

MINUTES

Special Council Meeting

13 July 2015

To: The Mayor and Councillors

Here within are the Minutes of the Special Council meeting held on Monday 13 July 2015 in City of South Perth Council Chamber, Corner Sandgate Street and South Terrace, South Perth.



CLIFF FREWING
CHIEF EXECUTIVE OFFICER

17 July 2015



Our Guiding Values

Trust

Honesty and integrity

Respect

Acceptance and tolerance

Understanding

Caring and empathy

Teamwork

Leadership and commitment

Disclaimer

The City of South Perth disclaims any liability for any loss arising from any person or body relying on any statement, discussion, recommendation or decision made during this meeting.

Where an application for an approval, a licence or the like is discussed or determined during this meeting, the City warns that neither the applicant, nor any other person or body, should rely upon that discussion or determination until written notice of either an approval and the conditions which relate to it, or the refusal of the application has been issued by the City.

Further Information

The following information is available on the City's website.

- **Council Meeting Schedule**

Ordinary Council Meetings are held at 7.00pm in the Council Chamber at the South Perth Civic Centre on the fourth Tuesday of every month between February and November. Members of the public are encouraged to attend open meetings.

- **Minutes and Agendas**

As part of our commitment to transparent decision making, the City makes documents relating to meetings of Council and its Committees available to the public.

- **Meet Your Council**

The City of South Perth covers an area of around 19.9km² divided into four wards. Each ward is represented by two Councillors, presided over by a popularly elected Mayor. Councillor profiles provide contact details for each Elected Member.

www.southperth.wa.gov.au/Our-Council/

Contents

| | |
|---|-----------|
| 1. DECLARATION OF OPENING | 4 |
| 2. ANNOUNCEMENTS FROM THE PRESIDING MEMBER | 4 |
| 2.1 AUDIO RECORDING OF THE COUNCIL MEETING | 4 |
| 3. ATTENDANCE | 4 |
| 3.1 APOLOGIES | 5 |
| 3.2 APPROVED LEAVE OF ABSENCE | 5 |
| 4. DECLARATIONS OF INTEREST | 5 |
| 5. DEPUTATIONS | 5 |
| 6. PUBLIC QUESTION TIME | 5 |
| 7. REPORTS | 6 |
| 7.6 STRATEGIC DIRECTION 6: GOVERNANCE, ADVOCACY AND CORPORATE MANAGEMENT | 6 |
| 7.6.1 Review of the Strategic Community Plan and Corporate Business Plan | 6 |
| 7.6.2 Adoption of the 2015/2016 Annual Budget | 12 |
| 8. MEETING CLOSED TO PUBLIC | 26 |
| 8.1 MATTERS FOR WHICH THE MEETING MAY BE CLOSED | 26 |
| 8.1.1 Review of the Metropolitan Central Joint Development Assessment Panel decision (DAP/14/00542) - Proposed Dan Murphy's Liquor Store Como | 26 |
| 9. OTHER BUSINESS | 28 |
| 10. CLOSURE | 28 |
| 11. RECORD OF VOTING | 29 |
| DISCLAIMER | 31 |

Special Council Meeting - Minutes

Minutes of the Special Council Meeting held in City of South Perth Council Chamber, Cnr Sandgate Street and South Terrace, South Perth at 6.00pm on Monday 13 July 2015.

1. DECLARATION OF OPENING

The Presiding Member opened the meeting at 6.02pm and welcomed everyone in attendance. She then acknowledged we are meeting on the lands of the Noongar/Bibbulmun people and that we honour them as the traditional custodians of this land.

2. ANNOUNCEMENTS FROM THE PRESIDING MEMBER

2.1 AUDIO RECORDING OF THE COUNCIL MEETING

The Presiding Member requested that all electronic devices be turned off or on to silent. She then reported that the meeting is being audio recorded in accordance with Council Policy P673 'Audio Recording of Council Meetings' and Clause 6.15 of the Standing Orders Local Law 2007 which states:

"A person is not to use any electronic, visual or vocal recording device or instrument to record the proceedings of the Council without the permission of the Presiding Member"

The Presiding Member then gave her permission for the Administration to record proceedings of the Council meeting.

3. ATTENDANCE

Mayor S Doherty (Presiding Member)

Councillors

| | |
|-----------------------|----------------------------|
| C Cala | Manning Ward |
| S Hawkins-Zeeb | Manning Ward (from 6.10pm) |
| G Cridland | Como Ward (from 6.18pm) |
| V Lawrance, JP | Como Ward |
| M Huston | Mill Point Ward |
| C Irons | Mill Point Ward |
| K Trent, OAM, RFD, JP | Moresby Ward |

Officers

| | |
|------------|--|
| C Frewing | Chief Executive Officer |
| M Kent | Director Financial and Information Services |
| M Taylor | Director Infrastructure Services (from 6.10pm) |
| P McQue | Manager Governance and Administration |
| D Gray | Manager Financial Services |
| R Kapur | Manager of Development Services |
| A Albrecht | Executive Support Officer |

Gallery

There were 2 members of the public and no members of the press present.

3.1 APOLOGIES

V Lummer Director Development and Community Services

3.2 APPROVED LEAVE OF ABSENCE

F Reid Moresby Ward

4. DECLARATIONS OF INTEREST

Conflicts of Interest are dealt with in the *Local Government Act, Rules of Conduct Regulations* and the *Administration Regulations* as well as the *City's Code of Conduct 2008*. Members must declare to the Presiding Member any potential conflict of interest they have in a matter on the Council Agenda.

The Presiding Member noted that no Declarations of Interest had been received.

5. DEPUTATIONS

6. PUBLIC QUESTION TIME

The Presiding Member stated that public question time is operated in accordance with *Local Government Act Regulations*. She said that questions are to be in writing and questions received prior to this meeting would be answered tonight, if possible, or alternatively may be taken on notice. Questions received in advance of the meeting would be dealt with first.

The Presiding Member then opened Public Question Time at 6.06pm.

There being no questions the Presiding Member closed Public Question Time at 6.06pm.

7. REPORTS

7.6 STRATEGIC DIRECTION 6: GOVERNANCE, ADVOCACY AND CORPORATE MANAGEMENT

7.6.1 Review of the Strategic Community Plan and Corporate Business Plan

| | |
|----------------------|--|
| Location: | City of South Perth |
| Ward: | Not Applicable |
| Applicant: | Council |
| File Ref: | D-15-43238 |
| Date: | 13 July 2015 |
| Author: | Cathryn McMurray, Corporate Project Officer |
| Reporting Officer: | Phil McQue, Manager Governance and Administration |
| Strategic Direction: | Governance, Advocacy and Corporate Management -- Ensure that the City has the organisational capacity, advocacy and governance framework and systems to deliver the priorities identified in the Strategic Community Plan |
| Council Strategy: | 6.2 Develop and maintain a robust Integrated Planning and Reporting Framework comprising a 10-year financial plan, four-year corporate plan, workforce plan and asset management plan. |

Summary

This report seeks Council adoption of revisions to the Strategic Community Plan 2013-2023, the Corporate Business Plan 2013-2017 and Council Policy P691 'Australian Business Excellence Framework'.

Officer Recommendation AND COUNCIL DECISION

Moved: Councillor C Cala
Seconded: Councillor V Lawrance

That Council:

1. note the revisions to the Strategic Community Plan as outlined in **Attachment (a)**;
2. adopt the revised Strategic Community Plan 2015-2025 as provided in **Attachment (b)**;
3. extend the Corporate Business Plan to cover the period 2015-2019;
4. note the revisions proposed to the Corporate Business Plan as outlined in **Attachment (c)**;
5. adopt the revised Corporate Business Plan 2015-2019 as provided in **Attachment (d)**;
6. adopt the new sections proposed to the Corporate Business Plan as outlined in **Attachment (e)**;
7. adopt the revised Australian Business Excellence Framework Council Policy P691 as outlined in **Attachment (f)**;

CARRIED (6/0)

Background

In accordance with the Local Government Act 1995 (the Act) and the Local Government (Administration) Regulations 1996, the City of South Perth (City) has developed an Integrated Planning and Reporting Framework (IPRF). The objective of this framework is to have a stronger focus on place shaping and wellbeing with an increased level of community engagement.

The Strategic Community Plan (SCP) 2013–2023 is the overarching plan to guide the Council over the next 10 years. The Plan is broad with a long-term focus and strong emphasis on the community's aspirations, priorities and vision for the future. The Strategic Plan informs our Long Term Financial Plan (LTFP) 2013-2023.

The Corporate Business Plan (CBP) 2013-2017 is the City's 4 year project and service delivery plan. First adopted by Council in March 2013, it is aligned to the City's SCP, translating the strategic direction at an operational level.

The Local Government Regulations require that the CBP is reviewed annually and submitted to Council for adoption. The Department of Local Government and Communities (the Department) also suggests that a desk-top review of the SCP be undertaken every two years, and a full review and renewed visioning process be conducted every four years. This ensures that community priorities and aspirations are kept up to date and remain relevant.

The Long Term Financial Plan (LTFP) is a 10 year plan that assists in aligning our community aspirations, strategic intent and organisational capacity and guides our approach to delivering infrastructure and services to the community in a financially sustainable and affordable manner. The LTFP has also been reviewed and was presented to Council at a Concept Briefing held 27 May 2015. It will be submitted to Council for adoption at the August 2015 Ordinary Council Meeting.

Strategic Community Plan 2013-2023:

Major Review

Section 19C (4) of the Local Government (Administration) Regulations 1996 (see Policy and Legislative Implications) requires the City to undertake a major review of the SCP at least once every 4 years. This review is not due until 2017.

The review will require the City to undertake extensive community engagement and consultation to ensure the SCP remains representative of the community's priorities and aspirations. It is anticipated that these community engagement activities (including: workshops, surveys and consultation on the revised SCP) will be undertaken during the first half of 2016/2017. Approximately \$80-\$100K in funding will be sought in the 2016/2017 budget to undertake these activities.

Minor Review

Department Guidelines suggest that a minor, desktop review of the SCP be undertaken after 2 years of the plan being introduced. This minor review is now due.

During March to May 2015, feedback was sought from Councillors and relevant City officers on the possible modifications needed to the plan. These changes are minor in nature. Extensive community consultation was undertaken in the preparation of SCP, and it would not be appropriate for substantive changes to be made to this plan without further consultation.

Attachment (a) provides a summary of the proposed changes. Section 19C (7) of the *Local Government (Administration) Regulations 1996* (see Policy and Legislative Implications) stipulates that Council determination is required to adopt any modifications to a SCP. It is proposed that the revised SCP be adopted by Council (**Attachment (b)** refers).

Corporate Business Plan 2013-2017

Section 19DA of the *Local Government (Administration) Regulations 1996* (see Policy and Legislative Implications) requires the City to have in place a 4 year CBP, and for this plan to be reviewed annually. This review has now been completed.

Full details of all proposed changes have been provided (**Attachment (c)** refers). The attachment is intended for reference purposes only. All changes are classified and grouped according to the action required: deletions, additions and wording revisions. The timelines of all strategic initiatives have also been reviewed and updated where necessary.

'Completed' and 'new' initiatives

Table 1 below provides a summary of projects and initiatives that have now been completed.

Table 1 – Summary of Completed Initiatives from the Corporate Business Plan 2013-2017

| | |
|---------------------------------|--|
| 1.1.6 Animal Care Facility | The City's new Animal Care Facility was officially opened by the Minister of Local Government and Communities in December 2014. |
| 2.5.1 Sir James Mitchell Park | The South Perth Foreshore Strategy and Management Plan was adopted by Council in October 2014, and approved by the Swan River Trust in May 2015. |
| 3.3.3 Car Parking | Scheme Amendment No. 30 and draft Policy 315 were both considered by Council. Amendment No. 30 was finally gazetted and on 12 September 2014 became operational. At the May 2013 Council meeting, the related Policy P315 was adopted. |
| 3.3.4 Sustainable Design | Following the community consultation period, the Environmentally Sustainable Building Design policy, along with a draft planning policy to replace the existing P350.01 were adopted by Council on 26 August 2014. |
| 4.5.1 Civic Triangle | In July 2014, the City sold the Civic Triangle Site to Finbar Group Limited for further development. Final settlement occurred on 11 September 2014. On 7 November 2014, the City hosted a Civic Triangle cocktail reception with key stakeholders at the Perth Zoo to celebrate the sale of the Civic Triangle. |
| 6.3.1 Mobile Agenda and Minutes | In February 2014, the City moved to mobile agendas and minutes following Council adoption of policy P680 in December 2013. |
| 6.5.2 Local Government Reform | The City withdrew from the Local Government Reform Program following the results of the community poll held 7 February 2015. A Reform Program Closure Report was received by Council in April 2015. |

7.6.1 Review of the Strategic Community Plan and Corporate Business Plan

Table 2 below provides a summary of new projects and initiatives to be incorporated into the CBP.

Table 2 – Summary of New Corporate Business Plan Initiatives

| | |
|--------|--|
| 1.1.4 | Infrastructure Services Maintenance Programs |
| 1.3.10 | Community/Public Art |
| 1.4.1 | George Burnett Leisure Centre Redevelopment |
| 2.1.3 | Collier Park Golf Course – Biodiversity |
| 2.2.4 | Water Sensitive Urban Design |
| 2.4.2 | Proposed South Perth Rail Station Precinct – Streetscape Master Plan |
| 2.4.3 | Developer Contribution Plan |
| 2.5.1 | Kwinana Freeway Foreshore |
| 2.5.2 | Foreshore Management Plans |
| 2.6.1 | Independent peer review of the Local Heritage Inventory |
| 2.6.2 | Heritage Protection Instruments |
| 2.7.1 | Waste Education |
| 2.7.2 | Waste Management Plan |
| 3.1.2 | New Town Planning Scheme |
| 5.2.3 | Parking Strategy |
| 5.4.2 | Perth Water Foreshore |
| 6.1.8 | Digital Services |
| 6.1.9 | Financial Reporting and Property Database Solution |
| 6.1.10 | Enterprise Bargaining Agreement |
| 6.2.2 | Strategic Community Plan – Community Consultation |

Extension of the Corporate Business Plan to 2019

The City's current plan expires in 2017. City officers sought advice from the Department which made the recommendation to extend the CBP each time it is reviewed to ensure that it always covers a 4 year period. On the basis of this advice, officers propose that the CBP cover the period 2015-2019.

During May and June 2015, all responsible officers were invited to provide comments and suggestions for modifications and additions to their respective initiatives. This included consideration of projects/initiatives occurring in the 2017/2018 and 2018/2019 business years that align with the SCP and LTFP. From this list, all responsible officers developed new CBP strategic initiatives and the associated actions for inclusion in the revised CBP (**Attachment (d)** refers).

It is proposed that Council adopt the revised CBP 2015-2019 (**Attachment (d)** refers).

Inclusion of Financial Data

In September 2014, the Department reviewed and provided feedback on the City's CBP. The Department made the recommendation for the City to include additional financial information in the plan detailing the City's revenue streams and service delivery expenditure.

In response to this feedback, officers have drafted two new sections to the CBP (**Attachment (e)** refers). The first provides high level information of the City's finances, and provides a summary of the City's income and expenditure over the next four years. The second provides high level information on the City's services, delineated by Directorate (all figures may be subject to change upon finalisation of the LTFP and Annual Budget).

Australian Business Excellence Framework

The IPRF is consistent with the principles of the Australian Business Excellence Framework (ABEF) – of which the City is also a user (Council Policy P691 refers). Both frameworks are intended to facilitate good practice and continuous improvement. As part of the review of the SCP and the CBP, officers have also reviewed the Council Policy to ensure alignment. The ABEF is a tool that continues to evolve, and the categories and principles that make up the framework are revised on a regular basis. The Council Policy P691 has been updated to reflect the most recent amendments to the ABEF (**Attachment (f)** refers). It is proposed that Council adopt this amended policy.

Consultation

Feedback on the possible modifications needed to the SCP and the CBP was sought from Councillors:

- 1) On 10 March 2015, a Council Briefing workshop on revisions to the SCP and CBP was held.
- 2) On 24 March 2015, a tracked changed version of the revised SCP was circulated to Councillors for comment.

Further updates on the progress of work on the SCP and the CBP were provided through the Councillor Bulletin on 10 April 2015 and 12 June 2015.

Feedback was also sought from relevant City Officers in the development of proposed amendments to the SCP and the CBP.

Both plans were initially developed based on the outcomes of extensive community consultation undertaken in 2012. There were 529 submissions received during the consultation period as well as a stakeholder forum held in November 2012, with all submissions considered by Council in December 2012.

All proposed changes have been taken into account in the review of the LTFP and the development of the 2015/2016 Annual Budget.

Once adopted by Council, the revised versions of the SCP and CBP will be made available to the public on the City's website.

Policy and Legislative Implications

The requirements of the SCP and the CBP are set out in sections 19C and 19DA. (4)-(7) of the *Local Government (Administration) Regulations 1996*.

19C. Strategic community plans, requirements for (Act s. 5.56)

- (1) A local government is to ensure that a strategic community plan is made for its district in accordance with this regulation in respect of each financial year after the financial year ending 30 June 2013.*
- (2) A strategic community plan for a district is to cover the period specified in the plan, which is to be at least 10 financial years.*
- (3) A strategic community plan for a district is to set out the vision, aspirations and objectives of the community in the district.*
- (4) A local government is to review the current strategic community plan for its district at least once every 4 years.*
- (5) In making or reviewing a strategic community plan, a local government is to have regard to —*
 - (a) the capacity of its current resources and the anticipated capacity of its future resources; and*
 - (b) strategic performance indicators and the ways of measuring its strategic performance by the application of those indicators; and*

7.6.1 Review of the Strategic Community Plan and Corporate Business Plan

(c) demographic trends.

(6) Subject to subregulation (9), a local government may modify its strategic community plan, including extending the period the plan is made in respect of.

(7) A council is to consider a strategic community plan, or modifications of such a plan, submitted to it and is to determine* whether or not to adopt the plan or the modifications.

*Absolute majority required.

(8) If a strategic community plan is, or modifications of a strategic community plan are, adopted by the council, the plan or modified plan applies to the district for the period specified in the plan.

(9) A local government is to ensure that the electors and ratepayers of its district are consulted during the development of a strategic community plan and when preparing modifications of a strategic community plan.

(10) A strategic community plan for a district is to contain a description of the involvement of the electors and ratepayers of the district in the development of the plan or the preparation of modifications of the plan.

19DA. Planning for the future: corporate business plans — s. 5.56

(4) A local government is to review the current corporate business plan for its district every year.

(5) A local government may modify a corporate business plan, including extending the period the plan is made in respect of and modifying the plan if required because of modification of the local government's strategic community plan.

(6) A council is to consider a corporate business plan, or modifications of such a plan, submitted to it and is to determine* whether or not to adopt the plan or the modifications.

*Absolute majority required.

(7) If a corporate business plan is, or modifications of a corporate business plan are, adopted by the council, the plan or modified plan applies to the district for the period specified in the plan.

The principles of the Integrated Planning and Reporting Framework align closely with the principles of the Australian Business Excellence Framework, which is outlined in Council Policy P691 'Australian Business Excellence Framework'.

Financial Implications

There are no financial implications as a result of the proposed amendments to the SCP.

The proposals to add to, extend or change strategic initiatives in the CBP have been taken into account in the preparations of the Annual Budget 2015/2016.

Sustainability Implications

This report is aligned to the City's [Sustainability Strategy 2012-2015](#).

Attachments

- 7.6.1 (a): Revisions to Strategic Community Plan
- 7.6.1 (b): Revised Strategic Community Plan 2015-2025
- 7.6.1 (c): Revisions to Corporate Business Plan
- 7.6.1 (d): Revised Corporate Business Plan 2015-2019
- 7.6.1 (e): Proposed New Sections to Corporate Business Plan
- 7.6.1 (f): Revised Australian Business Excellence Framework P691

7.6.2 Adoption of the 2015/2016 Annual Budget

| | |
|-----------------------------|---|
| Location: | City of South Perth |
| Ward: | Not Applicable |
| Applicant: | Council |
| File Ref: | D-15-48091 |
| Date: | 13 July 2015 |
| Author / Reporting Officer: | Michael Kent, Director Financial and Information Services |
| Strategic Direction: | Governance, Advocacy and Corporate Management - - Ensure that the City has the organisational capacity, advocacy and governance framework and systems to deliver the priorities identified in the Strategic Community Plan |
| Council Strategy: | 6.2 Develop and maintain a robust Integrated Planning and Reporting Framework comprising a 10-year financial plan, four-year corporate plan, workforce plan and asset management plan. |

Summary

This report presents the 2015/2016 Annual Budget, as circulated, for adoption by Council.

The Officer Recommendation was amended to include an additional part (t).

Officer Recommendation and COUNCIL DECISION

Moved: Councillor K Trent

Seconded: Councillor S Hawkins-Zeeb

That...

- (a) a General Rate in the Dollar of 6.3098 cents is applied to the GRV of all rateable property within the City for the year ending 30 June 2016;
- (b) a Minimum Rate of \$910.00 be set for the year ending 30 June 2016 notwithstanding the General Rate set out in part (a) above;
- (c) the following rubbish service charges be applied for the year ending 30 June 2016:
 - (i) a standard Rubbish Service Charge of \$262.00;
 - (ii) a non-rateable property Rubbish Service Charge of \$360.00;
 - (ii) a standard 1,100 litre bin Rubbish Service Charge of \$1,310.00;
 - (iv) a non-rateable property 1,100 litre bin Rubbish Service Charge of \$1,800.00;
- (d) a Swimming Pool Inspection Fee of \$26.50 be levied for the year ending 30 June 2016;
- (e) the following dates be set for payment of rates by instalments:

| | |
|-------------------|------------------|
| First instalment | 26 August 2015 |
| Second instalment | 11 November 2015 |
| Third instalment | 13 January 2016 |
| Fourth instalment | 16 March 2016 |
- (f) an administration charge of \$10.00 per instalment for payment of rates by

instalments be applied to the second, third and fourth instalment in accordance with Section 6.45(3) and (4) of the Local Government Act 1995 & Regulation 67 of the Local Government (Financial Management) Regulations;

- (g) an interest rate of 5.5% be imposed on payment by instalments, to apply to the second, third and fourth instalment in accordance with Section 6.45(3) of the Local Government Act 1995 and Regulation 68 of the Local Government (Financial Management) Regulations;
- (h) an interest rate of 11% be imposed on overdue rates in accordance with Section 6.51(1) of the Local Government Act 1995 and Regulation 70 of the Local Government (Financial Management) Regulations;
- (i) an interest rate of 10% is imposed on unpaid UGP Service Charges in accordance with Section 6.51(1) of the Local Government Act 1995 and Regulation 70 of the Local Government (Financial Management) Regulations;
- (j) an interest rate of 11% be imposed on outstanding debtors in accordance with Section 6.13(1) of the Local Government Act 1995.
- (k) a Monthly Maintenance Fee of \$365.00 (treated as 'Input Taxed' for the purposes of the GST) is applied to all units in the Collier Park Village for the period July 2015 to September 2015 inclusive;
- (l) a Monthly Maintenance Fee of \$380.00 (treated as 'Input Taxed' for the purposes of the GST) is applied to all units in the Collier Park Village for the period from October 2015 to June 2016 inclusive;
- (m) the Statutory Annual Budget for the year ending 30 June 2016 comprising Sections 1 & 2 of the 2015/2016 Annual Budget as distributed with this Agenda and tabled at this meeting, be adopted;
- (n) the Management Account Summary Budget Schedules for the financial year ending 30 June 2016 as set out in Section 3 of the Annual Budget be endorsed;
- (o) the Capital Expenditure Budget for the financial year ending 30 June 2016 as set out in Section 4 of the Annual Budget is adopted;
- (p) the budgeted Carried Forward Capital Expenditure to 2015/2016 - as set out in Section 5 of the Annual Budget be approved (subject to final confirmation of unexpended balances after the City's final 2014/2015 financial accounts are completed);
- (q) the Reserve Fund transfers for the financial Year ending 30 June 2016 as set out in Section 6 of the Annual Budget be approved;
- (r) the Schedule of Fees and Charges as set out in the Fees & Charges Schedule accompanying the Annual Budget for the year ending 30 June 2016 be adopted;
- (s) the effective date for all items detailed in the 2015/2016 Schedule of Fees & Charges is 14 July 2015 (immediately after budget adoption date).
- (t) the adoption of the 2015/2016 Annual Budget gives effect to the following changes to the cash backed Reserves used by the City:
 - (i) the following inactive cash backed Reserves be closed effective from 13 July 2015
 - Early Debt Retirement Reserve
 - CPH Loan Offset Reserve
 - CPH Capital Works Reserve

- CPV Capital Works Reserve
- (ii) the following cash backed Reserves be closed effective from 13 July 2015 with the residual balances to be transferred to the nominated continuing Reserves (shown in brackets)
 - Future Municipal Works Reserve
(Major Community Facilities Reserve)
 - Footpath Reserve
(Sustainable Infrastructure Reserve)
 - Future Transport Works Reserve
(Sustainable Infrastructure Reserve)
 - Future Streetscapes Reserve
(Reticulation & Pump Reserve)
 - Future Park works Reserve
(Reticulation & Pump Reserve)
 - Future Building Projects Reserve
(Major Community Facilities Reserve)
- (iii) the Reserve formerly known as the Asset Enhancement Reserve be re-titled as the Major Community Facilities Reserve effective from 13 July 2015.
- (iv) a new cash backed Reserve titled Public Art Reserve (with the purpose shown in e Statutory Budget) be created effective from 13 July 2015.
- (v) the purpose of each continuing Reserve as disclosed in the Statutory Budget at Note 6 be endorsed effective as from 13 July 2015.

*An Absolute Majority is Required

CARRIED (8/0)

Background

The preparation of the Annual Budget is both a statutory requirement of the Local Government Act and a responsible financial management practice. The development of the budget has been persuasively influenced by the City's Strategic Plan, Corporate Plan and the financial parameters of its Long Term Financial Plan - as well as the prevailing economic climate.

The Budget document (**Attachment 7.6.2 (a)**) includes the Statutory Budget format with all relevant disclosures to discharge financial accountability to the community. It also contains the Summary Revenue and Expenditure Schedules relating to the Management Budget (which is the strategic overview of the City's finances). In addition, it is accompanied by the 2015/2016 Schedule of Fees & Charges (**Attachment 7.6.2 (b)**).

A separate, more detailed Management Budget incorporating all line items (grouped to reflect the reporting mechanisms inherent within the organisational structure) has been prepared and will be used by the administration to responsibly and sustainably manage departmental finances on an operational level throughout the next year.

Comment

From the generation of the initial strategic financial projections in December 2014 to the date of this meeting, the budget process has evolved through a number of structured stages that have provided opportunities for Council Members, the community and City staff to have involvement in the process.

The major phases of the budget development process have been:

- Development of strategic long term financial projections.
- Verifying alignment with the 'themes' that underpin the development of the Strategic Plan, Corporate Business Plan, Budget and the Long Term Financial Plan.
- Determining the overall financial parameters for the 2015/2016 budget.
- Conducting a critical review of both operating elements and major capital projects.
- Submitting and considering capital project proposals for 2015/2016 budget.
- Incorporating the outputs of community forums, engagement processes and Council Member workshops during the year into our forward financial planning.
- Reviewing the draft strategic financial projections to validate the sustainability of the proposed financial model.
- Reviewing the Fees & Charges Schedule for the upcoming year.
- Preparing a Suggested Budget for consideration by officers and validating its alignment with the Long Term Financial Plan and Corporate Business Plan.
- Determining the final capital projects list for inclusion in the 2015/2016 budget using the inputs from asset management models and previous Council determinations.
- Identifying the incomplete current year capital works to be carried forward into 2015/2016.
- Establishing the estimated Budget Opening Position.
- Modelling the Gross Rental Values (GRV) for all properties in the City.
- Preparing and reviewing the Draft Budget & Proposed Budget.
- Preparing the 2015/2016 Statutory Budget and supporting schedules (as presented) ready for adoption.

Throughout the budget process, a series of structured briefings have been held with Council Members and relevant City officers to ensure that information on the budget process, current economic climate and the budget itself was available to participants. This has resulted in an informed and shared understanding of the context for and construction of the Budget - as well as its relationship to the Strategic Community Plan, Corporate Business Plan and the Long Term Financial Plan.

By ensuring alignment with the City's strategic direction and its agreed strategic financial themes; competing organisational priorities can be assessed and prioritised in a manner which maximises community benefit whilst ensuring the City's financial, social and environmental sustainability.

Discussion on some of the key elements of the 2015/2016 Annual Budget is provided below:

Budget Overview

The 2015/2016 Budget provides for Total Revenue of \$61.56M - including \$5.58M of Capital Revenue (\$5.23M from the strategic disposal of surplus land parcels). Total Expenditure is \$85.75M - comprising \$43.63M of Cash Operating Expenditure plus \$31.68M of Capital Expenditure. It also includes non-cash items (depreciation & asset carrying amounts) of \$10.44M.

The budget allocates \$1.28M for loan capital repayments plus planned net transfers from cash backed Reserves of \$6.39M after allowing for transfers of \$1.78M of interest revenue back to Reserves. The remaining transfers reflect the net impact of quarantining land disposal proceeds as well as providing funding from Reserves for major building works, infrastructure projects and information technology.

7.6.2 Adoption of the 2015/2016 Annual Budget

Along with the estimated Opening Position and the anticipated change in Accrual Items (including collection of debtors), this financial model results in a budget that delivers a surplus that meets benchmarks for relevant financial ratios and provides a solid foundation for the City's future financial sustainability.

Rates

The proposed rates yield for 2015/2016 is \$32.68M at the initial rates strike - based on the GRVs for all rateable properties in the City. A further allowance of \$0.10M is made for interim rates growth during the year.

Properties in the City are rated based on the Gross Rental Value (GRV) of the property. GRV is an independent determination of the likely annual return on a property after deduction of rates and land taxes. For example a property assessed as having a GRV of \$26,000 would reflect the assessed rental return after rates and taxes being \$500 per week.

The WA Valuer General's Office provided a new GRV for every property in the City as at 1 July 2014 and does so on a three yearly cycle. The City is obliged to use these values to establish the 2015/2016 rates - which are determined by applying a nominated rate in the dollar to the GRV of each property to set the rates to be levied against each property.

The City has established a 'Rate in the Dollar' for 2015/2016 of 6.3098 cents per dollar of assessed Gross Rental Value. It was 6.0700 cents in 2014/2015 and the new rate represents an increase of 3.95%. This rate in the dollar will apply to the Gross Rental Valuations (GRV) as supplied by the Valuer General's Office for each property in the City.

It is important to note, the rate in the dollar of 6.3098 cents is the fifth lowest to be levied by the City at any time since 1997 - providing convincing evidence that increases in rates over the last 18 years have been driven largely by increases in property valuations (and GRVs) rather than as a result of Council decisions on rates. The change in the rate in the dollar charged by the City over the years and the recent downwards movements in that rate in the dollar is demonstrated in the Budget newsletter which accompanies the annual rates notice.

The impact of the increase in all Council charges (rates and rubbish charges) for an 'average property' in the city (having a GRV of \$25,910) compared to 2014/2015 is 4.51%. However, when the impact of the 10.8% increase in state government Emergency Services Levy (ESL) is added in, that increase in all charges becomes 5.41% or \$2.16 per week. The combined increase for minimum rated properties is 4.80% or \$1.17 per week.

The Minimum Rate (determined to be the minimum equitable cost of servicing lots within the district) increases to \$910.00 in 2015/2016. Approximately 2,281 properties (11.2%) are expected to be minimum rated this year. This is consistent with the proportion last year and is well below the threshold of 50% allowable under the Local Government Act.

Older Australians will continue to enjoy the benefits of the Rates Rebates and Deferrals scheme which entitles them to specific concessions on their local government rates.

7.6.2 Adoption of the 2015/2016 Annual Budget

All current Pensioner and Senior concessions will apply. Eligible Pensioners will benefit from a rebate of up to 50% on their rates. Seniors entitlements are capped at \$284.71 which is a bigger concession than last year's \$276.42. Instalment payment options will attract a \$10.00 administration fee (per instalment) and pre-interest charges of 5.5%.

Penalty interest of 11% (as provided for by the Local Government Financial Management Regulations) will be applied to amounts outstanding beyond the due date. Benchmarking against our metropolitan local government peers provides convincing evidence that the City's rating strategy is achieving its objective of being rate competitive relative to its local government peers.

Rubbish Charges

The standard domestic rubbish service charge increases from \$252.00 to \$262.00 which is still one of the lowest of all metropolitan local governments. The charge reflects a full cost recovery for this service which includes weekly rubbish pick-up, fortnightly recycling collection and two verge-side rubbish collections per year.

1,100 litre rubbish services for rateable commercial properties are \$1,310.00. Non rateable properties will pay \$360.00 per standard rubbish service and \$1,800.00 for 1,100 litre bin services.

Resident ratepayers will continue to receive two green-waste and one general waste pass to the Transfer Station. These will form part of the Rates Notice rather than being separate passes. Two bulk verge-side rubbish collections funded by the City will again be provided to ratepayers this year.

Emergency Services Levy (ESL)

The State Government ESL charge will again appear on all local government rate notices in 2015/2016. This charge will be calculated based on the GRVs supplied to the City using a rate nominated by the Fire & Emergency Services Authority.

The ESL rate has been determined to be 1.230 cents in the dollar (a 10.8% increase on the previous year). FESA has indicated that the levy will be capped at \$360.00 for all other properties in 2015/2016. This charge is outside the control of local governments, is set by the State Government and is not retained as revenue by the City.

All monies collected from residents of the City which relate to the ESL must be remitted to the Fire & Emergency Services Authority (FESA). This has cash flow implications for the City in respect to people paying by instalments as the ESL must be treated as a 'priority creditor'. However, the effects of this have been mitigated as the City has signed an agreement to pay FESA in pre-determined quarterly amounts rather than paying monthly based on actual collections. This payment model has a less dramatic impact on the City's cash flow in the earlier part of the year.

Employee Information

Aggregate salary and wage information is provided for all approved staff positions in the 2015/2016 Budget. The Annual Budget includes 219.9 FTE approved positions (214.9 FTE in 2014/2015). The staff FTE headcount has ranged between 210 and 230 in the period between 2005/2006 and 2015/2016.

Staffing levels proposed in the budget reflect an appropriate mix of resources across the organisation to match our capacity with service expectations.

7.6.2 Adoption of the 2015/2016 Annual Budget

Overall, the total payroll budget has increased by 4.81% on a like for like basis compared to the previous year (including the compulsory 0.5% increase in the Superannuation Guarantee Levy and EBA increases and other relevant loadings and award increases).

Including new positions proposed in the budget, the total increase moves up to 7.28%. Discussion on the staff number changes follows below.

The 2015/2016 staffing establishment and payroll budget is disclosed by directorate as presented in the table below.

| Directorate | FTE Headcount | Total \$ |
|----------------------------------|---------------|---------------------|
| Chief Executive's Office | 25.7 | 2,711,268 |
| Financial & Information Services | 47.2 | 4,337,099 |
| Development & Community Services | 47.5 | 4,264,733 |
| Infrastructure Services | 99.5 | 7,786,664 |
| Total | 219.9 | \$19,099,764 |

New positions

During the previous two years, the City had adopted a cautious approach towards addressing its staffing needs, remaining conscious that despite the increasing demands for expansion of services from our community, impending local government reform required a restrained approach towards staffing increases. With reform now off the agenda, the City has now taken the opportunity to respond to service demands by re-assessing its staffing complement.

The following changes in the approved FTE staff positions are proposed for 2015/2016 - resulting in a net increase of 5.0 FTE:

Parking Officer (1.0 FTE Headcount)

This role will address known inabilities to address existing breaches of the City's parking strategy. It is expected to be entirely self-funded by additional revenue generated.

Animal Care Facility Officer (0.4 FTE Headcount)

This position is matched by a 0.4 FTE from the Town of Victoria Park and provides the opportunity for the animal care facility to provide a fee generating cat boarding facility.

Catering Officer (0.8 FTE)

This position is proposed as an alternative to the service that is currently provided by an external resource at a higher cost.

Senior Business Systems Analyst (1.0 FTE Headcount)

This position is created in recognition of the ever-increasing reliance from within our organisation and the community for expansion of our Digital service delivery options.

Customer Focus Team (0.5 FTE Headcount)

To provide the capacity to deliver the high level of customer responsiveness that is expected by our community, the staffing complement in this area is to be increased by 0.5 FTE.

7.6.2 Adoption of the 2015/2016 Annual Budget

Senior Planning Officer (1.0 FTE Headcount)

Recognising the additional workload associated with the increasing number of JDAP and SAT planning matters, the City intends providing an additional resource to address such matters.

Environmental Health Officer (0.6 FTE Headcount)

The addition to the headcount in this area is expected to reduce the current overtime requirement as well as provide capacity to address the additional responsibilities that the City will incur under the new Health Act.

Public Art Officer (0.6 FTE Headcount)

This role will be responsible for administering the public art projects that will arise from the developer contributions levied under the Percent for Art policy.

Building Surveyor Officer (1.0 FTE Headcount Removed)

This position has previously been in the budget but is now removed to recognise responsibilities being addressed by external resources.

Employee salary and wage costs include the expected impact of the City's EBA, award increases, statutory superannuation contributions and proposed new positions.

The current year cost ratio remains within the acceptable industry benchmark levels for the Employee Costs / Rates Ratio. As part of a prudent management strategy, accrued employee entitlements under relevant awards (annual leave and long service leave) for all employees are funded and supported by cash-backed investments.

Council Member Entitlements

Entitlements for Council Members for 2015/2016 are adjusted in accordance with the Salaries & Allowances Tribunal determination. The most recent determination in June 2015 recommended no change to the current allowance for Meeting Fees of a maximum of \$22,000 per Council Member and \$29,500 for the Mayor for Councils classified within the SAT Band 2 classification. Council Member Entitlements will also include (for all members), the permitted Communications & Technology allowance of \$3,500 to assist members in effectively communicating with their electorate.

The Salaries & Allowances determination also allows for a Local Government Mayoral Allowance of a maximum of \$60,000 and a Deputy Mayoral Allowance of 25% of the mayoral amount. The budget makes a prudent allocation for the fees.

Other Expenditure attributed to Council Members

In addition to funding allocations for Council Members for the relevant professional insurances, professional subscriptions and training / conferences, an allocation is made by applying activity based costing principles for corporate overheads to the Council Members area.

This allocation covers the costs associated with:

- Officer time in researching, preparing and presenting reports and briefings to Council.
- Attending and recording minutes at Council meetings and briefings.
- A portion of the operating costs for the Council building.
- Technology support services.
- Administrative support services.

Loan Borrowings

The City uses loan borrowings as part of a responsible and sustainable funding strategy. Loan borrowings are undertaken in accordance with Council Policy P604 - Use of Debt as a Funding Source and Section 6.20 of the Local Government Act. Borrowings are sourced through WA Treasury Corporation and are taken as fixed rate loans on terms that match the life of the associated asset. All loan borrowings are secured against the general revenue of the City.

The City has undertaken three tranches of fixed rate borrowings in previous years as part of its own strategic funding model. As the older debt is maturing, new municipal borrowings can be considered where appropriate, as our debt servicing ratios are still well within the limits of both debt covenant levels and industry benchmarks. Borrowings may be considered to address the effects of inter-generational equity in relation to large community facilities where the capital expenditure occurs within a single year but the community benefit from those facilities extends for several decades.

The City plans to undertake borrowings of some \$5.0M in this year as part of the funding package for the Manning Community Facility to address this very issue. The borrowings reflect 27% of the total funding mix for this project.

In some circumstances the City acts as a guarantor for community sporting groups or associations for Self Supporting Loans. Repayments of principal and interest for Self Supporting Loans are all fully reimbursed by the beneficiary community group / association. There is no impost on the City's ratepayers for servicing these loans. Currently the City has six self-supporting loans to community sporting groups or associations.

Details of all loans (existing and proposed for 2015/2016) are contained at Note 10 of the Statutory Budget.

All borrowings will be undertaken in accordance with Section 6.20 of the Local Government Act and Council Policy P604 - Use of Debt as a Funding Option. Loans are undertaken at competitive rates from WA Treasury Corporation who have worked directly with senior Financial Services staff to determine the most advantageous funding arrangements.

Fees & Charges Schedule

The attached Fees & Charges Schedule reflects a responsible assessment of the costs of providing services to our community whilst recognising community service obligations. As appropriate, the fee schedule recognises fees determined on a variety of fee bases:

- Full cost recovery
- Benchmarked / reference pricing
- Statutory fees
- Partial recovery - based on community service obligations

Where fees are determined in accordance with statutory limits, the City's practice is that it will always adopt the maximum allowable fee at the time of adopting the Annual Budget and related Fees & Charges Schedule. In the event that the statutory fee is adjusted upwards after the budget is adopted, the City's practice will be to advertise the increased fee structure and to implement the revised statutory fee basis as soon as the statutory fee advertising requirements have been completed.

7.6.2 Adoption of the 2015/2016 Annual Budget

The City has received an Australian Taxation Office Private Ruling of the GST status of all fees contained in the Fees & Charges schedule on 9 July 2015.

The effective date for all fees contained within the 2015/2016 Schedule of Fees & Charges (provided as a separate attachment for the 2015/2016 budget) will be 14 July 2015 (immediately following the Budget Adoption Meeting).

CPV Maintenance Fees

The impact of the concerted efforts of the City's executive and the positive and responsible support of the Collier Park Residents Committee have been reflected in effective containment of the operating loss for Collier Park Village over the last few years. The Budget currently anticipates that the operating result for 2015/2016 will be an estimated operating loss of \$366,764 (2014/2015 was \$402,957). However, this forecast result will be dependent on the effective management of maintenance costs, grounds maintenance and costs for utilities.

Following discussion with a representative of the Collier Park Residents Committee about managing the expanding operational deficit, agreement was reached that the Monthly Maintenance Fee for the Collier Park Village remain at \$365.00 per month for the July to September 2015 period (inclusive) - before increasing to the figure of \$380.00 per month thereafter for the remainder of the financial year.

The three month moratorium on the fee increase is consistent with the process adopted last year to allow time to implement the alternative payment method that allows the residents to pay a lesser amount in cash each month - and have the remaining amount deducted each month from the refundable monies held on their behalf by the City in the Collier Park Village Residents Loan Offset Reserve.

This year, there will be 3 different pricing arrangements available to CPV residents:

- Payment in cash in full of \$380 per month.
- Payment in cash of \$280 per month and have the remaining \$100 deducted from Refundable Monies held in the CPV Residents Offset Reserve.
- Payment in cash of \$230 per month and have the remaining \$150 deducted from Refundable Monies held in the CPV Residents Offset Reserve.

Financial modelling indicates that this approach continues to be financially sustainable and will not compromise the Collier Park Village Reserve in the long term. However, more importantly it offers CPV residents the flexibility to manage their day to day finances in the way that best suits them. Option 3 above effectively means that on a cash flow basis, the resident incurs only a \$5 change in their net cash position compared to what they enjoyed for the 2014/2015 year.

Reserve Funds

Funding to and from cash backed Reserves for 2015/2016 (in line with the Long Term Financial Plan) demonstrates the benefits of prudent forward financial planning to provide for significant future financial obligations. Funds generated from strategic land disposals were placed in the Major Community Facilities Reserve to provide funding for discretionary capital projects in 2015/2016 and into the future.

Significant capital initiatives in 2015/2016 will be supported by monies previously provided in reserves - including major community facilities at Manning and on the river foreshore. Information technology, plant & equipment and reticulation replacement all enjoy contributions from cash-backed reserves accumulated in prior years. Reserves also offer non-rates funding options when making financial decisions about major asset preservation projects.

7.6.2 Adoption of the 2015/2016 Annual Budget

Planned transfers from Reserves to the Municipal Fund in 2015/2016 are \$6.91M in net terms after re-investing some \$1.80M worth of interest revenue back to the cash backed reserves in proportion to the average balances held during the year. The change in the reserves balance represents the next phase in a planned strategic accumulation and use of cash backed reserves to fund significant building projects, infrastructure projects and technology acquisitions.

In 2015/2016, the planned transfers to Reserves are largely related to transferring the proceeds of strategic land disposals. These monies are then being applied in 2015/2016 and subsequent years to fund several significant discretionary capital projects including several in the 2015/2016 budget as well as the EJ Oval Precinct Upgrade and the George Burnett Leisure Centre (Dry Area) expansion in future years.

Major transfers out of Reserves back to the Municipal fund in 2015/2016 represent contributions towards the Manning Community Facility, Sir James Mitchell Park River Walls & Promenade and the Millers Pool enhancement.

Cash backed reserves are expected to have a balance of \$51.43M at 30 June 2016 - including those quarantined for the purposes of the Collier Park Retirement Village, Golf Course and Waste Management. Funds relating to these separate business entities are held in Quarantined Reserves which reflect the operating results of each of these major business undertakings. Quarantined Reserves make up around 54.8% (\$28.17M) worth of the anticipated year-end balance.

The other 45.2% (\$23.26M) are Discretionary City Reserve Funds for future projects - primarily being strategic land disposal proceeds held in the Major Community Facilities Reserve (formerly Asset Enhancement Reserve) that will provide allocations for future major community projects. The remaining monies in other specific purpose discretionary reserves will contribute to acquisitions of plant & equipment, technology, parking management facilities and infrastructure projects.

During the 2015/2016 budget process, the City intends consolidating its existing Reserves from 24 separate reserves down to 14. Several inactive reserves will be closed and some other smaller reserves having similar purposes will be consolidated into existing reserves. This will provide greater clarity around the purposes for which the reserves are established and will streamline administration of the cash backed reserves. Furthermore, the Asset Enhancement Reserve will be re-titled Major Community Facilities Reserve (although its purpose remains the same). A new Public Art Reserve will be established to manage developer contributions raised through the Percent for Art Policy.

The intended purposes of the various Reserves are disclosed in the Notes to the Statutory Budget at Note 6 with detail of the major transfers to and from those Reserves at Note 7. The projected year end balances of each Reserve (and the aggregate movements to and from the Reserves) are disclosed in the Notes to the Statutory Budget at Note 15.

Capital Program

Funds totalling some \$33.49M have been set aside by Council for the 2015/2016 Capital Works Budget. This amount excludes carry forward works, transfers to cash backed reserves and loan principal repayments. Of the total capital / non recurrent expenditure budget, some \$31.66M is provided for renewal of assets or creation of new assets. The remaining \$1.83M is allocated to other non-recurrent expenditures such as precinct studies, feasibility studies and planning for future facilities or condition assessments and other asset management data collection activities.

The allocation of funds to individual projects is detailed in the Capital Expenditure section of the Budget. An overview of the Capital Expenditure Budget classified by category is provided below:

| Capital Expenditure Category | Asset Classification | \$ Amount |
|---|----------------------|---------------------|
| Asset Renewal / New Asset Creation | | |
| Road Network | Asset Renewal | 2,588,000 |
| Traffic Management Measures | New Asset Creation | 1,130,000 |
| Storm Water Drainage | Asset Renewal | 825,000 |
| Path Network | Asset Renewal | 505,000 |
| Bus Shelters | Asset Renewal | 50,000 |
| Streetscape Projects | Asset Renewal | 300,000 |
| Parks & Reserves | Asset Renewal | 1,715,000 |
| Street & Reserve Lighting | New Asset Creation | 150,000 |
| Foreshore Assets - River Wall West | Asset Renewal | 1,500,000 |
| Foreshore Assets - Millers Pool Precinct | Asset Renewal | 2,550,000 |
| Environmental Projects | Asset Renewal | 248,000 |
| Building Assets - Manning Community Hub | New Asset Creation | 16,910,000 |
| Building Assets - Minor Works | Asset Renewal | 800,000 |
| Plant & Fleet Replacement | New Asset Creation | 1,264,415 |
| Technology, Software & Digital Service Delivery | New Asset Creation | 637,000 |
| Unified Communications System | New Asset Creation | 150,000 |
| Parking Management | New Asset Creation | 70,000 |
| Minor Projects | New Asset Creation | 155,000 |
| Waste Management | New Asset Creation | 113,400 |
| Total Asset Creation & Renewal | | \$31,660,815 |

| Non Recurrent Expenditure | \$ Amount |
|---|--------------------|
| Roads - Studies, Planning & Asset Data Collection | 130,000 |
| Traffic Management - Planning & Forward Design | 100,000 |
| Drainage - Studies & Asset Data Collection | 75,000 |
| Water Management Initiatives | 40,000 |
| Paths - Asset Data Collection | 60,000 |
| Parks & Reserves - Planning & Design | 95,000 |
| Environmental Projects - Minor initiatives | 77,000 |
| Building Assets- Asset Condition Assessment | 60,000 |
| Water Body Risk Mitigation | 50,000 |
| Planning Precinct Studies | 200,000 |
| Technology Consultancy & Project Planning | 48,000 |
| CPV Unit Refurbishments | 325,000 |
| CPGC - Non Recurrent | 263,989 |
| Land Sale Costs | 135,000 |
| CSRFF Funding Initiatives | 50,000 |
| Other Minor Studies / Projects | 125,000 |
| Total Non-Recurrent Initiatives | \$1,833,989 |

The City's largest ever Capital Expenditure program includes an allocation of \$16.91M for the Manning Community Facility project. It also includes \$2.50M for the Millers Pool precinct project and \$1.50M for foreshore river wall and promenade upgrades. The program also includes more than \$9M worth of infrastructure renewals.

7.6.2 Adoption of the 2015/2016 Annual Budget

Incomplete capital works (and related funding) with an estimated value of approximately \$4.00M will be carried forward for inclusion in the 2015/2016 Budget. Details of projects making up the capital program (and the likely carry forward works) are contained in the attachments to this report. The final balances of the carried forward items will be validated after the close off of the 2014/2015 accounts.

Statutory Budget

The Statutory Budget is prepared in accordance with all relevant professional accounting pronouncements. Its format has been enhanced since the 2013/2014 budget. It contains all statutory statements and supporting schedules including:

- Comprehensive Income Statement
- Comprehensive Income Statement by Nature & Type Classification
- Rate Setting Statement
- Schedule of General Purpose Funding
- Schedule of Rates Levied
- Projected Statement of Financial Position (Extract)
- Statement of Cash-Flows
- Notes to and forming part of the Budget
- Schedule of Capital Projects
- Schedule of Carry Forward Projects
- Schedule of Fees & Charges

The key features of each of these elements of the budget are:

1. A Statement of Comprehensive Income prepared in accordance with the relevant accounting standards. This statement summarises revenues and recurrent expenditures - classified according to specified local government programs and also discloses them by nature and type.
2. A Rate Setting Statement which consolidates all elements of the budget into the following categories:

Funding

| | |
|--|-------------------|
| All sources except Land Sales, Capital Grants & Rates | 20.043M |
| Strategic Land Asset Sales | 5.583M |
| Grants for the Acquisition of Assets | 3.185M |
| Cash Flow from Deferred Land Sale | 0.565M |
| Loan Borrowings - City | 5.000M |
| Loan Borrowings - Self Supporting Loans | 0.000M |
| Transfers from Cash Backed Reserves | 20.931M |
| Opening Position - (Includes \$4.000M for Carry Forward Items) | 8.643M |
| Less Carry Forward Works | (4.000M) |
| Closing Funds | (2.776M) |
| Total Funding excluding Rates | \$ 57.174M |

Expenditure

| | |
|--|-------------------|
| Operating Expenditure | 53.904M |
| Less Non-Cash Items | (10,442M) |
| Capital Expenditure (classified as per statutory principles) | 31.691M |
| Transfers to Cash Backed Reserves | 14.535M |
| Less Net Reserve Transfers not via Income Statement | (0.750M) |
| Loan Principal Repayments from City Funds | 1.280M |
| Less Self-Supporting Loan Repayments Recouped | (0.263M) |
| Total Expenditure | \$ 89.955M |

7.6.2 Adoption of the 2015/2016 Annual Budget

The difference between the total expenditures and funding from all sources other than rates is the amount that the City is required to raise from rates (\$32.781M) to produce a balanced budget in the 2015/2016 year. The Rate Setting Statement demonstrates the full impact of the Budget to the community.

3. A Schedule of General Purpose Funding which shows the revenue and expenditure components relating to the General Purpose Funding Program.
4. A projected Statement of Financial Position (extract) showing the calculation of the Budget Opening Position & Budget Closing Position.
5. A Statement of Cash-Flows which recognises the cash inflows from operating, investment and government sources as well as the outflow of cash on operating and investment items. It also indicates the impact which the timing of these items might have on the organisation's financial liquidity during the year.
6. A Schedule of Fees & Charges which details the fees in force for City services and use of City facilities. Fees are based on either full cost recovery, partial cost recovery, statutory fees or reference (benchmark) pricing.

Consultation

In developing the budget, the City has given due consideration to the Community Strategic Plan, the Long Term Financial Plan, Corporate Business Plan, Council Member and community feedback received by the City through various forums and consultation exercises throughout the year and, in particular, the prevailing economic climate.

Policy and Legislative Implications

The development of the Annual Budget has been conducted in accordance with the City's *Policy P601- Long Term Financial Plan & Annual Budget Preparation* and *Policy P604 - Use of Debt as a Funding Option*.

All relevant legislative provisions of Part 6 of the Local Government Act have been met - and the budget document itself is consistent with the requirements of the Local Government Financial Management Regulations.

Financial Implications

The financial implications of adopting the 2015/2016 Budget are as disclosed in **Attachment 7.6.2 (a)** of this report. The budget document is consistent with the financial parameters established for the 2015/2016 year in the Long Term Financial Plan 2015/2016 - 2024/2025.

Sustainability Implications

This report is aligned to the City's [Sustainability Strategy 2012-2015](#). This report embraces all three dimensions of sustainability - although its primary emphasis is on prudent and responsible financial management that addresses the financial aspect of sustainability. It promotes accountability for resource use through a critical evaluation of proposed funding options and expenditures. Furthermore, through the City exercising disciplined financial management practices and responsible forward financial planning, we can ensure that the consequences of our financial decisions are sustainable into the future.

Attachments

- 7.6.2 (a):** Annual Budget 2016
7.6.2 (b): Fees and Charges Schedule

Mayor S Doherty thanked the Director of Information and Financial Services and his team for their hard work on the 2015/2016 Budget.

8. MEETING CLOSED TO PUBLIC

The Chief Executive Officer advises that there are matters for discussion on the Agenda for which the meeting may be closed to the public, in accordance with section 5.23(2) of the Local Government Act 1995.

Reports regarding these matters have been circulated separately to Councillors.

8.1 MATTERS FOR WHICH THE MEETING MAY BE CLOSED

8.1.1 Review of the Metropolitan Central Joint Development Assessment Panel decision (DAP/14/00542) - Proposed Dan Murphy's Liquor Store Como

*This item is considered **confidential** in accordance with the Local Government Act 1995 section 5.23(2) (d) as it contains information relating to "legal advice obtained, or which may be obtained, by the local government and which relates to a matter to be discussed at the meeting"*

| | |
|-----------------------------|---|
| Location: | 243 Canning Highway South Perth |
| Ward: | Como Ward |
| Applicant: | N/A |
| File Ref: | D-15-41380 |
| Date: | 13 July 2015 |
| Author / Reporting Officer: | Vicki Lummer, Director Development and Community Services |
| Strategic Direction: | Governance, Advocacy and Corporate Management - - Ensure that the City has the organisational capacity, advocacy and governance framework and systems to deliver the priorities identified in the Strategic Community Plan |
| Council Strategy: | 6.5 Advocate and represent effectively on behalf of the South Perth community. |

Motion to Close the Meeting to the Public AND COUNCIL DECISION

Moved: Councillor K Trent

Seconded: Councillor M Huston

That the following agenda items be considered in closed session, in accordance with section 5.23(2) of the Local Government Act 1995, as specified:

8.1.1 Review of the Metropolitan Central Joint Development Assessment Panel decision (DAP/14/00542) - Proposed Dan Murphy's Liquor Store Como

Item 8.1.1 confidential in accordance with the Local Government Act 1995 section 5.23(2) (d) as it contains information relating to "legal advice obtained, or which may be obtained, by the local government and which relates to a matter to be discussed at the meeting"

CARRIED (8/0)

8.2 PUBLIC READING OF RESOLUTIONS THAT MAY BE MADE PUBLIC

8.2.1 Review of the Metropolitan Central Joint Development Assessment Panel decision (DAP/14/00542) - Proposed Dan Murphy's Liquor Store Como

Alternative Motion AND COUNCIL DECISION

Moved: Deputy Mayor G Cridland

Seconded: Councillor M Huston

That Council:

- note McLeod's Barristers and Solicitors legal advice and seek further legal advice in respect to the Joint Development Assessment Panel's decision (DAP/14/00542 Dan Murphy's liquor store Como) with a view to a report being provided to the next Council meeting as to whether to commence proceedings; and
- allocate a further \$20,000 towards the provision of legal advice to assist in preparing the objection application to the liquor licensing application for the Dan Murphy's liquor store, Como.

CARRIED (8/0)

Motion to Re-Open the Meeting to the Public AND COUNCIL DECISION

Moved: Councillor K Trent

Seconded: Councillor M Huston

That the meeting be re-opened to the public.

CARRIED (8/0)

At 6.44pm the Presiding Member welcomed the public back into the Chamber. The Council Decision was read aloud.

9. OTHER BUSINESS

9.1 Leave of Absence Application – Mayor Doherty

A Leave of Absence application was received from Mayor S Doherty for the period 30 July 2015 – 4 August 2015.

Motion and COUNCIL DECISION

Moved: Councillor K Trent

Seconded: Councillor C Irons

That the Leave of Absence application received from Mayor S Doherty for the period 30 July 2015 – 4 August 2015 be approved.

CARRIED (8/0)

10. CLOSURE

The Presiding Member thanked everyone for their attendance and closed the meeting at 6.46pm.

11. RECORD OF VOTING

13/07/2015 6:04:54 PM

7.6.1 Review of the Strategic Community Plan and Corporate Business Plan

Motion Passed 6/0

Yes: Mayor Sue Doherty, Cr Colin Cala, Cr Veronica Lawrance, Cr Michael Huston, Cr Cheryle Irons, Cr Kevin Trent

Absent: Cr Sharron Hawkins Zeeb, Cr Glenn Cridland, Cr Fiona Reid

13/07/2015 6:17:02 PM

7.6.2 Adoption of the 2015/2016 Annual Budget

Motion Passed 8/0

Yes: Mayor Sue Doherty, Cr Colin Cala, Cr Sharron Hawkins Zeeb, Cr Glenn Cridland, Cr Veronica Lawrance, Cr Michael Huston, Cr Cheryle Irons, Cr Kevin Trent

Absent: Cr Fiona Reid

13/07/2015 6:18:08 PM

8.1.1 Motion to Close the Meeting to the Public: Review of the Metropolitan Central Joint Development Assessment Panel decision (DAP/14/00542) – Proposed Dan Murphy’s Liquor Store Como

Motion Passed 8/0

Yes: Mayor Sue Doherty, Cr Colin Cala, Cr Sharron Hawkins Zeeb, Cr Glenn Cridland, Cr Veronica Lawrance, Cr Michael Huston, Cr Cheryle Irons, Cr Kevin Trent

Absent: Cr Fiona Reid

13/07/2015 6:39:16 PM

8.2.1 Item - Review of the Metropolitan Central Joint Development Assessment Panel decision (DAP/14/00542) - Proposed Dan Murphy’s Liquor Store Como (Alternative Motion)

Motion Passed 8/0

Yes: Mayor Sue Doherty, Cr Colin Cala, Cr Sharron Hawkins Zeeb, Cr Glenn Cridland, Cr Veronica Lawrance, Cr Michael Huston, Cr Cheryle Irons, Cr Kevin Trent

Absent: Cr Fiona Reid

13/07/2015 6:40:01 PM

Motion to Re-Open the Meeting to the Public

Motion Passed 8/0

Yes: Mayor Sue Doherty, Cr Colin Cala, Cr Sharron Hawkins Zeeb, Cr Glenn Cridland, Cr Veronica Lawrance, Cr Michael Huston, Cr Cheryle Irons, Cr Kevin Trent

Absent: Cr Fiona Reid

13/07/2015 6:42:45 PM

9.1 Leave of Absence – Mayor Doherty

Motion Passed 8/0

Yes: Mayor Sue Doherty, Cr Colin Cala, Cr Sharron Hawkins Zeeb, Cr Glenn Cridland, Cr Veronica Lawrance, Cr Michael Huston, Cr Cheryle Irons, Cr Kevin Trent

Absent: Cr Fiona Reid

DISCLAIMER

The City advises that comments recorded represent the views of the person making them and should not in any way be interpreted as representing the views of Council. The minutes are a confirmation as to the nature of comments made and provide no endorsement of such comments. Most importantly, the comments included as dot points are not purported to be a complete record of all comments made during the course of debate. Persons relying on the minutes are expressly advised that the summary of comments provided in those minutes do not reflect and should not be taken to reflect the view of the Council. The City makes no warranty as to the veracity or accuracy of the individual opinions expressed and recorded therein.

These Minutes were confirmed at a meeting on Tuesday 28 July 2015.

Signed _____
Presiding Member at the meeting at which the Minutes were confirmed