black Spot funding, planned at undertaking the feature survey, preliminary design, land acquisition and fencing cannot be fully expended by the end of the financial year largely due to undertake the appropriate flood modelling and resolve the final asset ownership.

The Water Corporation have now listed the project for the 2018/19 budget with an intention to undertake the required items to address flood modelling, land tenure resolution and fencing which will result in the final asset being retained as the responsibility of the Water Corporation.

Due to the above it is requested to carry these funds into the 2018/19 financial year and include them with the 2nd stage.

D0019 Johnston Avenue

This project largely involves the replacement of a failed drainage system which has been in place for a significant time. The proximity of other services has impacted on the delivery timelines. The presence of Western Power infrastructure, namely power poles, immediately adjacent to the pipeline has necessitated the need for additional approvals. These approvals are yet to be received which will delay the project beyond the end of the financial year.

F0075 Armitage Drive Footpath

This footpath project links Navigation Way to Avocet Boulevard (Busselton Primary) and was proposed to be constructed on the Western side of the road. This proposal impacted on an Aboriginal heritage site (Site ID 767). Consultation with representatives of the South West Boojarah #2 WC2006/004 Native Title Claimant Group clarified that although supportive of the project there was a strong desire for construction on the opposite side of the road.

The opposite side would not require a Section 18 application under the Aboriginal Heritage Act as it would be outside of the heritage area. As part of the consultation for this project it was identified that the previously identified and recovered skeletal remains were not an intact skeleton, there is a potential that some skeletal remains are within the general area.

This would unfortunately have a greater impact on two (2) houses between Navigation Way and Jabiru Place as the verge area is steeper and has a large (non-native) tree which would require removal and the installation of a retaining wall.

Information has been sent to the property owners seeking comment on/support for this project. The Design & Survey Team are working to achieve a deliverable project which addresses the community needs whilst minimising impacts on residents and heritage. It is unlikely that this project will be delivered prior to the end of the financial year.

S0068 Georgiana Molloy Anglican School Bus Bay Facilities

This project has been subject to three (3) separate briefings to Council and several subsequent meetings the GMAS representatives and the City, including the Mayor.

A concept design has been agreed to in principal with notification to be sent to previous respondents and adjacent property owners in the near future. Co-funding agreement will need to be in-place prior to physical construction. GMAS have been advised that this project will not be carried over for the 2018/19 budget, should agreement not be reached the City intends to undertake partial construction.

Advice comment only.

T0084 & W0108 Yelverton Road

The physical construction has been completed with some minor works to be initialled prior to the closure of this project. The minor works include the installation of a road centreline, awaiting approval from Main Roads WA – (City to provide traffic volumes).

This project is currently shown at an under expenditure with an expectation of \$384,250 however the current commitments will need to be finalised. A critical part of this project is the inclusion of a second coat seal, usually 12 months after the initial seal, however this can be managed if conditions are favourable for an earlier application.

It is recommended to carry over \$150,000 from this project into the 2018/19 budget to allow for these works. Further to this, the distribution of \$100,000 to Dunsborough Road Access Improvements, \$50,000 to Marine Terrace, \$50,000 to Koorabin Drive and \$25,300 to Carter Road. The remaining allocation of \$8,950 is requested to be distributed in the 2018/19 budget for Miamup Road as a second coat seal.

W0136 DAIP Project

The projects focus for the 2017/18 budget is the construction of a beach access ramp at the Old Dunsborough Beach. Preliminary costs have been received with concerns with the Structural engineering being addressed. It is anticipated that these works will be completed prior to 30th June.

Advice comment only.

W0150 Roe Terrace

This project is within the aboriginal heritage area (Site ID 16807) however this section of the site is heavily disturbed. The Department of Planning, Lands and Heritage has been approached to ascertain if a Regulation 10 application will suffice in this instance. In the interim the material has been purchased and stockpiled offsite.

The City is currently working to secure a clearing permit for the Frederick Street, Roe Terrace area from the Department of Water and Environment Regulation (DWER). A response has been sent to DWER addressing their initial interpretation of the impacts (prepared by Strategen). It is likely that an additional spring survey will be required prior to securing this permit.

Advice comment only.

W0190 Valley Road

This project requires the completion of the Valley Road Drainage which has been delayed pending Aboriginal Heritage approval. The drainage project has been relisted for 2018/19 in line with an earlier council resolution.

W0204 Greenfields Road

Significant progress had been made towards securing the necessary approvals for the conversion to a one-way roadway had been made however as previously identified, no direction for this was provided by Council who previously instructed that the roadway be constructed as a two-way 'Mews' styled road.

It is unlikely that the consultation, approvals and works will be completed this financial year.

Summary

The following projects are likely to require their existing budget allocation (partly or in whole) to be carried over into the 2018/19 capital budget:

1. C0044 Meelup Coastal Nodes Carpark Upgrade;
2. C1513 Port Geographe Boat Trailer Parking Layout Redevelopment;
3. C3122 Rails To Trails;
4. D0019 Johnson Avenue Drainage Upgrade Stage 2;
5. C1024 Dunsborough Road Access Improvements;
6. C3146 Dunsborough Town Centre.

The following projects and remaining budgets are required to be relisted in the 2018/19 capital budget:

1. C3131 Elijah Circle POS;
2. A0022 Yallingup Beach Road Bridge 3347;
3. D0017 Chain Avenue Drainage;
4. F0075 Armitage Drive Footpath Navigation Way to Avocet Boulevard;
5. W0204 Greenfield Road (Loop) One Way Layout;
6. W0192 Valley Road.

Based on anticipated savings of \$384,250 from W0108 Yelverton Road within the 2017/18 capital budget, the following is requested:

1. Transfer of \$100,000 from W0108 Yelverton Road to C1024 Dunsborough Road Access Improvements;
2. Transfer of \$50,000 from W0108 Yelverton Road to W0019 Marine Terrace;
3. Transfer of \$50,000 from W0108 Yelverton Road to S0314 Koorabin Drive Reseal;
4. Transfer of \$25,300 from W0108 Yelverton Road to Carter Road Second Coat Seal (Cost Code To Be Confirmed);
5. Creation of a new project within the 2018/19 capital budget – Miamup Road Second Coat Seal \$8,950;
6. Creation of a new project within the 2018/19 capital budget – Yelverton Road Second Coat Seal \$150,000.

Based on anticipated savings from projects within the 2017/18 capital budget, the following is requested:

1. Creation of a new project within the 2018/19 capital budget – Tom Cullity Drive Second Coat Seal \$47,000;
2. Creation of a new project within the 2018/19 capital budget – Ford Road Asphalt Overlay \$244,187 (including \$39,013 CWKS).

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.

COMMITTEE RECOMMENDATION AND OFFICER RECOMMENDATION

F1805/034 Moved Councillor J McCallum, seconded Councillor C Tarbotton

ABSOLUTE MAJORITY DECISION OF COUNCIL REQUIRED

That the Finance Committee recommends to Council endorsement of the Requested Budget Amendments contained within this report, resulting in no change to an Amended Budgeted Surplus Position of \$0.

CARRIED 5/0

6.8 BUDGET AMENDMENT REQUEST - INTEREST ON R4R FUNDING BUSSELTON FORESHORE PROJECT

SUBJECT INDEX:	Budget Planning and Reporting
STRATEGIC OBJECTIVE:	Governance systems, process and practices are responsible, ethical and transparent.
BUSINESS UNIT:	Finance and Corporate Services
ACTIVITY UNIT:	Finance and Corporate Services
REPORTING OFFICER:	Manager Financial Services - Kim Dolzadelli
AUTHORISING OFFICER:	Director Finance and Corporate Services - Tony Nottle
VOTING REQUIREMENT:	Absolute Majority
ATTACHMENTS:	Attachment A City of Busselton Request for Use of Interest Accumulated⇒
	Attachment B Response from Department of Primary Industries and Regional Development⇒
	Attachment C Draft Agreement Variation⇒

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 2017/2018 Municipal Budget on Wednesday, 26 July 2017 with a balanced Budget position.

Since this time Council has been advised of certain funding changes that have impacted the original Budget and Council is now being asked to consider a Budget Amendment for the following Key Area/Project:

1. "BUSSELTON FORESHORE REDEVELOPMENT AND TOURISM ACCOMMODATION PRECINCT"

BACKGROUND

The City was previously successful in securing \$4,500,000 in funding for the Busselton Foreshore Redevelopment Tourism Accommodation Precinct Project, with the Financial Assistance Agreement signed 13 June 2016.

The City wrote to the Department of Primary Industries and Regional Development on 8 January 2018, (copy attached), requesting that the accumulated interest on the grant funds be attributed to further works within the project area. The request was for the City of Busselton to be allowed to utilise the accumulated interest towards a Toddler Play Space which is located centrally within the project area.

On the 21 March 2018 the Department of Primary Industries and Regional Development responded to the City of Busselton's request stating in part the following (copy attached):

"In light of significant pressures on the State Budget, the Department is unable to support the requested expenditure of interest on the playground facility.

Rather, as discussed when you met with the Minister for Regional Development on 3 February 2018, an alternate use for the interest is supported which would see funding provided to Busselton Jetty Incorporated's (BJI) proposal to construct a safe swimming area at Busselton Jetty.

The Minister for Regional Development has advised of her support for the provision of financial assistance subject to BJI being successful in their application for Building Better Regions funding. As such, and in order to help facilitate delivery, it is requested that the City of Busselton grant \$50,000 of the interest accrued on the Busselton Foreshore Redevelopment project to BJI."

The response from the Department further stated:

"The remaining interest earned on the Busselton Foreshore Redevelopment project will need to be returned to the State to assist with budget repair"

Further to the above, City officers have spoken with the Department and it is evident that should the City of Busselton not agree to facilitating granting \$50,000 of the interest accrued on the Busselton Foreshore Redevelopment project to BJI, all interest will be required to be returned to the State Government.

The City has since received, 1 May 2018, a Draft Agreement Variation (copy attached) which will allow the City of Busselton to grant BJI \$50,000 from accrued interest, subject to BJI being successful in their application for funding through the Federal Government's Building Better Regions Fund (BBRF) made in December 2017. If BJI are unsuccessful in their application all accrued interest is required to be returned to the State Government.

The officer notes that the 2017/2018 Municipal Budget included \$80,000 for the "Old Busselton Lighthouse" project which was to be funded utilising portion of the accrued interest from the "Busselton Foreshore Redevelopment project"; it is further noted that this project has been included in the Draft 2018/2019 Municipal Budget with alternative funding sources.

PLANNED EXPENDITURE ITEMS

It is proposed that Council grant BJI \$50,000 from accrued interest, subject to BJI being successful in their application for funding through the Federal Government's Building Better Regions Fund (BBRF) made in December 2017.

As at 1 May 2018 the amount of \$102,888 has been accrued in interest on the project, meaning \$52,888 will need to be returned to the State of Western Australia. If BJI are unsuccessful in their application all accrued interest is required to be returned to the State Government.

Officers propose that the 2017/2018 Adopted Budget be amended to reflect the following funding changes, shown in Table 1.

Table 1:

<i>Cost Code</i>	<i>Description</i>	Current Budget	Change	Proposed Amended Budget
Revenue				
Equity Transfer	Restricted Asset – Interest On Government Grants	(80,000)	(22,888)	(102,888)
Expenditure				
B9600	Old Busselton Lighthouse	80,000	(80,000)	0
Grant/Donations	Busselton Jetty Incorporated	0	50,000	50,000
Reimbursement	State of Western Australia – Balance of accumulated Interest Busselton Foreshore Redevelopment Tourism Accommodation Precinct Project	0	52,888	52,888
	Net Total	0	0	0

PROPOSED OUTCOME

In granting BJI \$50,000 from accrued interest, the City of Busselton will be able to redirect funds within the general foreshore precinct, albeit not for the purpose the City had first envisaged.

In the event that BJI are successful in their application the amount of \$52,888 will need to be returned to the State of Western Australia; if unsuccessful in their application all accrued interest is required to be returned to the State Government.

STATUTORY ENVIRONMENT

Section 6.8 of the Local Government Act 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

N/A

STRATEGIC COMMUNITY OBJECTIVES

This matter principally aligns with Key Goal Area 6 – 'Open and Collaborative 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

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

Consultation has occurred with the appropriate City of Busselton officers.

OFFICER COMMENT

The Officer commends the requested Budget Amendment to the Finance Committee for consideration and recommendation to Council.

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, this would result in all accrued interest is required to be returned to the State Government, which would total (as at 1 May 2018) \$102,888.

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 and the Draft Agreement Variation being progressed.

COMMITTEE RECOMMENDATION AND OFFICER RECOMMENDATION

F1805/035 Moved Councillor R Reekie, seconded Councillor R Bennett

ABSOLUTE MAJORITY DECISION OF COUNCIL REQUIRED

That Council endorse the requested Budget amendments as per table 1 contained within this report, resulting in no change to an amended budgeted surplus position of \$0.

CARRIED 5/0

10.14am At this time the Manager Operations Services, Manager Engineering and Technical Services and Design and Survey Coordinator left the meeting.

6.3 BUDGET AMENDMENT REQUEST

SUBJECT INDEX:	Budget Planning and Reporting
STRATEGIC OBJECTIVE:	Governance systems, process and practices are responsible, ethical and transparent.
BUSINESS UNIT:	Finance and Corporate Services
ACTIVITY UNIT:	Finance and Corporate Services
REPORTING OFFICER:	Manager Financial Services - Kim Dolzadelli
AUTHORISING OFFICER:	Director Finance and Corporate Services - Tony Nottle
VOTING REQUIREMENT:	Absolute Majority
ATTACHMENTS:	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 2017/2018 Municipal Budget on Wednesday, 26 July 2017 with a balanced Budget position.

Since this time Council has been advised of certain funding changes that have impacted the original Budget and Council is now being asked to consider Budget Amendments for the following Key Areas/Projects:

1. "Purchase of Hangar Buildings – Busselton Margaret River Airport"

BACKGROUND

At its meeting held 28 March 2018 Council consider Item 17.1 with respect to "PURCHASE OF HANGAR BUILDINGS: BUSSELTON MARGARET RIVER AIRPORT". The purpose of the item was for Council to consider a proposed agreement for the purchase of two hangar buildings and continuing lease arrangements for those buildings between the City of Busselton and hangar owners (and their members) at the Busselton-Margaret River Airport.

The following decision of Council was carried by Absolute Majority:

"COUNCIL DECISION AND AMENDED OFFICER RECOMMENDATION

C1803/066 *Moved Councillor P Carter, seconded Deputy Mayor McCallum*

ABSOLUTE MAJORITY DECISION OF COUNCIL REQUIRED

That the Council:

- 1. Authorises the Chief Executive Officer to enter into a contract to purchase the Hangar Building from Busselton Hangar Owners Pty Ltd as trustee for the Busselton Hangar Owners' Unit Trust up to the figure outlined in the officers report on page 6;*
- 2. Authorises the Chief Executive Officer to enter into a contract to purchase the Hangar Building from Geographe Hangar Owners' Group Inc up to the figure outlined in the officers report on page 6;*

3. *Authorises the Chief Executive Officer to advertise an intended disposition of the disposition of land by way of lease as outlined in this report and invite public submissions in accordance with Section 3.58(3) of the Local Government Act 1995;*
4. *Delegates to the Chief Executive Officer the power and authority to consider submissions received pursuant to resolution 3 and, subject to not receiving any adverse submissions, to discharge of the Council's duties under Section 3.58(3) and to complete the land exchange contract;*
5. *The transaction be subject to a budget amendment report following the purchases being finalised; and*
6. *Delegates the CEO the power and authority to vary the existing leases to allow an extension of the BHO and GHO leases on a monthly basis until 31 March 2019 at the latest.*

CARRIED 9/0"

In accordance with point "5." of the above resolution a formal Budget Amendment is now being sought.

PLANNED EXPENDITURE ITEMS

Purchase of two hangar buildings.

Officers propose that the 2017/2018 Adopted Budget be amended to reflect the following funding changes, shown in Table 1.

Table 1:

<i>Cost Code</i>	<i>Description</i>	Current Budget	Change	Proposed Amended Budget
Revenue				
Reserve Transfer	Airport Reserve	0	-550,000	-550,000
Expenditure				
341-B9718-3125-0000	Airport Hangar Purchases	0	550,000	550,000
	Net Total	0	0	0

PROPOSED OUTCOME

Formal Amendment to Budget for the purchase of two hangar buildings.

2. "Be Connected: Activation Grant"

BACKGROUND

The City was successful in receiving \$3,000 in grant funding from Good Things Foundation to help fund the Libraries' Be Connected Digital Literacy Program for seniors. In 2017/18 the City will receive two up-front payments of \$1,500, one each for Busselton and Dunsborough Libraries. Funding will be received in May 2018. These grants have a contract start date of 1st May 2018 and will run for 10 months, with acquittal 28th February 2019.

PLANNED EXPENDITURE ITEMS

Per library, \$500 will be expended in May 2018. The remaining \$1,000 per library will be expended in 2018/19, spread evenly over the period July to December 2018.

The 2018/2019 Expenditure items will be carried forward into the 2018/2019 Budget.

The following amendments shown below in Table 2 are being sought for approval.

Table 2:

<i>Cost Code</i>	<i>Description</i>	Current Budget	Change	Proposed Amended Budget
Expenditure				
233-10380-3280-9821	Busselton Library – Contractors (including Staff)	6,000	1,500	7,500
233-10381-3280-9821	Dunsborough Library - Contractors (including Staff)	0	1,500	1,500
233-10380--9821	Busselton Library - Grant Funding	0	-1,500	-1,500
233-10381-1239-9821	Dunsborough Library - Grant Funding	0	-1,500	-1,500
	Net Total	6,000	0	6,000

PROPOSED OUTCOME

Be Connected is an Australian Government initiative aimed at increasing the confidence, skills and online safety of older Australians in using digital technology. With our libraries offering an increasing range of services and resources online and with more and more government services moving online, many seniors are missing out on the benefits of the digital world. This grant will assist our libraries to offer one-on-one and small group training to older Australians who have minimal or no engagement with digital technology, with an aim of increasing functional levels of digital inclusion within our community.

3. “Marketing and Events Reference Group Outcomes”

BACKGROUND

At its meeting held 28 March 2018 Council consider Item 13.5 with respect to “MARKETING AND EVENTS REFERENCE GROUP OUTCOMES”. The purpose of the item was for Council to consider Recommendations of the Marketing and Events Reference Group (MERG) was held on Wednesday 22 November 2017.

The following decision of Council was carried by Absolute Majority:

“COUNCIL DECISION AND OFFICER RECOMMENDATION

C1712/001 Moved Councillor P Carter, seconded Deputy Mayor J McCallum

ABSOLUTE MAJORITY DECISION OF COUNCIL REQUIRED

That Council;

1. As part of Round 2 of the Events Sponsorship Programme endorses the funding allocation towards the following events to be funded from the 2017/2018 Differential Rate Events Budget:

Event	Requested	Officer Recommendation
Yallingup Malibu Classic	2017/18 \$3,000	2017/18 \$2,500
	2018/19 \$3,000	2018/19 \$2,250
	2019/20 \$3,000	2019/20 \$2,000

<i>South West Yoga Fest</i>	<i>2017/18 \$5,000</i>	<i>2017/18 \$2,000</i>
<i>Taj's Small Fries Yallingup</i>	<i>2017/18 \$15,000</i> <i>2018/19 \$15,000</i> <i>2019/20 \$15,000</i>	<i>2017/18 \$10,000</i> <i>2018/19 \$9,000</i> <i>2019/20 \$8,000</i>
<i>Busselton Junior Open Tennis</i>	<i>2017/18 \$3,000</i>	<i>2017/18 \$1,500</i>
<i>Busselton Open Tennis</i>	<i>2017/18 \$3,000</i>	<i>2017/18 \$1,500</i>
<i>Busselton Pride</i>	<i>2017/18 \$3,000</i> <i>(+ \$500 in-kind traffic management)</i>	<i>2017/18 \$2,000</i> <i>(+ \$500 in-kind traffic management)</i>
<i>Yalambi Show Jumping Classic</i>	<i>2017/18 \$8,000</i>	<i>2017/18 \$2,000</i>
<i>Wheelbite 2018</i>	<i>2017/18 \$3,500</i> <i>2018/19 \$3,500</i> <i>2019/20 \$3,500</i>	<i>2017/18 \$3,000</i> <i>2018/19 \$2,750</i> <i>2019/20 \$2,500</i>
<i>British Auto Classic</i>	<i>2017/18 \$500</i>	<i>2017/18 \$0*</i>
<i>Undalup Djeran Youth Week Event</i>	<i>2017/18 \$8,000</i>	<i>2017/18 \$3,000</i>
<i>West Cape Classic Car Rally</i>	<i>2017/18 \$5,000</i>	<i>2017/18 \$0</i>
<i>Margaret River Readers & Writers Festival (Busselton events)</i>	<i>2017/18 \$10,000</i>	<i>2017/18 \$5,000</i>
<i>Cabin Fever 2018</i>	<i>2018/19 \$10,000</i>	<i>2018/19 \$10,000</i>
TOTALS	<i>2017/18 \$67,500</i> <i>2018/19 \$31,500</i> <i>2019/20 \$21,500</i>	<i>2017/18 \$33,000</i> <i>2018/19 \$24,000</i> <i>2019/20 \$12,500</i>

2. As part of Round 2 of the Events Sponsorship Programme endorses the funding allocation towards the following events to be funded from the 2017/18 Municipal Events Budget:

Event	Requested	Officer Recommendation
<i>Busselton Fringe Festival</i>	<i>2017/18 \$10,000</i> <i>2018/19 \$20,000</i>	<i>2017/18 \$10,000</i> <i>2018/19 \$20,000</i>
<i>Busselton Youth & Community Activities Building Opening Event</i>	<i>2017/18 \$10,000</i>	<i>2017/18 \$10,000</i>
TOTALS	<i>2017/18 \$20,000</i> <i>2018/19 \$20,000</i>	<i>2017/18 \$20,000</i> <i>2018/19 \$20,000</i>

3. As part of the Events Sponsorship Programme endorses the funding allocation towards the following events to be funded from the 2017/18 Differential Rates Marketing Budget:

<i>Event</i>	<i>Requested</i>	<i>Officer Recommendation</i>
<i>SuperFoiler Grand Prix</i>	<i>2017/18 \$50,000</i>	<i>2017/18 \$45,000 (cash) \$5,000 (in kind)</i>
<i>Busselton Fringe Festival</i>	<i>2017/18 \$10,000</i>	<i>2017/18 \$10,000</i>
TOTALS	2017/18 \$60,000	2017/18 \$55,000 (cash) \$5,000 (in kind)

4. *Endorses the re-allocation of \$5,000 funding previously allocated to Port Geographe Aquatic Sports to the Geographe Bay Yacht Club, for the running of the 2018 Geographe Bay Race Week.*
5. *Allocates up to \$75k cash towards See Picture's Go Karts film proposal to be funded from the 2017/18 Differential Rates Marketing Budget and up to \$50k in-kind support to be funded from existing in-kind event budget allocations contained within the 2017/18 adopted budget.*

CARRIED 8/0

Reason: The City has received a proposal from See Pictures for a film production to be based in Busselton. The proposal was tabled at a special meeting of the City's Marketing and Events Reference Group where unanimous support was provided to fund the film based on the Officer recommendation. The use of marketing funds generated from the Differential Rates budget was seen as an effective way in which the City of Busselton can be promoted potentially to an international market."

PLANNED EXPENDITURE ITEMS

To give effect to resolution above a formal Budget Amendment is now being sought, with the following amendments shown below in Table 3 are being sought for approval.

Table 3:

<i>Cost Code</i>	<i>Description</i>	<i>Current Budget</i>	<i>Change</i>	<i>Proposed Amended Budget</i>
Expenditure				
541-10556-3280	EWS – Go Karts Film Project	0	50,000	50,000
333-10530-3623	Comm. Services Administration Marketing & Promotion	0	130,000	130,000
333-10530-3641	Comm. Services Administration Events Sponsorship (Muni)	0	20,000	20,000
Revenue				
Transfer to Reserve	Airport Marketing Reserve	-300,000	200,000	-100,000
	Net Total	-300,000	400,000	100,000

PROPOSED OUTCOME

To give effect to resolution above resolution a formal Budget Amendment is now being sought.

4. GLC Gym Equipment Leases

BACKGROUND

In December 2014 Geographe Leisure Centre (GLC) was extended and the gym was relocated into a purpose built much larger area at the front of the centre. The relocation of the gym included a fit out of fixtures, audio and some extra fitness equipment over the next 15 months.

This equipment and fit out was procured by entering into 3 separate lease agreements with All Leasing. The below table illustrates the details of each of the 3 lease agreements together with the current termination costs as well as the current cost to buy out some minor pieces of equipment and items that will not be returned at the end of the lease periods.

Lease	Description	Start Date	End Date	Termination cost (ex GST)	Equipment buyout cost (ex GST)
E6N0157842	Main Cardio & Some Loaded Pin Equipment	3/12/2014	1/01/2019	\$14,438.54	N/A
E6N0158174	Strength - Mainly Plates, Bars and other Light Free Weight Equipment	10/03/2015	1/07/2020	\$5,537.84	\$1,865.45
E6N0158066	Fit out of Mirrors, Flooring and Audio Equipment & some Cardio	6/02/2015	1/04/2020	\$32,838.37	\$1,775.37

Cardiovascular equipment (e.g. treadmills, bikes, cross trainers) particularly with the amount of usage at GLC typically last between 4 and 5 years before the cost of maintenance and machines out of order due to maintenance increases dramatically. As technology improves the functionality and customer expectations increase and machines 4 to 5 years old are now somewhat outdated. The current equipment at GLC is now over four (4) years old and some pieces of cardio equipment are currently continuously out of order and in need of repair. Constantly out of order and outdated equipment leads to customer dissatisfaction along with increased maintenance costs and inhibits our ability to attract and retain members.

The GLC net operating position to the end of March is \$250,534 below budget due to well performing revenue streams totalling approximately \$110,988 above budget of which \$98,914 is from memberships revenue. Well controlled expenses are currently at \$139,546 below budget. This net operating position is likely to decrease with the commencement of some plant maintenance and some equipment purchases and the unbudgeted effect of the outdoor pool closure. We are expecting our EOFY closing position to still be significantly below budget estimated at between \$60k and \$80k below forecast net operating.

The current membership revenue performance is as a result of the introduction and implementation of a systemised sales process, sales and lead tracking and more recently a focus on retention however out of service and out dated gym equipment has the ability to compromise this performance into the future in an increasingly competitive market.

PLANNED EXPENDITURE ITEMS

Payout the 3 leases at a total cost of \$52,814.75. All of the cardio equipment and some pin loaded machines on lease will be returned and a number of items will be retained such as the flooring, mirrors, audio equipment and minor weights equipment at a payout cost of \$3,640.82. Total planned expenditure will be \$56,455.57.

This action will enable the GLC to increase retention levels, maintain customer satisfaction levels, and keep up with the competition in a competitive market leading to increased membership revenue and a more sustainable centre.

The following amendments shown below in Table 4 are being sought for approval.

Table 4:

<i>Cost Code</i>	<i>Description</i>	Current Budget	Change	Proposed Amended Budget
Expenditure				
336-10591-3381	GLC - Lease of Equipment	60,750	56,500	117,250
Revenue				
336-10591-1641	GLC – Membership Income	-627,001	-56,500	-683,501
	Net Total	566,251	0	566,251

PROPOSED OUTCOME

Installing new up to date fully functional gym equipment with a service/maintenance plan will assist the GLC in the attraction of new members and the retention of existing members. It will align the centres leasing arrangements and assist the centre achieve projected budget for the 2018/19 Financial Year and future years.

STATUTORY ENVIRONMENT

Section 6.8 of the Local Government Act 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

N/A

STRATEGIC COMMUNITY OBJECTIVES

This matter principally aligns with Key Goal Area 6 – 'Open and Collaborative 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

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

Consultation has occurred with the appropriate City of Busselton officers.

OFFICER COMMENT

The Officer commends the requested Budget Amendment to the Finance Committee for consideration and recommendation to Council.

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.

- 10:19am At this time Director of Finance and Corporate Services left the meeting.
- 10:22am At this time Director of Finance and Corporate Services returned to the meeting.
- 10.23am At this time Recreation Facilities Coordinator left the meeting.

COMMITTEE RECOMMENDATION AND OFFICER RECOMMENDATION

F1805/036 Moved Councillor J McCallum, seconded Councillor R Bennett

ABSOLUTE MAJORITY DECISION OF COUNCIL REQUIRED

That Council endorse the Requested Budget Amendments contained within this report, resulting in no change to an Amended Budgeted Surplus Position of \$0.

CARRIED 5/0

6.1 FINANCIAL ACTIVITY STATEMENTS - PERIOD ENDING 30 APRIL 2018

SUBJECT INDEX:	Budget Planning and Reporting
STRATEGIC OBJECTIVE:	Governance systems, process and practices are responsible, ethical and transparent.
BUSINESS UNIT:	Finance and Corporate Services
ACTIVITY UNIT:	Financial Services
REPORTING OFFICER:	Manager Financial Services - Kim Dolzadelli
AUTHORISING OFFICER:	Director Finance and Corporate Services - Tony Nottle
VOTING REQUIREMENT:	Simple Majority
ATTACHMENTS:	Attachment A Statement of Financial Activity - Period Ending 30 April 2018⇒ Attachment B Investment Report - Period Ending 30 April 2018⇒

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 30 April 2018.

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 26 July 2017, the Council adopted (C1707/163) the following material variance reporting threshold for the 2017/18 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 2017/18 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 Local Government Act and Regulation 34 of the Local Government (Financial Management) Regulations detail the form and manner in which a local government is to prepare financial activity statements.

RELEVANT PLANS AND POLICIES

Not applicable.

FINANCIAL IMPLICATIONS

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

Long-term Financial Plan Implications

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

STRATEGIC COMMUNITY OBJECTIVES

This matter principally aligns with Key Goal Area 6 – ‘Open and Collaborative 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

Not applicable

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 30 April 2018

The Statement of Financial Activity for the period ending 30 April 2018 shows a better than expected Net Current Position "Surplus" of \$14.24M being \$27.75M more than Year to Date Budget.

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

	2017/2018 Actual	2017/2018 Amended Budget YTD	2017/2018 Amended Budget	2017/18 YTD Bud Variance	2017/18 YTD Bud Variance
Revenue from Ordinary Activities	64,610,237	63,202,572	66,421,049	2.23%	1,407,665
Expenses from Ordinary Activities	(54,745,726)	(57,365,943)	(68,674,825)	4.57%	2,620,217
Non-Operating Grants, Subsidies and Contributions	12,868,526	21,488,948	43,655,339	-40.12%	(8,620,422)
Profit on Asset Disposals	48,793	16,100	22,400	203.06%	32,693
Loss on Asset Disposals	(640,882)	(5,250)	(6,252)	12107.28%	(635,632)
Capital Revenue & (Expenditure)					
Land & Buildings	(3,781,813)	(14,675,002)	(16,636,693)	74.23%	10,893,189
Plant & Equipment	(1,486,504)	(4,102,820)	(4,279,400)	63.77%	2,616,316
Furniture & Equipment	(441,989)	(763,581)	(830,212)	42.12%	321,592
Infrastructure	(34,306,344)	(48,316,044)	(60,684,321)	29.00%	14,009,700
Proceeds from Sale of Assets	297,911	612,850	635,150	-51.39%	(314,939)
Proceeds from New Loans	6,960,000	10,110,000	10,110,000	-31.16%	(3,150,000)
Advances to Community Groups	(110,000)	(260,000)	(260,000)	57.69%	150,000
Transfer to Restricted Assets	(2,393,927)	(513,501)	(625,751)	-366.20%	(1,880,426)
Transfer from Restricted Assets	17,701,712	15,354,556	27,808,739	15.29%	2,347,156
Transfer to Reserves	(10,598,281)	(13,372,783)	(16,285,572)	20.75%	2,774,502
Transfer from Reserves	4,185,307	1,146,659	19,921,964	265.00%	3,038,648

Operating Revenue:

Revenue from ordinary activities is \$1.4M more than expected when compared to Year to Date (YTD) Budget with the following items meeting the material variance reporting threshold set by Council for the 2017/2018 Financial Year.

	2017/2018 Actual	2017/2018 Amended Budget YTD	2017/2018 Amended Budget	2017/18 YTD Bud Variance	2017/18 YTD Bud Variance
	\$	\$	\$	%	\$
Revenue from Ordinary Activities					
Operating Grants, Subsidies and Contributions	2,967,528	2,436,807	3,637,258	21.78%	530,721
Other Revenue	449,274	328,755	426,167	36.66%	120,519
Interest Earnings	2,134,655	1,885,830	2,262,996	13.19%	248,825

The items predominately impacting the above “Operating Grants, Subsidies and Contributions” is Busselton Jetty contributions of \$383K which is offset with YTD Actual spend on Contractors, Financial Services – Insurance Recovered \$50K which is offset by insurance claim expenses, Environmental Management Operating Grants and Subsidies \$51k which is offset by increased project expenditure and Airport Operation Operating Grant for the Airline Engagement Project of \$57K which is offset with project expenditure.

The items predominately impacting the above “Other Revenue” performance is Sale of Scrap Materials \$104K.

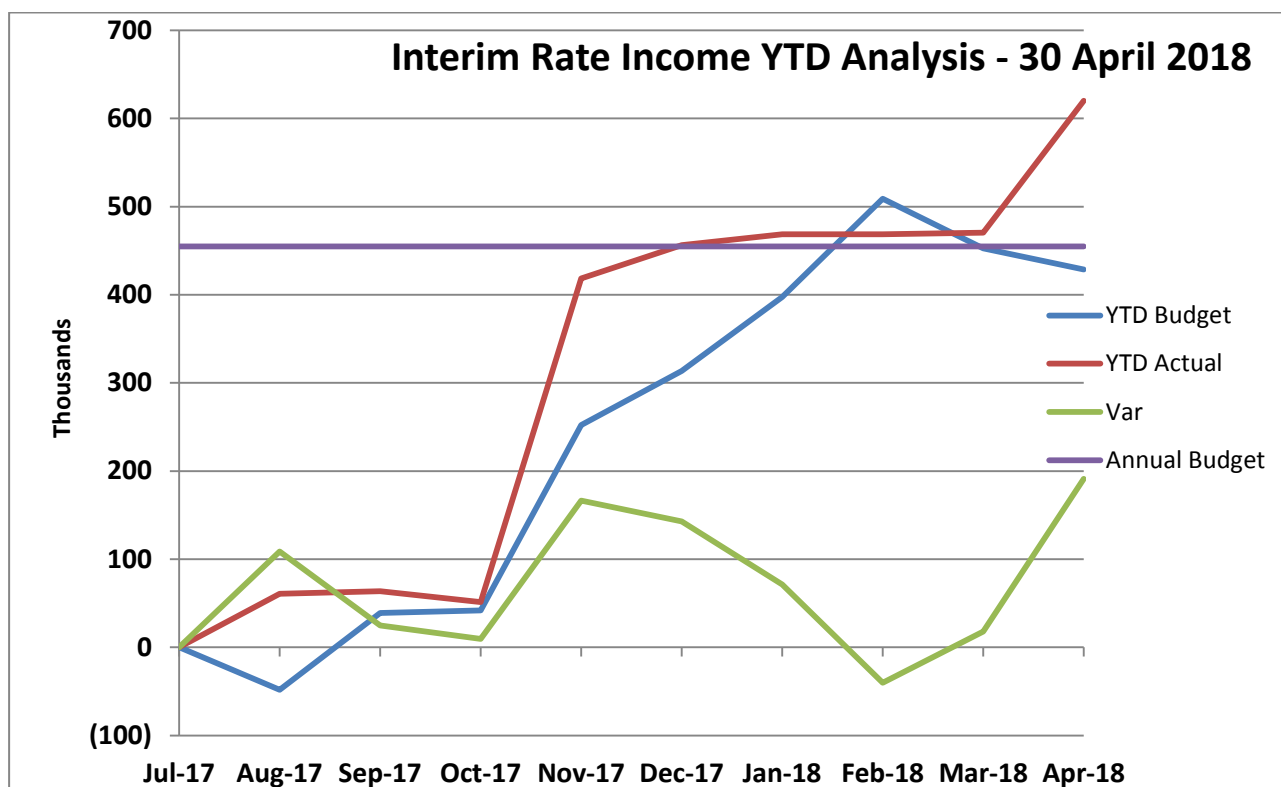
Interest earnings on Reserves and Restricted funds are currently ahead of YTD Budget in the amount of \$305k with \$101k in Rate Instalment and Late Payment interest currently ahead of YTD Budget, Rate Instalment interest is a timing difference only and it is also expect that Interest earnings on Reserves and Restricted funds will reduce in the coming months as funds are further drawn down to finance Capital projects contained within the City’s 2017/2018 Budget.

Interest on Municipal Funds are behind YTD Budget by the amount of \$158k and it is expected that this variation will become a permanent variation; this will however be offset with other positive Revenue outcomes.

The Officer notes that the above positive performance of “Operating Grants and Subsidies“, “Other Revenue” and “Interest Earnings” is added to by a positive collective performance of \$507K for Rates, and Fees and Charges; these items fall below the Material Variance reporting thresholds. These variations are considered to be that of a timing difference with the exception of Rate Revenue (\$202K) which is expected to be a permanent variation.

Interim Rates:

Officers continue to monitor Interim Rating Income levels and present the following information noting that the YTD Budget has already been achieved;



Operating Expenditure:

Expenditure from ordinary activities, excluding depreciation, is \$2.26M less than expected when compared to Year to Date (YTD) Budget with the following items meeting the material variance reporting threshold set by Council for the 2017/2018 Financial Year.

	2017/2018 Actual	2017/2018 Amended Budget YTD	2017/2018 Amended Budget	2017/18 YTD Bud Variance	2017/18 YTD Bud Variance
	\$	\$	\$	%	\$
Expenses from Ordinary Activities					
Materials & Contracts	(11,921,643)	(13,964,471)	(16,914,999)	14.63%	2,042,828
Allocations	1,398,541	1,595,436	1,996,270	12.34%	(196,895)

Materials and Contracts:

The main items affected are listed below, at this stage these variances are considered to be that of a timing nature:

Cost Code	Cost Code Description / GL Activity	Variance YTD
Finance and Corporate Services		
10100	Finance & Corporate Services Support	● 25,751
10250	Information & Communication Technology Services	● 116,660
10251	Business Systems	● 172,027
10500	Legal and Compliance Services	● 31,515
10521	Human Resources & Payroll	● 24,717
Community and Commercial Services		
10591	Geographe Leisure Centre	● 74,461
10600	Busselton Jetty Tourist Park	● 67,358
10635	Regional Centres Program	● 100,000
10900	Cultural Planning	● 53,787
11151	Airport Operations	● (58,974)
Planning and Development Services		
10500	Legal and Compliance Services	● 31,515
10820	Strategic Planning	● 151,512
10830	Environmental Management Administration	● 82,286
10850	Implement Management Plans Other	● 54,035
11170	Meelup Regional Park	● 81,515
Engineering and Works Services		
11101	Engineering Services Administration	● 112,467
11106	Street Lighting Installations	● 79,096
11108	Rural Intersection (Lighting) Compliance	● 37,500
11160	Busselton Jetty	● 451,887
12620	Rural-Tree Pruning	● 27,489
Various	Bridge Maintenance	● 60,506
Various	Building Maintenance	● 191,496
C8500	Cycleways Maintenance Busselton	● (28,404)
Various	Waste Operations	● 416,807
Various	Road Maintenance	● (244,863) **
Various	Reserve Maintenance	● (374,466) **
5280	Transport - Fleet Management	● 106,026

Note: ** These items are offset by savings in employee costs.

Allocations:

Allocations are running \$197k under YTD Budget; these items are an internal allocation of administrative costs from the Finance and Corporate Services division.

The Officer further notes that the above combined performance of “Materials and Contracts” and “Allocations” is added to by a positive collective performance of \$1.13M for Employee Costs, Utilities, Insurances and Other Expenditure.

Non-Operating Grants, Subsidies and Contributions:

Non-Operating Grants, Subsidies and Contributions are less than YTD Budget by \$8.62M with the main item impacting on the above result is the timing of the receipt of “Airport Development - Project Grant” with a current negative result of \$8.38M; this is a timing difference in nature and effectively Municipal Funds are currently being utilised to offset the level of current expenditure for this project.

Other items impacting Non-Operating Grants, Subsidies and Contributions are as follows:

Cost Code	Cost Code Description	Variance YTD
<u>Finance and Corporate Services</u>		
10239	Contributions (Revenue) Prog 11	● (124,042)
10240	Contributions (Revenue) Prog 12	● 45,392
<u>Community and Commercial Services</u>		
10900	Cultural Planning	● 32,246
C6097	Airport Construction Stage 1B, Jet Fuel	● (220,830)
C6099	Airport Development - Project Expenses	● (8,376,293)
<u>Planning and Development Services</u>		
B1023	Vasse Bushfire Brigade	● 503,968
B1029	Busselton Branch SES	● 49,194
<u>Engineering and Works Services</u>		
B9517	GLC - Pool Relining	● 32,000
B9999	Donated Buildings	● 180,000
C1513	Port Geographe Boat Trailer Parking Layout Redevelopment	● (85,875)
C2512	Sand Re-Nourishment	● (45,830)
F1019	Busselton Bypass - Country Road Footpath	● (42,388)
F1020	College Avenue Shared Path	● (114,000)
S0049	Layman Road	● (83,330)
S0064	Peel Terrace	● (336,670)
S0066	Queen Street	● (73,330)
S0068	Georgiana Molloy Bus Bay Facilities	● (120,000)
T0079	Patton Terrace - Asphalt Overlay	● (57,519)
T0080	Craig Street - Asphalt Overlay	● 73,330
T0084	Yelverton Road- Rural reconstruction & widening	● 98,274

Capital Expenditure

As at 30 April 2018, there is a variance of -41.03% or -\$27.48M in total capital expenditure with YTD Actual at -\$40.01M against a YTD Budget of -\$67.86M; with the table below showing those categories exceeding the 10% material variance threshold. The Airport Development makes up for \$12.24M or 44% of the overall variance which also assists in explaining the above current YTD shortfall in Non-Operating Grants.

Other items impacting Capital Expenditure are as follows:

	Description	2017/18 Budget YTD Variance
	Land	
10610	Property Services Administration	● (50,000)
10970	Parking Control	● (1,525,000)
11156	Airport Development	● 38,114
R0780	Dunsborough - Commonage Road Oval	● (1,600,000)
	Major Project - Administration Building	
B9010	Civic and Administration Centre Construction	● (78,174)
	Buildings (Other)	
B9112	Ambergate Bushfire Brigade Shed	● (102,610)
B9517	GLC - Pool Relining	● (254,739)
B9528	GLC - Plant Room	● (92,513)
B9591	Performing Arts Convention Centre	● (75,000)
B9716	Airport Terminal Stage 2	● (7,050,501)
B9804	Bsn Jetty Tourist Park Home	● (111,036)
	Plant & Equipment	
10100	Finance & Corporate Services Support	● 49,161
10502	Community & Commercial Services Support	● (50,000)
10591	Geographe Leisure Centre	● 36,308
11401	Transport - Workshop	● (43,278)
11402	Plant Purchases (P10)	● (1,364,944)
11403	Plant Purchases (P11)	● (42,997)
11404	Plant Purchases (P12)	● (1,181,497)
	Furniture & Office Equipment	
10251	Business Systems	● (114,151)
B1000	Administration Building- 2-16 Southern Drive	● (83,250)
B1361	YCAB (Youth Precinct Foreshore)	● (35,091)
	Major Project - Busselton Foreshore	
C3094	Busselton Foreshore - Stage 3	● 263,875
C3113	Busselton Tennis Club - Infrastructure	● (1,783,552)
C3150	Busselton Foreshore Stage 3: Toddler's Playground	● (101,681)
C3168	Busselton Foreshore Jetty Precinct	● (748,164)
C3173	Barnard Park Pavillion Landscaping	● 60,235
	Major Project - Administration Building	
C0043	Administration Building Carpark	● (100,995)

	Description	2017/18 Budget YTD Variance
	Footpaths Construction	
F0063	Yallingup Footpath	
F0066	Bussell Highway Footpath Sections	● (324,850)
F0074	Milward Street – Ford Road to Cookworthy Street	● (45,280)
F0075	Armitage Drive Footpath - Navigation Way to Avocet Boulevard	● (37,261)
	Drainage Construction - Street	
D0017	Chain Avenue - Drainage Works	● (44,902)
D0019	Johnston Avenue Drainage Upgrade - Stage 2	● (83,621)
	Car Parking Construction	
C0044	Meelup Coastal Nodes - Carpark upgrade	● (58,899)
	Bridges Construction	
A0010	Queen Street Bridge 0240A	● 48,000
	Cycleways Construction	
F1019	Busselton Bypass - Country Road Footpath	● (155,133)
F1020	College Avenue Shared Path	● (132,883)
	Townscape Construction	
C1001	Queen Street Upgrade - Duchess to Kent Street	● (101,780)
C1024	Dunsborough Road Access Improvements Stage 1	● (480,109)
	Boat Ramps Construction	
C1513	Port Geographe Boat Trailer Parking Layout Redevelopment	● (92,204)

	Description	2017/18 Budget YTD Variance
	<u>Parks, Gardens & Reserves</u>	
C3122	Rails to Trails	● (99,235)
C3134	Vasse Community & Recreation Precinct - AFL Oval Stage 1	● (37,619)
C3145	Churchill Park	● (57,958)
C3146	Dunsborough Town Centre	● (73,977)
C3154	Administration Building Landscaping Works	● 191,193
C3157	Port Geographe - Layman Road Native Tree Planting	● (29,070)
C3159	Port Geographe - Burgee Cove (Western Side of Bridge)	● (78,803)
C3160	Port Geographe - Reticulated POS at Layman Rd R/About	● (207,603)
C3163	Port Geographe - Outstanding Minor Repairs	● (25,100)
C3164	Port Geographe - Reticulation Upgrade Scheme to Bore Water	● (279,450)
C3165	Foreshore - Irrigation Renewal	● (50,148)
C3166	Vasse River Foreshore - Bridge to Bridge project Stage 1	● (60,193)
C3167	Advanced Bore Monitoring Equipment	● (83,330)
	<u>Sanitation Infrastructure</u>	
C3479	New Cell Development	● (487,424)
C3481	Transfer Station Development	● (26,967)
C3485	Site Rehabilitation - Busselton	● (603,964)
	<u>Airport Development</u>	
C6087	Airport Construction Stage 2, Landside Civils & Services Inf	● (4,054,804)
C6091	Airport Construction Stage 2, Noise Management Plan	● (303,729)
C6092	Airport Construction Stage 2, Airfield	● 1,689,676
C6095	Airport Construction Stage 2, External Services	● (1,758,562)
C6097	Airport Construction Stage 1B, Jet Fuel	● (512,500)
C6099	Airport Development - Project Expenses	● (284,729)
	<u>Main Roads</u>	
S0035	Strelly Street	● (82,944)
S0064	Peel Terrace	● (802,914)
S0066	Queen Street	● (165,012)
S0067	Layman Road - Reconstruction Between 3250 and 6190	● (162,474)
S0068	Georgiana Molloy Bus Bay Facilities	● (198,510)
S0314	Koorabin Drive - Reseal	● (150,255)
	<u>Roads to Recovery</u>	
T0079	Patton Terrace - Asphalt Overlay	● (63,025)
T0080	Craig Street - Asphalt Overlay	● 68,662
T0084	Yelverton Road- Rural reconstruction & widening	● 48,764

	Description	2017/18 Budget YTD Variance
	Black Spot	
V0002	Busselton/Dunsborough Traffic Implementation Works	● (490,000)
	Council Roads Initiative	
W0019	Marine Terrace	● (264,416)
W0108	Yelverton Road	● (250,323)
W0137	Edwards Road	● (127,278)
W0176	Signage (Alternate CBD Entry)	● (47,605)
W0192	Valley Road	● (39,030)
W0204	Greenfield Road (Loop) - One way layout	● (45,578)

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

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 30th April 2018, the value of the City's invested funds totalled \$77.64M, down from \$79.87M as at 31st March. The decrease is attributed to the use of funds on the Airport Redevelopment Project and for general operating purposes.

During the month of April five term deposits held with three different institutions totalling \$16.0M matured. All were renewed for a further 109 days at 2.50% (on average).

Additionally two deposit held with two institutions totalling \$7.0M in Airport Redevelopment Funds matured. Funds totalling \$4.5M were withdrawn and amount of \$2.5M was reinvested for a period of 61 days at a rate of 2.1%. An amount of \$1.0M was repurposed in a funding source exchange necessitated by Investment Policy 218 exposure limit restrictions. The Funds withdrawn are required to meet ongoing Airport project expenses. The remaining funds were only reinvested for a short period as they are likely needed in a time frame shorter than the normal reinvestment period.

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 \$2.25M with the funds being required for operational purposes. The balance of the Airport Development ANZ cash account increased by \$4.51M, as funds were transferred in from the closed fixed term deposits. The RBA left official rates on hold during April and May. Future movements remain uncertain at this point, although the next movement is likely to be up.

Chief Executive Officer – Corporate Credit Card

Details of monthly (March-April) 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.

Date	Amount	Payee	Description
26-Mar-18	\$161.60	Citadines	Mayor Accommodation Heritage Awards
09-Apr-18	\$413.00	The Manna Hahndorf	Accommodation LGCOG EAA Meeting C Lombard

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

+ Allocated against CEO Hospitality Expenses Allowance

CONCLUSION

As at 30 April 2018, the City's financial performance is considered satisfactory.

COMMITTEE RECOMMENDATION AND OFFICER RECOMMENDATION

F1805/037

Moved Councillor C Tarbotton , seconded Councillor J McCallum

That the Council receives the statutory financial activity statement reports for the period ending 30 April 2018, pursuant to Regulation 34(4) of the Local Government (Financial Management) Regulations.

CARRIED 5/0

6.2 LIST OF PAYMENTS MADE APRIL 2018

SUBJECT INDEX:	Financial Operations
STRATEGIC OBJECTIVE:	Governance systems, process and practices are responsible, ethical and transparent.
BUSINESS UNIT:	Finance and Corporate Services
ACTIVITY UNIT:	Financial Services
REPORTING OFFICER:	Manager Financial Services - Kim Dolzadelli
AUTHORISING OFFICER:	Director Finance and Corporate Services - Tony Nottle
VOTING REQUIREMENT:	Simple Majority
ATTACHMENTS:	Attachment A List of Payments - Period Ended 30 April 2018⇒

PRÉCIS

This report provides details of payments made from the City's bank accounts for the month of April 2018, for noting by the Council and recording in the Council Minutes.

BACKGROUND

The Local Government (Financial Management) 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 Local Government (Financial Management) Regulations; refer to the requirement for a listing of payments made each month to be presented to the Council.

RELEVANT PLANS AND POLICIES

NA.

FINANCIAL IMPLICATIONS

NA.

Long-term Financial Plan Implications

STRATEGIC COMMUNITY OBJECTIVES

NA.

RISK ASSESSMENT

NA.

CONSULTATION

NA.

OFFICER COMMENT

In accordance with regular custom, the list of payments made for the month of April 2018 is presented for information.

CONCLUSION

NA.

OPTIONS

NA.

TIMELINE FOR IMPLEMENTATION OF OFFICER RECOMMENDATION

NA.

10:44am At this time the CEO left the meeting.

10:45am At this time the CEO returned to the meeting.

COMMITTEE RECOMMENDATION AND OFFICER RECOMMENDATION

F1805/038 Moved Councillor R Reekie, seconded Councillor J McCallum

That the Council notes payment of voucher numbers M115499 – M115634, EF057960 – EF058530 T007390 – T007392, and DD003432 – DD003452; together totalling \$7,380,197.09.

CARRIED 5/0

6.4 APPLICATION FOR EXEMPTION FROM RATING - LAMP INCORPORATED

SUBJECT INDEX:	Exemptions and Appeals (Rates)
STRATEGIC OBJECTIVE:	Governance systems, process and practices are responsible, ethical and transparent.
BUSINESS UNIT:	Financial Services
ACTIVITY UNIT:	Rates
REPORTING OFFICER:	Rates Coordinator - David Whitfield
AUTHORISING OFFICER:	Director Finance and Corporate Services - Tony Nottle
VOTING REQUIREMENT:	Simple Majority
ATTACHMENTS:	Nil

PRÉCIS

An application for an exemption for rating has been received from Lamp Incorporated. On the basis of the application this report recommends that the request for exemption be granted.

BACKGROUND

The Lamp Incorporated organisation is a not for profit/charitable group using their leased premises at 226 Bussell Highway West Busselton for the purposes of delivering psychological group support, one on one counselling, youth outreach and in-home services for people suffering from mental health issues.

The Annual Information Statement 2017 as lodged with the Australian Charities and Not for Profits Commission (ACNC) details the organisations activities and outcomes as:

“A community support service for people with Mental Health issues, their families and carers. Lamp activities cover a diverse range of community settings including supporting people with severe and persistent mental illness to live independently, to live in their homes, provide education, training and advocacy for carers and families, work with youth in crisis, self-harm and suicide prevention, homelessness, indigenous and family mental health support, work with school and juvenile justice systems providing early intervention for young people at risk. Lamp works with an individualised recovery model and the supports services it offers allows people with mental illness to optimise their lifestyle choices and become active and welcome members of communities.”

Documentation provided as part of the application includes:

- Application for Rate Exemption (Standard Application Form)
- Constitution and Rules for Lamp Inc
- Australian Charities and Not for Profits Commission (ACNC) Registration Summary
- ACNC Annual Information Statement 2017
- Australian Tax Office Notice of Endorsement for Charity Tax Concessions
- Lamp Inc Financial Report Year Ending 30 June 2017

Principal funding is provided by grants through such organisations as:

- Disability Services Commission
- Department of Child Protection
- Mental Health Commission
- Department of Health D2D Living Community Program
- Department of Social Services

STATUTORY ENVIRONMENT

Section 6.26 of the Local Government Act 1995 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

NA.

FINANCIAL IMPLICATIONS

The rates levied for 226 Bussell Hwy, West Busselton, totalled \$3,572 for the 2017/18 financial year. Approving the application for rate exemption from the date of application (28th March 2018) would equate to a reduction of approximately \$900 for 2017/2018 period, and the loss of the full years equivalent in future years.

Long-term Financial Plan Implications

As per the above, noting the amount to be forgone, this will not have a significant implication on the City’s Long Term Financial Plan.

STRATEGIC COMMUNITY OBJECTIVES

This matter principally aligns with Key Goal Area 6 – ‘Open and Collaborative Leadership’ and more specifically Community Objective 6.3 – ‘An organisation that is managed effectively and achieves positive outcomes for the community’.

RISK ASSESSMENT

There are no risks identified of a medium or greater level associated with the Officers recommendation. If Council chose to not approve the application for rate exemption there is a risk that it may be required to defend its decision if the matter were to be appealed by the applicant to the State Administrative Tribunal and, potentially as a result, incurring legal costs.

CONSULTATION

NA.

OFFICER COMMENT

In accordance with Section 6.26 (2) (g) of the Local Government Act, which states that land is not rateable if it is land used exclusively for charitable purposes, the application need only be considered in two parts – these being firstly; is the use itself “charitable”?, and secondly if the use is considered to indeed be charitable then; is the property being used exclusively for such use?

In considering the first part i.e. is the operations of Lamp Incorporated considered to be a charitable use, legal opinions have been consistent in defining a charitable purpose; as follows:

“The expression “charitable purposes” may be satisfied if the land is exclusively for one of the following purposes:

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

The services provided by Lamp Incorporated are, apart from a small once off membership fee of \$60.00 for insurance purposes, provided free of charge and the provision of those services to those suffering from mental health issues within the community would meet the requirements of the legal definition #4 "other purposes beneficial to the community".

In considering the second part i.e. 'is the property being exclusively used for a charitable purpose' then firstly, it is recognised that the property is being leased by Lamp Incorporated from the Department of Housing. This is a common situation for a number of charitable organisations both here in the City of Busselton and with other local governments in WA. Legal advice has previously confirmed that this does not jeopardise the application with respect to exemption from rating.

Further, at this point attention is drawn to the findings of a 2002 Land Valuation Tribunal hearing (Southern Cross Aged Care Inc v The City of Fremantle) in which the following was stated:

"11. The statutory provision (Section 6.26 (2) (g) - Local Government Act 1995) does not make it necessary to decide by whom the use of the land is made. The question is for what purpose is the land used.

12. Accordingly the correct approach when determining exemption applications is to focus upon the actual use of the land. In other words whether a use is charitable will depend on essentially upon the nature of the activities that are being conducted upon the land in question."

The property has been inspected and together with the application documentation is confirmed as being solely being used by Lamp Incorporated for purposes related to providing services for mental health. In this light the property is being used exclusively for a charitable purpose.

In terms of the current usage of the property there are no known compliance issues.

Should this application for exemption from rating be successful, the applicant will subsequently be advised that if the usage of the property should alter such that the requirements for eligibility for rate exemption are no longer met, then the rate exemption will be cancelled and rates and charges will become applicable from the date of such change.

CONCLUSION

The details provided by Lamp Incorporated, including application documentation and an onsite inspection, together with reference to previous legal advice and similar rate exemption applications to Council, it is considered that the use of the property located at 226 Bussell Highway West Busselton by Lamp Incorporated is an exclusive charitable use.

OPTIONS

The Council may decline the application for rate exemption on the basis that it considers that Lamp Incorporated is not providing a charitable purpose to the community or that such charitable use is not considered an exclusive use of the property.

Should the application be declined for either of the above reasons Lamp Incorporated has the option to appeal the matter via the State Administrative Tribunal. This action result will require Council to defend its position and may incur further legal costs as a result.

TIMELINE FOR IMPLEMENTATION OF OFFICER RECOMMENDATION

The proposed effective date for the commencement of the exemption from rating, if approved, would be the lodgement date of the application, being 28th March 2018.

COMMITTEE RECOMMENDATION AND OFFICER RECOMMENDATION

F1805/039 Moved Councillor J McCallum, seconded Councillor C Tarbotton

That the Council in accordance with Section 6.26 (2)(g) of the Local Government Act 1995 declare 226 Bussell Hwy, West Busselton, as leased by the Lamp Incorporation be declared exempt from rating on the basis that the property is used exclusively for a charitable purpose, with the effective date being the date of application, namely, 28th March 2018.

CARRIED 5/0

6.5 DONATIONS/CONTRIBUTIONS AND SUBSIDIES FUND - APRIL 2018

SUBJECT INDEX:	Donations/Contributions
STRATEGIC OBJECTIVE:	Governance systems, process and practices are responsible, ethical and transparent.
BUSINESS UNIT:	Governance Services
ACTIVITY UNIT:	Governance Services
REPORTING OFFICER:	Executive Assistant to Council - Katie Banks Community Development Officer - Naomi Davey
AUTHORISING OFFICER:	Chief Executive Officer - Mike Archer
VOTING REQUIREMENT:	Simple Majority
ATTACHMENTS:	Nil

PRÉCIS

This report provides an overview of the Donations and Contributions that have been allocated that is considered of relevance to members of the Finance Committee, and also the Council.

FINANCIAL IMPLICATIONS

The annual budget allowance for the Donations, Contributions and Subsidies Fund (Sponsorship Fund) is \$40,000.

- Total expenditure prior to this report is \$18,099.94
- Current Balance Available is \$21,900.06
- In April 2018 there were 6 applications received for sponsorship totaling \$2,240.10
- The balance available for future donations is \$19,659.96

App. No.	Recipient	Purpose	Amount
77/1718	South West Cycle Club for Delirium 24 Hour Rd Race	Seeking funds to assist with covering the extra costs associated with traffic management as the closure of Marine Tce was recommended following the 2017 event. In its 3 rd year of being held in Busselton, the race receives strong participation from Busselton cyclists and is a very popular event on the WA cycling calendar. The event was held at Barnard Park and members of the public were encouraged to participate as onlookers.	\$750.00
78/1718	Paige Newhill (Tennis Coach for Dunsborough Tennis Club)	Seeking financial assistance to cover the cost of accommodation required for tennis students competing in the CBH Country Championships in Mt Lawley 27-29 April 2018. The application was not supported due to not meeting the funding guidelines i.e. a formal selection process is not applicable for the event.	\$0.00

App. No.	Recipient	Purpose	Amount
79/1718	Tuart Forest Restoration Group	Seeking funds to assist with covering costs associated with organising the Ludlow Settlement Centenary Celebration to be held on 13 May 2018. Funding was provided to cover the cost of banners to promote the event. Entry to the event is free of charge, being held at the Ludlow settlement, located within the Busselton and Capel boundaries.	\$340.00
80/1718	Zonta Club of Dunsborough	Seeking funds to cover the cost of venue hire to host the Bridge Day Fundraiser being held on 23 June 2018 at the St Georges Family Centre. The competition is open to the public. Funds raised from the event are divided between Zonta's Ignite Program and Scholarships of Excellence for Year 11 girls from the 5 high schools within the municipality (\$500 per student).	\$426.50
81/1718	Dunsborough and District ANZAC Service (Organised by Brian Linaker & Phil Gifford)	Seeking funds to cover the cost of hiring a PA system for the community ANZAC Day service which now attracts over 1000 attendees.	\$523.60
82/1718	Maddison Johnston-Walker	Selected to represent WA at the Georgina Hope National Swimming Championships in Sydney 21-28 April 2018. Funds to assist with associated travel expenses.	\$200.00

COMMITTEE RECOMMENDATION AND OFFICER RECOMMENDATION

F1805/040

Moved Councillor R Bennett, seconded Councillor R Reekie

That the donations and sponsorships for the month of April 2018 be noted.

CARRIED 5/0

8. CONFIDENTIAL REPORTS

The reports listed below are of a confidential nature, in accordance with section 5.23(2) of the Local Government Act 1995. These reports have been provided to Councillors, the Chief Executive Officer and Directors only.

8.1 PROCUREMENT IN RELATION TO SHAPE MANAGEMENT

SUBJECT INDEX:	Procurement
STRATEGIC OBJECTIVE:	Governance systems, process and practices are responsible, ethical and transparent.
BUSINESS UNIT:	Finance and Corporate Services
ACTIVITY UNIT:	Legal Services
REPORTING OFFICER:	Director Finance and Corporate Services - Tony Nottle
AUTHORISING OFFICER:	Chief Executive Officer - Mike Archer
VOTING REQUIREMENT:	Simple Majority
ATTACHMENTS:	Nil

This item is confidential in accordance with section 5.23(2) (c) of the Local Government Act 1995, as it contains information relating to a contract entered into, or which may be entered into, by the local government and which relates to a matter to be discussed at the meeting.

COMMITTEE RECOMMENDATION AND OFFICER RECOMMENDATION

F1805/041 Moved Councillor C Tarbotton , seconded Councillor J McCallum

That the Finance Committee notes the information contained in this item.

CARRIED 5/0

7. GENERAL DISCUSSION ITEMS

Long Term Financial Plan – Three New Proposed Reserve Accounts

A report will be provided to the Finance Committee in June 2018 to establish new Reserve Accounts proposed in the Long Term Financial Plan and transfer funds out of potential 2017/18 Budget surplus. Councillors were in agreement to consider the matter.

Holiday Home Differential Rating

A briefing will be provided to all Councillors on Wednesday 23 May 2018 to discuss further.

8. NEXT MEETING DATE

Thursday, 21 June 2018

9. CLOSURE

The meeting closed at 11.28am.

THESE MINUTES CONSISTING OF PAGES 1 TO 57 WERE CONFIRMED AS A TRUE AND CORRECT RECORD ON TUESDAY, 25 DECEMBER 2018.

DATE: _____ PRESIDING MEMBER: _____