



Council Agenda

22 November 2017

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city@busselton.wa.gov.au


CITY OF BUSSELTON

MEETING NOTICE AND AGENDA – 22 NOVEMBER 2017

TO: THE MAYOR AND COUNCILLORS

NOTICE is given that a meeting of the Council will be held in the Council Chambers, Administration Building, Southern Drive, Busselton on Wednesday, 22 November 2017, commencing at 5.30pm.

Your attendance is respectfully requested.



MIKE ARCHER

CHIEF EXECUTIVE OFFICER

9 November 2017

Disclaimer

Statements or decisions made at Council meetings or briefings should not be relied on (or acted upon) by an applicant or any other person or entity until subsequent written notification has been given by or received from the City of Busselton. Without derogating from the generality of the above, approval of planning applications and building permits and acceptance of tenders and quotations will only become effective once written notice to that effect has been given to relevant parties. The City of Busselton expressly disclaims any liability for any loss arising from any person or body relying on any statement or decision made during a Council meeting or briefing.

CITY OF BUSSELTON

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1. **DECLARATION OF OPENING/ ACKNOWLEDGEMENT OF COUNTRY AND ANNOUNCEMENT OF VISITORS**

2. **ATTENDANCE**

Apologies

Approved Leave of Absence

3. **PRAYER**

4. **PUBLIC QUESTION TIME**

Response to Previous Questions Taken on Notice

Public Question Time

5. **ANNOUNCEMENTS WITHOUT DISCUSSION**

Announcements by the Presiding Member

Announcements by other Members at the invitation of the Presiding Member

6. **APPLICATION FOR LEAVE OF ABSENCE**

7. **PETITIONS AND PRESENTATIONS**

8. **DISCLOSURE OF INTERESTS**

9. **CONFIRMATION AND RECEIPT OF MINUTES**

Previous Council Meetings

9.1 **Minutes of the Council Meeting held 8 November 2017**

RECOMMENDATION

That the Minutes of the Council Meeting held 8 November 2017 be confirmed as a true and correct record.

Committee Meetings9.2 Minutes of the Finance Committee Meeting held 2 November 2017**RECOMMENDATION**

That the Minutes of the Finance Committee Meeting held 2 November 2017 be confirmed as a true and correct record.

9.3 Minutes of the Audit and Governance Committee held on 2 November 2017**RECOMMENDATION**

That the Minutes of the Audit and Governance Committee held on 2 November 2017 be confirmed as a true and correct record.

10. REPORTS OF COMMITTEE

10.1 Finance Committee - 2/11/2017 - FINANCIAL ACTIVITY STATEMENTS - PERIOD ENDING 30 SEPTEMBER 2017

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 - Cliff Frewing
VOTING REQUIREMENT:	Simple Majority
ATTACHMENTS:	Attachment A Financial Activity Statements - Period Ending 30 September 2017 ↓
	Attachment B Investment Report Period Ending 30 September 2017 ↓

This item was considered by the Finance Committee at its meeting on 2 November 2017, the recommendations from which have been included in this report.

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 September 2017.

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 hereto:

▪ 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 September 2017

The Statement of Financial Activity for the period ending 30 September 2017 shows a better than expect Net Current Position (Surplus) of \$35.8M being \$7.85M 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:

Description	2017/2018 Actual	2017/2018 Amended Budget YTD	2017/2018 Amended Budget	2017/18 YTD Bud (A) Variance	2017/18 YTD Bud (A) Variance
	\$	\$	\$	%	\$
Revenue	53,917,536	54,045,570	66,213,170	-0.24%	(128,034)
Expense	(15,765,085)	(17,881,803)	(68,380,282)	11.84%	2,116,718

Non-Operating Grants, Subsidies and Contributions	1,394,862	5,935,994	43,437,175	-76.50%	(4,541,132)
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Capital Revenue & (Expenditure)

Land & Buildings	(2,187,877)	(4,784,028)	(16,556,693)	54.27%	2,596,151
Plant & Equipment	(701,794)	(410,176)	(4,029,400)	-71.10%	(291,618)
Furniture & Equipment	(127,287)	(337,931)	(830,212)	62.33%	210,644
Infrastructure	(7,195,138)	(14,547,152)	(60,472,821)	50.54%	7,352,014
Proceeds from Sale of Assets	193,828	55,000	635,150	252.41%	138,828
Total Loan Repayments - Principal	(574,732)	(517,780)	(2,780,982)	-11.00%	(56,952)
Transfer to Restricted Assets	(669,458)	(156,501)	(625,751)	327.77%	(512,957)
Transfer from Restricted Assets	4,028,120	3,354,556	27,808,739	20.08%	673,564

Operating Revenue:

Revenue from ordinary activities is \$128K 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.

Description	2017/2018 Actual	2017/2018 Amended Budget YTD	2017/2018 Amended Budget	2017/18 YTD Bud (A) Variance	2017/18 YTD Bud (A) Variance
	\$	\$	\$	%	\$

Revenue from Ordinary Activities

Other Revenue	172,841	91,281	403,838	89.35%	81,560
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The Officer notes that the above positive performance of "Other Revenue" is offset with a negative collective performance of \$209k for Rates, Operating Grants and Subsidies, Fees and Charges and Interest Earnings; these items fall below the Material Variance reporting thresholds. The above variations are considered to be that of a timing difference at this stage of the Budget Year.

Operating Expenditure:

Expenditure from ordinary activities is \$2.12M 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.

Description	2017/2018 Actual	2017/2018 Amended Budget YTD	2017/2018 Amended Budget	2017/18 YTD Bud (A) Variance	2017/18 YTD Bud (A) Variance
	\$	\$	\$	%	\$

Expenses from Ordinary Activities

Materials & Contracts	(2,642,087)	(4,176,260)	(16,676,598)	36.74%	1,534,173
Utilities (Gas, Electricity, Water etc)	(506,464)	(652,414)	(2,580,822)	22.37%	145,950

Materials and Contracts:

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

Cost Code Description / GL Activity	Variance YTD
Geographe Leisure Centre	27,110
Preventative Services - CLAG	32,290
Miscellaneous Bridge Maintenance	33,352
Street Lighting Installations	37,500
Busselton Transfer Station	41,410
Kookaburra Caravan Park	49,256
Strategic Planning	52,842
BTS External Restoration Works	59,638
Business Systems	73,276
Domestic Recycling Collections	73,585
Engineering Services Administration	81,788
Road Maintenance Bal Of Budget	96,370
Transport - Fleet Management	105,294
Busselton Jetty	139,371
Information & Communication Technology Services	146,761

Utilities:

With over 345 individual accounts at an average better than expected result of \$506K, a favourable position of \$146K is considered likely to be a timing difference at this early stage of the reporting year.

Officers are monitor Utility charges each month and are also happy to note that the new Administration Building is tracking positively against YTD Budget expectations.

Non-Operating Grants, Subsidies and Contributions:

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 \$4.57M; this is a timing difference in nature only.

Capital Expenditure

As at 30 September 2017, there is a variance of -50.86% or -\$9.864M in total capital expenditure with YTD Actual at -\$10.2M against a YTD Budget of -\$20.07M; with the table below showing those categories exceeding the 10% material variance threshold. The Airport Development makes up for \$7.4M or 75% of the overall variance which also assists in explaining the above current YTD shortfall in Non-Operating Grants.

Description	2017/18 Budget YTD Variance
	\$
<u>Buildings</u>	
Major Project - Busselton Foreshore	● 321,534
Major Project - Administration Building	● (396,568)
Buildings (Other) including Airport Terminal	● (2,516,561)
<u>Plant & Equipment</u>	● 291,618
<u>Furniture & Office Equipment</u>	● (210,644)
<u>Infrastructure</u>	
Major Project - Busselton Foreshore	● (276,025)
Major Project - Administration Building	● (100,995)
Footpaths Construction	● (245,841)
Drainage Construction - Street	● (113,467)
Car Parking Construction	● (57,264)
Bridges Construction	● (72,000)
Cycleways Construction	● (56,851)
Townscape Construction	● (177,454)
Beach Restoration	● 75,086
Parks, Gardens & Reserves	● 141,073
Sanitation Infrastructure	● (361,282)
Airport Development	● (4,906,328)
Main Roads	● (368,176)
Roads to Recovery	● (332,735)
Council Roads Initiative	● (514,127)

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

All capital expenditure variances are considered to be a timing adjustment at this time, with no impact expected against the net current position.

Investment Report

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

As at 30 September 2017, the value of the City's invested funds totalled \$95.24M, increasing from \$85.99M as at 1st September. The increase is due to funds flowing in during the annual rate billing period.

During the month of September \$19.5M in term deposit funds matured. All deposits were renewed for an average of 164 days at an average rate of 2.45%. New deposits totalling \$16M were established for an average of 158 days at an average rate of 2.53%.

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 \$6.75M as the new term deposits were established. The balance of the Airport development ANZ cash account remained steady.

The RBA left official rates on hold during August and September with future rate movements are unclear at this stage.

Chief Executive Officer – Corporate Credit Card

Details of monthly (August) 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
24-Aug-17	\$1,094.50	Think Tank Media	Regn Corporate PA Summit Nov 2017 - Corne Lombard

CONCLUSION

As at 30 September 2017, the City's financial performance is considered satisfactory.

COMMITTEE RECOMMENDATION AND OFFICER RECOMMENDATION

That the Council receives the statutory financial activity statement reports for the period ending 30 September 2017, pursuant to Regulation 34(4) of the Local Government (Financial Management) Regulations.

City of Busselton**Statement of Financial Activity****For The Period Ending 30 September 2017**

	2017/2018 Actual	2017/2018 Amended Budget YTD	2017/2018 Original Budget YTD	2017/2018 Amended Budget	2017/2018 Original Budget	2017/18 YTD Bud (A) Variance %
	\$	\$	\$	\$	\$	%
Revenue from Ordinary Activities						
Rates	44,351,007	44,415,699	44,357,189	44,919,351	44,860,841	-0.15%
Operating Grants, Subsidies and Contributions	595,997	653,171	651,539	3,451,708	3,454,904	-8.75%
Fees & Charges	8,252,199	8,319,670	8,319,670	15,175,277	15,175,277	-0.81%
Other Revenue	172,841	91,281	91,281	403,838	403,838	89.35%
Interest Earnings	545,492	565,749	565,749	2,262,996	2,262,996	-3.58%
	53,917,536	54,045,570	53,985,428	66,213,170	66,157,856	-0.24%
Expenses from Ordinary Activities						
Employee Costs	(7,302,440)	(7,882,257)	(7,882,257)	(29,186,308)	(29,186,308)	7.36%
Materials & Contracts	(2,642,087)	(4,176,260)	(4,164,672)	(16,676,598)	(16,639,971)	36.74%
Utilities (Gas, Electricity, Water etc)	(506,464)	(652,414)	(652,414)	(2,580,822)	(2,580,822)	22.37%
Depreciation on non current assets	(4,670,485)	(4,585,760)	(4,585,760)	(18,003,380)	(18,003,380)	-1.85%
Insurance Expenses	(386,203)	(398,472)	(398,472)	(655,677)	(655,677)	3.08%
Other Expenditure	(592,070)	(582,879)	(592,380)	(3,273,767)	(3,464,535)	-1.58%
Allocations	334,664	396,239	396,239	1,996,270	1,996,270	15.54%
	(15,765,085)	(17,881,803)	(17,879,716)	(68,380,282)	(68,534,423)	11.84%
Borrowings Cost Expense						
Interest Expenses	(310,153)	(298,191)	(298,191)	(1,410,971)	(1,410,971)	-4.01%
	(310,153)	(298,191)	(298,191)	(1,410,971)	(1,410,971)	-4.01%
Non-Operating Grants, Subsidies and Contributions	1,394,862	5,935,994	6,063,494	43,437,175	42,079,630	-76.50%
Profit on Asset Disposals	34,094	1,000	1,000	22,400	22,400	3309.40%
Loss on Asset Disposals	(26,086)	0	0	(6,252)	(6,252)	0.00%
	1,402,870	5,936,994	6,064,494	43,453,323	42,095,778	-76.37%
Net Result	39,245,168	41,802,570	41,872,015	39,875,240	38,308,240	-6.12%
Adjustments for Non-cash Revenue & Expenditure						
Depreciation	4,670,485	4,585,760	4,585,760	18,003,380	18,003,380	
Donated Assets	(180,000)	0	0	(16,000,000)	(16,000,000)	
(Profit)/Loss on Sale of Assets	(8,008)	(1,000)	(1,000)	(16,148)	(16,148)	
Allocations & Other Adjustments	2,224	0	0	0	0	
Deferred Pensioner Movements	(31,212)	0	0	0	0	
Deposit & Bonds Movements (cash backed)	497,241	0	0	0	0	
Capital Revenue & (Expenditure)						
Land & Buildings	(2,187,877)	(4,784,028)	(4,784,028)	(16,556,693)	(16,531,693)	54.27%
Plant & Equipment	(701,794)	(410,176)	(410,176)	(4,029,400)	(4,029,400)	-71.10%
Furniture & Equipment	(127,287)	(337,931)	(337,931)	(830,212)	(830,212)	62.33%
Infrastructure	(7,195,138)	(14,547,152)	(14,568,610)	(60,472,821)	(59,905,821)	50.54%
Proceeds from Sale of Assets	193,828	55,000	55,000	635,150	635,150	252.41%
Proceeds from New Loans	110,000	110,000	110,000	10,110,000	11,110,000	0.00%
Self Supporting Loans - Repayment of Principal	10,247	10,247	10,247	73,466	73,466	0.00%
Total Loan Repayments - Principal	(574,732)	(517,780)	(517,780)	(2,780,982)	(2,780,982)	-11.00%
Advances to Community Groups	(110,000)	(110,000)	(110,000)	(260,000)	(260,000)	0.00%
Transfer to Restricted Assets	(669,458)	(156,501)	(156,501)	(625,751)	(625,751)	-327.77%
Transfer from Restricted Assets	4,028,120	3,354,556	3,354,556	27,808,739	27,808,739	20.08%
Transfer to Reserves	(4,151,021)	(4,086,929)	(4,086,929)	(16,285,572)	(16,285,572)	-1.57%
Transfer from Reserves	1,146,659	1,146,659	1,146,659	19,511,964	19,486,964	0.00%
Opening Funds Surplus/ (Deficit)	1,839,640	1,839,640	1,839,640	1,839,640	1,839,640	
Net Current Position - Surplus / (Deficit)	35,807,084	27,952,935.00	28,000,922.00	0.00	0.00	

City of Busselton

Net Current Position

For The Period Ending 30 September 2017

	2017/18 Actual	2017/18 Amended Budget	2017/18 Original Budget	2016/17 Actual
	\$	\$	\$	\$
<u>NET CURRENT ASSETS</u>				
<u>CURRENT ASSETS</u>				
Cash - Unrestricted	12,671,043	1,025,543	1,025,543	1,942,078
Cash - Restricted	84,391,893	54,238,018	54,263,018	84,647,398
Sundry Debtors	1,730,874	1,500,000	1,500,000	2,872,111
Rates Outstanding - General	23,583,603	950,000	950,000	950,768
Stock on Hand	16,543	24,457	24,457	24,457
	<u>122,393,956</u>	<u>57,738,018</u>	<u>57,763,018</u>	<u>90,436,812</u>
<u>LESS: CURRENT LIABILITIES</u>				
Bank Overdraft	0	0	0	0
Sundry Creditors	2,194,979	3,500,000	3,500,000	3,949,774
Performance Bonds	2,711,421	2,214,179	2,214,179	2,214,179
	<u>4,906,400</u>	<u>5,714,179</u>	<u>5,714,179</u>	<u>6,163,953</u>
Current Position (inclusive of Restricted Funds)	117,487,556	52,023,839	52,048,839	84,272,859
Add: Cash Backed Liabilities (Deposits & Bonds)	2,711,421	2,214,179	2,214,179	2,214,179
Less: Cash - Restricted Funds	(84,391,893)	(54,238,018)	(54,263,018)	(84,647,398)
NET CURRENT ASSET POSITION	<u><u>35,807,084</u></u>	<u><u>0</u></u>	<u><u>0</u></u>	<u><u>1,839,640</u></u>

City of Busselton

Capital Acquisition Report

Property, Plant & Equipment, Infrastructure

For the Period Ended 30 September 2017

Description	2017/18 Actual	2017/18 Amended Budget YTD	2017/18 Original Budget YTD	2017/18 Amended Budget	2017/18 Original Budget	2017/18 Budget YTD Variance
	\$	\$	\$	\$	\$	%
>> Property, Plant & Equipment						
Land						
10610 Property Services Administration	0	0	0	100,000	100,000	0.00%
10970 Parking Control	0	0	0	1,525,000	1,525,000	0.00%
11156 Airport Development	95,445	100,000	100,000	100,000	100,000	-4.56%
R0780 Dunsborough Lakes Oval - Commonage Road	0	0	0	1,600,000	1,600,000	0.00%
	95,445	100,000	100,000	3,325,000	3,325,000	-4.56%
Buildings						
Major Projects						
Major Project - Busselton Foreshore						
B9570 Foreshore East-Youth Precinct Community Youth Building/SLSC	1,039,013	750,000	750,000	1,351,078	1,351,078	38.54%
B9583 Railway House	300	5,001	5,001	20,000	20,000	-94.00%
B9593 Barnard Park Pavilion	337,222	300,000	300,000	350,969	350,969	12.41%
B9600 Old Busselton Lighthouse	0	0	0	80,000	80,000	0.00%
	1,376,535	1,055,001	1,055,001	1,802,047	1,802,047	30.48%
Major Project - Administration Building						
B9010 Civic and Administration Centre Construction	669,006	1,065,574	1,065,574	1,140,537	1,140,537	-37.22%
	669,006	1,065,574	1,065,574	1,140,537	1,140,537	-37.22%
Buildings (Other)						
B9112 Ambergate Bushfire Brigade Shed	0	30,828	30,828	123,307	123,307	-100.00%
B9300 Aged Housing Capital Improvements - Winderup	0	11,000	11,000	33,000	33,000	-100.00%
B9301 Aged Housing Capital Improvements - Harris Road	0	0	0	47,000	22,000	0.00%
B9302 Aged Housing Capital Improvements - Winderup Court (City)	0	9,999	9,999	40,000	40,000	-100.00%
B9517 GLC - Pool Relining	614	142,570	142,570	570,000	570,000	-99.57%
B9528 GLC - Plant Room	1,978	32,604	32,604	130,000	130,000	-93.93%
B9591 Performing Arts Convention Centre	0	25,000	25,000	100,000	100,000	-100.00%
B9594 Vasse Community Recreation Precinct	41,500	12,501	12,501	50,000	50,000	231.97%
B9716 Airport Terminal Stage 2	0	2,250,000	2,250,000	9,000,000	9,000,000	-100.00%
B9804 Kook Park Home	2,800	48,951	48,951	195,802	195,802	-94.28%
	46,892	2,563,453	2,563,453	10,289,109	10,264,109	-98.17%
Total Buildings	2,092,433	4,684,028	4,684,028	13,231,693	13,206,693	-55.33%
Plant & Equipment						
10502 Community & Commercial Services Support	0	0	0	50,000	50,000	0.00%
10610 Property Services Administration	0	0	0	35,000	35,000	0.00%
10630 Property and Business Development	38,724	0	0	40,000	40,000	0.00%
10810 Statutory Planning	65,113	0	0	70,000	70,000	0.00%
10850 Implement Management Plans Other	935	0	0	0	0	0.00%
10920 Environmental Health Services Administration	32,133	0	0	37,000	37,000	0.00%
10922 Preventative Services - Mosquitoes	0	126	126	39,500	39,500	-100.00%
10950 Animal Control	0	0	0	79,600	79,600	0.00%
11107 Engineering Services Design	0	0	0	35,000	35,000	0.00%
11170 Meekup Regional Park	1,981	0	0	0	0	0.00%
11401 Transport - Workshop	4,722	0	0	53,000	53,000	0.00%
11402 Plant Purchases (P10)	383,156	406,300	406,300	1,845,300	1,845,300	-5.70%
11403 Plant Purchases (P11)	13,554	0	0	328,000	328,000	0.00%
11404 Plant Purchases (P12)	100,284	0	0	1,402,000	1,402,000	0.00%
B1029 Busselton Branch SES	61,194	0	0	0	0	0.00%
G0030 Busselton Transfer Station	0	1,251	1,251	5,000	5,000	-100.00%
G0031 Dunsborough Waste Facility	0	2,499	2,499	10,000	10,000	-100.00%
	701,794	410,176	410,176	4,029,400	4,029,400	71.10%
Furniture & Office Equipment						
10250 Information & Communication Technology Services	49,983	25,821	25,821	103,276	103,276	93.58%
10251 Business Systems	45,525	67,098	67,098	268,400	268,400	-32.15%
10380 Busselton Library	0	0	0	5,000	5,000	0.00%
10381 Dunsborough Library	0	6,033	6,033	24,130	24,130	-100.00%
10590 Naturaliste Community Centre	0	15,720	15,720	15,720	15,720	-100.00%
10591 Geopraphe Leisure Centre	0	10,635	10,635	42,540	42,540	-100.00%
10616 Winderup Villas Aged Housing	0	1,500	1,500	6,000	6,000	-100.00%

City of Busselton**Capital Acquisition Report****Property, Plant & Equipment, Infrastructure****For the Period Ended 30 September 2017**

Description	2017/18 Actual	2017/18 Amended Budget YTD	2017/18 Original Budget YTD	2017/18 Amended Budget	2017/18 Original Budget	2017/18 Budget YTD Variance
10617 Harris Road Aged Housing	0	875	875	3,500	3,500	-100.00%
10625 Art Geo Administration	13,676	12,000	12,000	12,000	12,000	13.97%
10900 Cultural Planning	0	35,000	35,000	77,030	77,030	-100.00%
10920 Environmental Health Services Administration	0	3,249	3,249	10,000	10,000	-100.00%
11300 Sanitation Waste Services Administration	246	0	0	0	0	0.00%
11400 Transport - Fleet Management	246	0	0	0	0	0.00%
11500 Operations Services Administration	738	0	0	0	0	0.00%
B1000 Administration Building- 2-16 Southern Drive	16,874	100,000	100,000	111,000	111,000	-83.13%
B1010 Ambergate Bushfire Brigade	0	0	0	2,464	2,464	0.00%
B1013 Dunsborough Bushfire Brigade	0	0	0	4,833	4,833	0.00%
B1014 Eagle Bay Bushfire Brigade	0	0	0	4,833	4,833	0.00%
B1015 Hithergreen District Bushfire Brigade	0	0	0	4,833	4,833	0.00%
B1018 Kalooup Bushfire Brigade	0	0	0	2,464	2,464	0.00%
B1019 Metricup Bushfire Brigade	0	0	0	2,464	2,464	0.00%
B1022 Sussex Bushfire Brigade	0	0	0	2,464	2,464	0.00%
B1023 Vasse Bushfire Brigade	0	0	0	2,464	2,464	0.00%
B1024 Willyabrup Bushfire Brigade	0	0	0	2,464	2,464	0.00%
B1025 Yallingup Coastal Bushfire Brigade	0	0	0	4,833	4,833	0.00%
B1026 Yallingup Rural Bushfire Brigade	0	0	0	2,464	2,464	0.00%
B1028 Yoongarillup Bushfire Brigade	0	0	0	2,464	2,464	0.00%
B1029 Busselton Branch SES	0	0	0	12,572	12,572	0.00%
B1361 YCAB (Youth Precinct Foreshore)	0	60,000	60,000	100,000	100,000	-100.00%
	127,287	337,931	337,931	830,212	830,212	-62.33%
Sub-Total Property, Plant & Equipment	3,016,959	5,532,135	5,532,135	21,416,305	21,391,305	-45.46%
>> Infrastructure						
Major Project - Busselton Foreshore						
C0016 Milne Street Carpark	40,306	0	0	40,000	40,000	0.00%
C3094 Busselton Foreshore - Stage 3	2,172,923	860,094	860,094	3,440,383	3,440,383	152.64%
C3113 Busselton Tennis Club - Infrastructure	46,072	687,501	687,501	2,750,000	2,750,000	-93.30%
C3150 Busselton Foreshore Stage 3: Toddler's Playground	0	47,751	47,751	191,000	191,000	-100.00%
C3168 Busselton Foreshore Jetty Precinct	50,595	999,999	999,999	4,500,000	4,000,000	-94.94%
C3173 Barnard Park Pavillion Landscaping	9,424	0	0	0	0	0.00%
	2,319,320	2,595,345	2,595,345	10,921,383	10,421,383	-10.64%
Major Project - Administration Building						
C0043 Administration Building Carpark	149,005	250,000	250,000	250,000	250,000	-40.40%
	149,005	250,000	250,000	250,000	250,000	-40.40%
Footpaths Construction						
F0035 Dunsborough Lakes Drive to N.C.C.	0	39,318	39,318	152,000	152,000	-100.00%
F0063 Yallingup Footpath	0	7,848	7,848	31,395	31,395	-100.00%
F0066 Bussell Highway Footpath Sections	0	97,455	97,455	389,820	389,820	-100.00%
F0073 Bussell H/way Footpath - Opp Corner Store to Warden Crossing	0	6,470	6,470	25,000	25,000	-100.00%
F0074 Milward Street - Ford Road to Cookworthy Street	0	14,228	14,228	55,000	55,000	-100.00%
F0075 Armitage Drive Footpath - Navigation Way to Avocet Boulevard	0	15,522	15,522	60,000	60,000	-100.00%
F0076 Vasse Bypass Road Footpath	0	65,000	65,000	65,000	65,000	-100.00%
	0	245,841	245,841	778,215	778,215	-100.00%
Drainage Construction - Street						
D0009 Busselton LIA - Geocatch Drain Partnership	0	0	0	30,000	30,000	0.00%
D0010 Dunsborough / Busselton Drainage Upgrades	8,658	17,855	17,855	69,000	69,000	-51.51%
D0015 Valley Road Drainage Upgrade	0	66,747	66,747	258,010	258,010	-100.00%
D0016 Vasse Highway Drainage Works	0	22,523	22,523	22,523	22,523	-100.00%
D0017 Chain Avenue - Drainage Works	0	15,000	15,000	60,000	60,000	-100.00%
	8,658	122,125	122,125	439,533	439,533	-92.91%
Car Parking Construction						
C0044 Meelup Coastal Nodes - Carpark upgrade	2,178	59,442	59,442	237,764	237,764	-96.34%
	2,178	59,442	59,442	237,764	237,764	-96.34%
Bridges Construction						
A0010 Queen Street Bridge 0240A	0	72,000	72,000	288,000	288,000	-100.00%
A0021 Ambergate Bridge - 3393	0	0	0	90,000	90,000	0.00%
A0022 Yallingup Beach Road Bridge - 3347	0	0	0	222,000	222,000	0.00%

City of BusseltonCapital Acquisition ReportProperty, Plant & Equipment, InfrastructureFor the Period Ended 30 September 2017

Description	2017/18 Actual	2017/18 Amended Budget YTD	2017/18 Original Budget YTD	2017/18 Amended Budget	2017/18 Original Budget	2017/18 Budget YTD Variance
	0	72,000	72,000	600,000	600,000	-100.00%
Cycleways Construction						
F1019 Busselton Bypass - Country Road Footpath	0	56,851	56,851	222,000	222,000	-100.00%
	0	56,851	56,851	222,000	222,000	-100.00%
Townscape Construction						
C1001 Queen Street Upgrade - Duchess to Kent Street	684	30,999	30,999	124,000	124,000	-97.79%
C1024 Dunsborough Road Access Improvements Stage 1	650	147,789	147,789	591,155	591,155	-99.56%
	1,334	178,788	178,788	715,155	715,155	-99.25%
Boat Ramps Construction						
C1513 Port Geographe Boat Trailer Parking Layout Redevelopment	11,836	0	0	224,819	224,819	0.00%
	11,836	0	0	224,819	224,819	0.00%
Beach Restoration						
C2504 Groyne Construction	0	0	0	40,040	40,040	0.00%
C2512 Sand Re-Nourishment	109,579	27,501	27,501	110,000	110,000	298.45%
C2520 Coastal Protection Works	214	11,250	11,250	45,000	45,000	-98.10%
C2524 Wonerup Coastal Defence (Groyne)	77,380	73,335	73,335	73,335	73,335	5.52%
	187,172	112,086	112,086	268,375	268,375	66.99%
Parks, Gardens & Reserves						
C3006 Playgrounds General - Replacement of playground equipment	0	5,132	5,132	20,000	20,000	-100.00%
C3007 Park Furniture Replacement - Replace aged & unsafe Equip	15,714	3,750	3,750	15,000	15,000	319.03%
C3014 Meelup Park - Fire Access Trail	0	5,001	5,001	20,000	20,000	-100.00%
C3122 Rails to Trails	818	25,002	25,002	165,310	165,310	-96.73%
C3131 Elijah Circle POS	0	10,043	10,043	40,000	40,000	-100.00%
C3134 Vasse Community & Recreation Precinct - AFL Oval Stage 1	894	12,501	12,501	50,000	50,000	-92.85%
C3145 Churchill Park	13,930	0	0	150,000	0	0.00%
C3146 Dunsborough Town Centre	0	22,762	22,762	90,000	90,000	-100.00%
C3154 Administration Building Landscaping Works	383,535	100,433	100,433	250,000	250,000	281.88%
C3157 Port Geographe - Layman Road Native Tree Planting	0	8,748	8,748	35,000	35,000	-100.00%
C3158 Port Geographe - Casurina Replacements on Layman Road	0	10,043	10,043	40,000	40,000	-100.00%
C3159 Port Geographe - Burgee Close (Western Side of Bridge)	0	23,748	23,748	95,000	95,000	-100.00%
C3160 Port Geographe - Reticulated POS at Layman Rd R/About	0	62,931	62,931	250,000	250,000	-100.00%
C3161 Port Geographe-Layman Road to Lanyard Boulevard (Planting)	0	5,001	5,001	20,000	20,000	-100.00%
C3163 Port Geographe - Outstanding Minor Repairs	0	7,634	7,634	30,000	30,000	-100.00%
C3164 Port Geographe - Reticulation Upgrade Scheme to Bore Water	0	84,183	84,183	335,000	335,000	-100.00%
C3165 Foreshore - Irrigation Renewal	0	15,218	15,218	60,000	60,000	-100.00%
C3166 Vasse River Foreshore - Bridge to Bridge project Stage 1	0	18,750	18,750	75,000	75,000	-100.00%
C3167 Advanced Bore Monitoring Equipment	0	24,999	24,999	100,000	100,000	-100.00%
C3169 Relocatable Bike Racks	0	2,751	2,751	11,000	11,000	-100.00%
C3170 Yallingup Beach Showers	0	9,999	9,999	40,000	40,000	-100.00%
C3171 Dunsborough Foreshore Beach Showers	0	1,251	1,251	5,000	5,000	-100.00%
C3172 Vasse Newtown - AFL Oval Stage 2	269,132	83,070	83,070	332,275	332,275	223.98%
	684,023	542,950	542,950	2,228,585	2,078,585	25.98%
Cemetery Capital Works						
C1609 Pioneer Cemetery - Implement Conservation Plan	0	5,042	5,042	20,000	20,000	-100.00%
	0	5,042	5,042	20,000	20,000	-100.00%
Aged Housing - Infrastructure Works						
C3451 Aged Housing Infrastructure (Upgrade)	7,578	0	0	13,000	13,000	0.00%
	7,578	0	0	13,000	13,000	0.00%
Sanitation Infrastructure						
C3479 New Cell Development	0	218,748	218,748	875,000	875,000	-100.00%
C3481 Transfer Station Development	6,501	26,625	26,625	106,500	106,500	-75.58%
C3485 Site Rehabilitation - Busselton	146,340	268,749	268,749	1,075,000	1,075,000	-45.55%
	152,840	514,122	514,122	2,056,500	2,056,500	-70.27%

Financial Activity Statements - Period Ending 30 September
2017

City of Busselton

Capital Acquisition Report

Property, Plant & Equipment, Infrastructure

For the Period Ended 30 September 2017

Description	2017/18 Actual	2017/18 Amended Budget YTD	2017/18 Original Budget YTD	2017/18 Amended Budget	2017/18 Original Budget	2017/18 Budget YTD Variance
Airport Development						
C6087 Airport Construction Stage 2, Landside Civils & Services Inf	0	2,149,998	0	8,600,000	0	-100.00%
C6090 Parks & Gardens Airport Stage 2	0	0	150,000	0	600,000	0.00%
C6091 Airport Construction Stage 2, Noise Management Plan	17,263	125,001	125,001	500,000	500,000	-86.19%
C6092 Airport Construction Stage 2, Airfield	2,561,348	4,374,999	4,374,999	17,500,000	17,500,000	-41.45%
C6093 Airport Construction Stage 2, Car Park & Access Roads	0	0	1,500,000	0	6,000,000	0.00%
C6095 Airport Construction Stage 2, External Services	1,475	650,001	1,149,999	2,600,000	4,600,000	-99.77%
C6097 Airport Construction Stage 1B, Jet Fuel	0	153,750	153,750	615,000	615,000	-100.00%
C6099 Airport Development - Project Expenses	399,449	432,114	432,114	1,701,890	1,701,890	-7.56%
	2,979,535	7,885,863	7,885,863	31,516,890	31,516,890	-62.22%
Main Roads						
S0035 Strelly Street	8,141	140,386	140,386	549,859	549,859	-94.20%
S0049 Layman Road	470,282	168,174	168,174	672,701	672,701	179.64%
S0051 Causeway Road	54,397	34,758	34,758	139,032	139,032	56.50%
S0064 Peel Terrace	18,819	280,853	280,853	1,102,549	1,102,549	-93.30%
S0066 Queen Street	6,940	63,603	63,603	254,412	254,412	-89.09%
S0067 Layman Road - Reconstruction Between 3250 and 6190	620	155,738	155,738	600,000	600,000	-99.60%
S0068 Georgiana Molloy Bus Bay Facilities	390	0	0	200,000	200,000	0.00%
S0314 Koorabin Drive - Reseal	1,403	63,693	63,693	250,000	250,000	-97.80%
S0315 Guerin Street - Asphalt Overlay	0	21,964	21,964	85,907	85,907	-100.00%
	560,993	929,169	929,169	3,854,460	3,854,460	-39.62%
Roads to Recovery						
T0004 Chapman Hill Road	0	23,560	23,560	92,000	92,000	-100.00%
T0016 Puzey Road	0	38,830	38,830	155,000	155,000	-100.00%
T0026 Kaloorup Road	30,148	11,042	11,042	43,000	43,000	173.03%
T0061 Jindong Treeton Road	0	6,262	6,262	25,000	25,000	-100.00%
T0077 Florence Rd Gravel Resheet Slk 0.30 - 1.00	0	8,963	8,963	35,000	35,000	-100.00%
T0078 Taylor Rd Gravel Resheet Slk 0.00 - 1.14	0	12,295	12,295	48,000	48,000	-100.00%
T0079 Patton Terrace - Asphalt Overlay	1,632	68,654	68,654	269,000	269,000	-97.62%
T0080 Craig Street - Asphalt Overlay	445	38,795	38,795	152,000	152,000	-98.85%
T0082 Hakea Way - Asphalt Overlay	0	2	2	0	0	-100.00%
T0083 Pinnock Place- Asphalt Overlay	0	10,105	10,105	40,000	40,000	-100.00%
T0084 Yelverton Road- Rural reconstruction & widening	953	147,405	147,405	589,624	589,624	-99.35%
	33,178	365,913	365,913	1,448,624	1,448,624	-90.93%
Black Spot						
V0002 Busselton/Dunsborough Traffic Implementation Works	0	0	0	2,325,000	2,325,000	0.00%
	0	0	0	2,325,000	2,325,000	0.00%
Council Roads Initiative						
W0019 Marine Terrace	0	127,604	127,604	500,000	500,000	-100.00%
W0066 Court Street	0	5,625	5,625	22,500	22,500	-100.00%
W0108 Yelverton Road	3,250	280,981	280,981	1,080,376	1,080,376	-98.84%
W0136 DAIP Issues District ACROD Bays, ramps, signs etc	6,029	9,198	9,198	36,792	36,792	-34.46%
W0137 Edwards Road	0	38,923	38,923	152,000	152,000	-100.00%
W0150 Roe Terrace Busselton	0	5,001	5,001	20,000	20,000	-100.00%
W0176 Signage (Alternate CBD Entry)	0	15,000	15,000	60,000	60,000	-100.00%
W0177 Strelly Street	205	15,000	15,000	60,000	60,000	-98.63%
W0192 Valley Road	0	11,709	11,709	46,840	46,840	-100.00%
W0198 Senior Citizens Access Road (Peel Toe)	47,085	11,625	11,625	46,500	46,500	305.03%
W0200 Farquhar Rd Gravel Resheet Slk 0.60 - 2.10	0	13,575	13,575	53,000	53,000	-100.00%
W0201 McDonald Rd Gravel Resheet Slk 1.40 - 2.49	0	12,805	12,805	50,010	50,010	-100.00%
W0202 Costello Road - Asphalt Overlay	21,301	18,120	18,120	71,000	71,000	17.56%
W0203 Coates Street - Asphalt Overlay	19,618	14,038	14,038	55,000	55,000	39.75%
W0204 Greenfield Road (Loop) - One way layout	0	14,287	14,287	56,000	56,000	-100.00%
W0205 Churchill Park New Entry Road to Croquet Club	0	0	19,208	0	74,000	0.00%
W0206 Churchill Park Fire Hydrant Relocation	0	0	2,250	0	9,000	0.00%
W0207 Busselton Highway Pavement Deformation	0	10,000	10,000	10,000	10,000	-100.00%
W0208 Plover Court	0	8,124	8,124	32,500	32,500	-100.00%
	97,488	611,615	633,073	2,352,518	2,435,518	-84.06%
Sub-Total Infrastructure	7,195,138	14,547,152	14,568,610	60,472,821	59,905,821	-50.54%
Grand Total - Capital Acquisitions	10,212,097	20,079,287	20,100,745	81,889,126	81,297,126	

City of BusseltonReserves Movement ReportFor The Period Ending 30 September 2017

	2017/2018 Actual	2017/2018 Amended Budget YTD	2017/2018 Original Budget YTD	2017/2018 Amended Budget	2017/2018 Original Budget	2016/2017 Actual
	\$	\$	\$	\$	\$	\$
100 Airport Infrastructure Renewal and Replacement Reserve						
Accumulated Reserves at Start of Year	1,428,767.68	1,428,767.68	1,428,767.68	1,428,767.68	1,428,767.68	940,036.19
Interest transfer to Reserves	9,634.83	8,289.00	8,289.00	33,156.00	33,156.00	33,323.88
Transfer from Muni	99,126.00	99,126.00	99,126.00	396,505.00	396,505.00	498,037.73
Transfer to Muni	0.00	0.00	0.00	(42,630.00)	(42,630.00)	(42,630.12)
	<u>1,537,528.51</u>	<u>1,536,182.68</u>	<u>1,536,182.68</u>	<u>1,815,798.68</u>	<u>1,815,798.68</u>	<u>1,428,767.68</u>
101 Asset Depreciation Reserve						
Accumulated Reserves at Start of Year	0.00	0.00	0.00	0.00	0.00	2,573,603.88
Transfer to Muni	0.00	0.00	0.00	0.00	0.00	(2,573,603.88)
	<u>0.00</u>	<u>0.00</u>	<u>0.00</u>	<u>0.00</u>	<u>0.00</u>	<u>0.00</u>
102 Climate Adaptation Reserve						
Accumulated Reserves at Start of Year	1,900,992.93	1,900,992.93	1,900,992.93	1,900,992.93	1,900,992.93	1,768,390.03
Interest transfer to Reserves	10,291.50	11,028.00	11,028.00	44,112.00	44,112.00	54,921.29
Transfer from Muni	113,430.00	113,430.00	113,430.00	650,703.14	650,703.14	453,720.00
Transfer to Muni	0.00	0.00	0.00	(195,000.00)	(195,000.00)	(376,038.39)
	<u>2,024,714.43</u>	<u>2,025,450.93</u>	<u>2,025,450.93</u>	<u>2,400,808.07</u>	<u>2,400,808.07</u>	<u>1,900,992.93</u>
107 Corporate IT System Programme						
Accumulated Reserves at Start of Year	125,981.19	125,981.19	125,981.19	125,981.19	125,981.19	132,062.14
Interest transfer to Reserves	713.05	732.00	732.00	2,928.00	2,928.00	3,543.05
Transfer to Muni	0.00	0.00	0.00	(53,276.00)	(53,276.00)	(9,624.00)
	<u>126,694.24</u>	<u>126,713.19</u>	<u>126,713.19</u>	<u>75,633.19</u>	<u>75,633.19</u>	<u>125,981.19</u>
110 Jetty Maintenance Reserve						
Accumulated Reserves at Start of Year	3,158,774.78	3,158,774.78	3,158,774.78	3,158,774.78	3,158,774.78	2,306,653.49
Interest transfer to Reserves	21,665.80	18,324.00	18,324.00	73,297.00	73,297.00	66,858.67
Transfer from Muni	0.00	0.00	0.00	1,195,004.00	1,195,004.00	1,177,344.00
Transfer to Muni	0.00	0.00	0.00	(989,438.00)	(989,438.00)	(392,081.38)
	<u>3,180,440.58</u>	<u>3,177,098.78</u>	<u>3,177,098.78</u>	<u>3,437,637.78</u>	<u>3,437,637.78</u>	<u>3,158,774.78</u>
111 Legal Expenses Reserve						
Accumulated Reserves at Start of Year	544,831.88	544,831.88	544,831.88	544,831.88	544,831.88	530,592.71
Interest transfer to Reserves	3,322.65	3,162.00	3,162.00	12,648.00	12,648.00	14,239.17
	<u>548,154.53</u>	<u>547,993.88</u>	<u>547,993.88</u>	<u>557,479.88</u>	<u>557,479.88</u>	<u>544,831.88</u>
112 Long Service Leave Reserve						
Accumulated Reserves at Start of Year	0.00	0.00	0.00	0.00	0.00	2,604,471.00
Transfer to Muni	0.00	0.00	0.00	0.00	0.00	(2,604,471.00)
	<u>0.00</u>	<u>0.00</u>	<u>0.00</u>	<u>0.00</u>	<u>0.00</u>	<u>0.00</u>
114 City Car Parking and Access Reserve						
Accumulated Reserves at Start of Year	623,501.69	623,501.69	623,501.69	623,501.69	623,501.69	427,856.90
Interest transfer to Reserves	3,293.77	3,618.00	3,618.00	14,472.00	14,472.00	18,342.12
Transfer from Muni	110,013.00	110,013.00	110,013.00	440,050.00	440,050.00	408,020.00
Transfer to Muni	0.00	0.00	0.00	(887,057.00)	(887,057.00)	(230,717.33)
	<u>736,808.46</u>	<u>737,132.69</u>	<u>737,132.69</u>	<u>190,966.69</u>	<u>190,966.69</u>	<u>623,501.69</u>
115 Plant Replacement Reserve						
Accumulated Reserves at Start of Year	2,325,777.71	2,325,777.71	2,325,777.71	2,325,777.71	2,325,777.71	2,810,578.75
Interest transfer to Reserves	9,057.64	13,491.00	13,491.00	53,965.00	53,965.00	84,998.01
Transfer from Muni	184,320.00	184,320.00	184,320.00	772,280.00	772,280.00	550,000.00
Transfer to Muni	0.00	0.00	0.00	(1,658,950.00)	(1,658,950.00)	(1,119,799.05)
	<u>2,519,155.35</u>	<u>2,523,588.71</u>	<u>2,523,588.71</u>	<u>1,493,072.71</u>	<u>1,493,072.71</u>	<u>2,325,777.71</u>

City of BusseltonReserves Movement ReportFor The Period Ending 30 September 2017

	2017/2018 Actual	2017/2018 Amended YTD Budget	2017/2018 Original Budget YTD	2017/2018 Amended Budget	2017/2018 Original Budget	2016/2017 Actual
	\$	\$	\$	\$	\$	\$
116 Professional Development Reserve						
Accumulated Reserves at Start of Year	0.00	0.00	0.00	0.00	0.00	77,905.02
Transfer to Muni	0.00	0.00	0.00	0.00	0.00	(77,905.02)
	<u>0.00</u>	<u>0.00</u>	<u>0.00</u>	<u>0.00</u>	<u>0.00</u>	<u>0.00</u>
117 Road Asset Renewal Reserve						
Accumulated Reserves at Start of Year	0.00	0.00	0.00	0.00	0.00	328,823.05
Transfer to Muni	0.00	0.00	0.00	0.00	0.00	(328,823.05)
	<u>0.00</u>	<u>0.00</u>	<u>0.00</u>	<u>0.00</u>	<u>0.00</u>	<u>0.00</u>
119 Sick Pay Incentive Reserve						
Accumulated Reserves at Start of Year	0.00	0.00	0.00	0.00	0.00	144,552.59
Transfer to Muni	0.00	0.00	0.00	0.00	0.00	(144,552.59)
	<u>0.00</u>	<u>0.00</u>	<u>0.00</u>	<u>0.00</u>	<u>0.00</u>	<u>0.00</u>
120 Strategic Projects Reserve						
Accumulated Reserves at Start of Year	230,336.88	230,336.88	230,336.88	230,336.88	230,336.88	216,612.01
Interest transfer to Reserves	1,351.21	1,335.00	1,335.00	5,340.00	5,340.00	6,271.87
Transfer from Muni	6,249.00	6,249.00	6,249.00	25,000.00	25,000.00	25,000.00
Transfer to Muni	0.00	0.00	0.00	(25,000.00)	(25,000.00)	(17,547.00)
	<u>237,937.09</u>	<u>237,920.88</u>	<u>237,920.88</u>	<u>235,676.88</u>	<u>235,676.88</u>	<u>230,336.88</u>
121 Waste Management Facility and Plant Reserve						
Accumulated Reserves at Start of Year	7,578,591.65	7,578,591.65	7,578,591.65	7,578,591.65	7,578,591.65	7,613,254.10
Interest transfer to Reserves	47,127.65	43,965.00	43,965.00	175,861.00	175,861.00	215,633.80
Transfer from Muni	476,604.00	476,604.00	476,604.00	1,906,419.00	1,906,419.00	2,487,565.49
Transfer to Muni	0.00	0.00	0.00	(4,002,300.00)	(4,002,300.00)	(2,737,861.74)
	<u>8,102,323.30</u>	<u>8,099,160.65</u>	<u>8,099,160.65</u>	<u>5,658,571.65</u>	<u>5,658,571.65</u>	<u>7,578,591.65</u>
122 Port Geographe Development Reserve						
Accumulated Reserves at Start of Year	1,534,670.81	1,534,670.81	1,534,670.81	1,534,670.81	1,534,670.81	1,654,121.43
Interest transfer to Reserves	8,418.63	8,904.00	8,904.00	35,616.00	35,616.00	44,374.96
Transfer to Muni	0.00	0.00	0.00	(989,718.00)	(989,718.00)	(163,825.58)
	<u>1,543,089.44</u>	<u>1,543,574.81</u>	<u>1,543,574.81</u>	<u>580,568.81</u>	<u>580,568.81</u>	<u>1,534,670.81</u>
123 Port Geographe Waterways Management Reserve (SAR)						
Accumulated Reserves at Start of Year	3,422,821.20	3,422,821.20	3,422,821.20	3,422,821.20	3,422,821.20	3,454,443.12
Interest transfer to Reserves	19,497.31	19,857.00	19,857.00	79,428.00	79,428.00	95,828.22
Transfer from Muni	45,030.00	45,030.00	45,030.00	180,120.00	180,120.00	172,549.86
Transfer to Muni	0.00	0.00	0.00	(310,000.00)	(310,000.00)	(300,000.00)
	<u>3,487,348.51</u>	<u>3,487,708.20</u>	<u>3,487,708.20</u>	<u>3,372,369.20</u>	<u>3,372,369.20</u>	<u>3,422,821.20</u>
124 Workers Compensation Contingency Reserve						
Accumulated Reserves at Start of Year	322,008.37	322,008.37	322,008.37	322,008.37	322,008.37	273,142.25
Interest transfer to Reserves	2,054.85	1,869.00	1,869.00	7,476.00	7,476.00	8,066.12
Transfer from Muni	12,687.00	12,687.00	12,687.00	50,750.00	50,750.00	40,800.00
Transfer to Muni	0.00	0.00	0.00	(25,000.00)	(25,000.00)	0.00
	<u>336,750.22</u>	<u>336,564.37</u>	<u>336,564.37</u>	<u>355,234.37</u>	<u>355,234.37</u>	<u>322,008.37</u>
126 Provenge Landscape Maintenance Reserve (SAR)						
Accumulated Reserves at Start of Year	1,001,808.42	1,001,808.42	1,001,808.42	1,001,808.42	1,001,808.42	835,855.66
Interest transfer to Reserves	6,374.15	5,811.00	5,811.00	23,244.00	23,244.00	25,127.34
Transfer from Muni	39,030.00	39,030.00	39,030.00	156,115.00	156,115.00	149,378.15
Transfer to Muni	0.00	0.00	0.00	(162,369.00)	(162,369.00)	(8,552.73)
	<u>1,047,212.57</u>	<u>1,046,649.42</u>	<u>1,046,649.42</u>	<u>1,018,798.42</u>	<u>1,018,798.42</u>	<u>1,001,808.42</u>

City of BusseltonReserves Movement ReportFor The Period Ending 30 September 2017

	2017/2018 Actual	2017/2018 Amended YTD Budget	2017/2018 Original Budget YTD	2017/2018 Amended Budget	2017/2018 Original Budget	2016/2017 Actual
	\$	\$	\$	\$	\$	\$
127 New Infrastructure Development Reserve						
Accumulated Reserves at Start of Year	2,033,639.44	2,033,639.44	2,033,639.44	2,033,639.44	2,033,639.44	2,007,644.66
Interest transfer to Reserves	11,436.43	11,799.00	11,799.00	47,196.00	47,196.00	58,245.99
Transfer from Muni	163,275.00	163,275.00	163,275.00	653,105.00	653,105.00	548,628.60
Transfer to Muni	0.00	0.00	0.00	(1,195,674.00)	(1,195,674.00)	(580,879.81)
	<u>2,208,350.87</u>	<u>2,208,713.44</u>	<u>2,208,713.44</u>	<u>1,538,266.44</u>	<u>1,538,266.44</u>	<u>2,033,639.44</u>
128 Vasse Newtown Landscape Maintenance Reserve (SAR)						
Accumulated Reserves at Start of Year	485,466.16	485,466.16	485,466.16	485,466.16	485,466.16	470,759.51
Interest transfer to Reserves	2,349.58	2,817.00	2,817.00	11,268.00	11,268.00	15,192.21
Transfer from Muni	41,886.00	41,886.00	41,886.00	167,547.00	167,547.00	161,862.78
Transfer to Muni	0.00	0.00	0.00	(207,566.00)	(207,566.00)	(162,348.34)
	<u>529,701.74</u>	<u>530,169.16</u>	<u>530,169.16</u>	<u>456,715.16</u>	<u>456,715.16</u>	<u>485,466.16</u>
129 Untied Grants Reserve						
Accumulated Reserves at Start of Year	1,146,659.00	1,146,659.00	1,146,659.00	1,146,659.00	1,146,659.00	0.00
Transfer from Muni	0.00	0.00	0.00	0.00	0.00	1,146,659.00
Transfer to Muni	(1,146,659.00)	(1,146,659.00)	(1,146,659.00)	(1,146,659.00)	(1,146,659.00)	0.00
	<u>0.00</u>	<u>0.00</u>	<u>0.00</u>	<u>0.00</u>	<u>0.00</u>	<u>1,146,659.00</u>
130 Locke Estate Reserve						
Accumulated Reserves at Start of Year	129,971.14	129,971.14	129,971.14	129,971.14	129,971.14	64,000.00
Interest transfer to Reserves	1,160.05	753.00	753.00	3,012.00	3,012.00	1,971.14
Transfer from Muni	0.00	0.00	0.00	64,000.00	64,000.00	64,000.00
Transfer to Muni	0.00	0.00	0.00	(196,983.14)	(196,983.14)	0.00
	<u>131,131.19</u>	<u>130,724.14</u>	<u>130,724.14</u>	<u>0.00</u>	<u>0.00</u>	<u>129,971.14</u>
131 Busselton Community Resource Centre						
Accumulated Reserves at Start of Year	123,721.93	123,721.93	123,721.93	123,721.93	123,721.93	92,178.36
Interest transfer to Reserves	776.42	717.00	717.00	2,868.00	2,868.00	2,973.75
Transfer from Muni	6,895.00	6,895.00	6,895.00	27,580.00	27,580.00	28,569.82
	<u>131,393.35</u>	<u>131,333.93</u>	<u>131,333.93</u>	<u>154,169.93</u>	<u>154,169.93</u>	<u>123,721.93</u>
132 CBD Enhancement Reserve						
Accumulated Reserves at Start of Year	84,897.67	84,897.67	84,897.67	84,897.67	84,897.67	50,404.28
Interest transfer to Reserves	521.31	492.00	492.00	1,968.00	1,968.00	1,993.39
Transfer from Muni	8,750.00	8,750.00	8,750.00	35,000.00	35,000.00	32,500.00
Transfer to Muni	0.00	0.00	0.00	(120,000.00)	(120,000.00)	0.00
	<u>94,168.98</u>	<u>94,139.67</u>	<u>94,139.67</u>	<u>1,865.67</u>	<u>1,865.67</u>	<u>84,897.67</u>
133 Election, Valuation and Corporate Expenses Reserve						
Accumulated Reserves at Start of Year	331,552.54	331,552.54	331,552.54	331,552.54	331,552.54	174,169.07
Interest transfer to Reserves	2,213.25	1,923.00	1,923.00	7,692.00	7,692.00	7,896.56
Transfer from Muni	44,475.00	44,475.00	44,475.00	177,904.00	177,904.00	174,420.00
Transfer to Muni	0.00	0.00	0.00	(395,300.00)	(395,300.00)	(24,933.09)
	<u>378,240.79</u>	<u>377,950.54</u>	<u>377,950.54</u>	<u>121,848.54</u>	<u>121,848.54</u>	<u>331,552.54</u>
134 Civic and Administration Centre Construction Reserve						
Accumulated Reserves at Start of Year	444,863.46	444,863.46	444,863.46	444,863.46	444,863.46	12,782,915.12
Interest transfer to Reserves	0.00	0.00	0.00	0.00	0.00	161,948.34
Transfer to Muni	0.00	0.00	0.00	(444,863.46)	(444,863.46)	(12,500,000.00)
	<u>444,863.46</u>	<u>444,863.46</u>	<u>444,863.46</u>	<u>0.00</u>	<u>0.00</u>	<u>444,863.46</u>
136 Airport Marketing Reserve						
Accumulated Reserves at Start of Year	912,986.35	912,986.35	912,986.35	912,986.35	912,986.35	196,000.00
Interest transfer to Reserves	10,615.99	5,295.00	5,295.00	21,181.00	21,181.00	6,036.59
Transfer from Muni	251,023.98	75,000.00	75,000.00	300,000.00	300,000.00	710,949.76
	<u>1,174,626.32</u>	<u>993,281.35</u>	<u>993,281.35</u>	<u>1,234,167.35</u>	<u>1,234,167.35</u>	<u>912,986.35</u>

City of BussetonReserves Movement ReportFor The Period Ending 30 September 2017

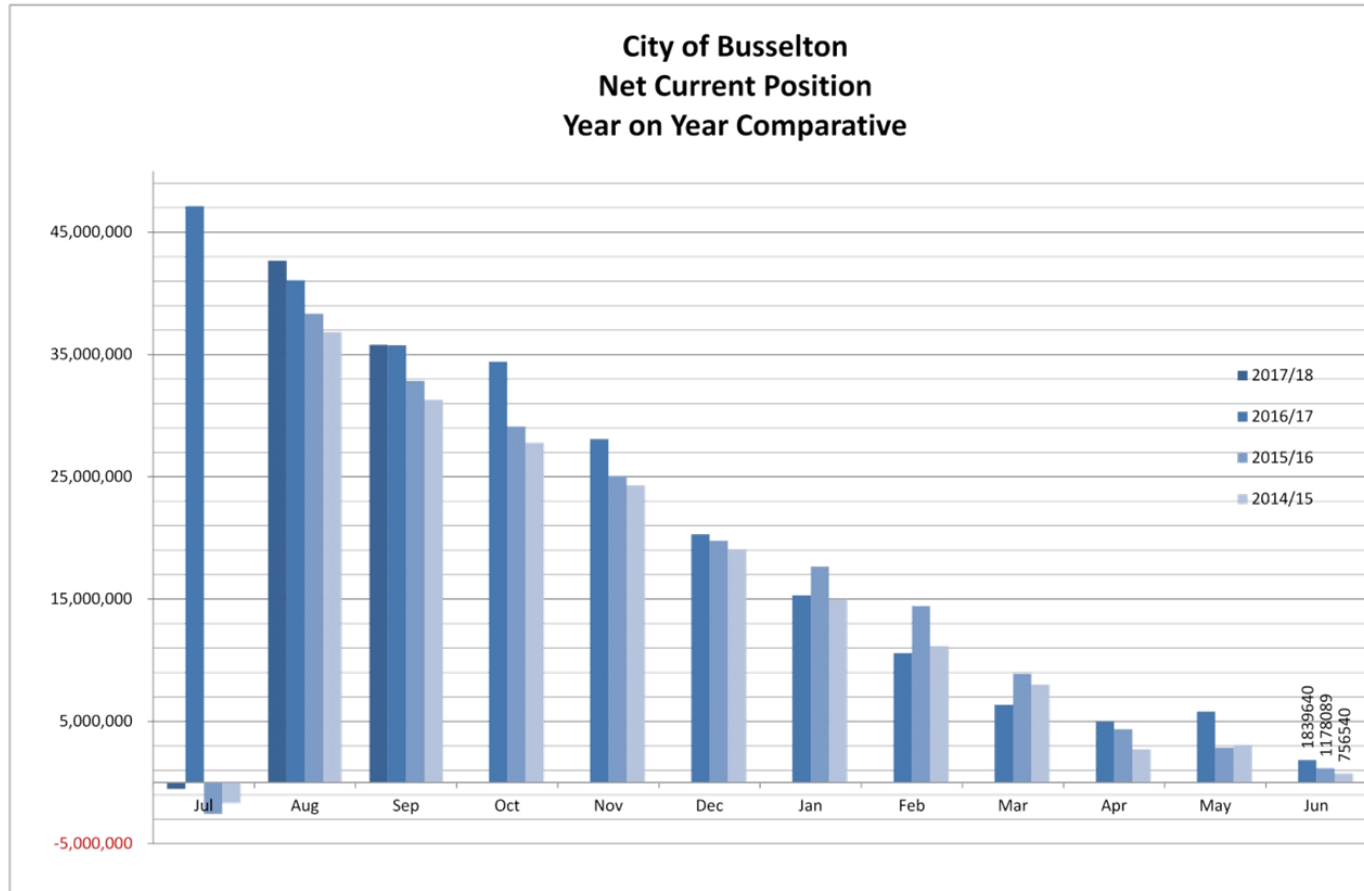
	2017/2018 Actual	2017/2018 Amended Budget YTD	2017/2018 Original Budget YTD	2017/2018 Amended Budget	2017/2018 Original Budget	2016/2017 Actual
	\$	\$	\$	\$	\$	\$
137 Busseton Traffic Study Implementation Reserve						
Interest transfer to Reserves	706.56	6,657.00	6,657.00	26,626.00	26,626.00	0.00
Transfer from Muni	125,487.00	125,487.00	125,487.00	3,001,952.00	3,001,952.00	0.00
Transfer to Muni	0.00	0.00	0.00	(2,660,917.00)	(2,660,917.00)	0.00
	<u>126,193.56</u>	<u>132,144.00</u>	<u>132,144.00</u>	<u>367,661.00</u>	<u>367,661.00</u>	<u>0.00</u>
138 CPA Bushfire Facilities Reserve						
Transfer from Muni	54,671.80	54,671.80	54,671.80	54,671.80	54,671.80	0.00
	<u>54,671.80</u>	<u>54,671.80</u>	<u>54,671.80</u>	<u>54,671.80</u>	<u>54,671.80</u>	<u>0.00</u>
139 CPA Community Facilities Dunsborough Lakes South Reserve						
Transfer from Muni	69,339.20	69,339.20	69,339.20	69,339.20	69,339.20	0.00
	<u>69,339.20</u>	<u>69,339.20</u>	<u>69,339.20</u>	<u>69,339.20</u>	<u>69,339.20</u>	<u>0.00</u>
140 CPA Community Facilities South Biddle Precinct Reserve						
Interest transfer to Reserves	8,538.45	0.00	0.00	0.00	0.00	0.00
Transfer from Muni	1,003,824.14	1,009,774.29	1,009,774.29	1,020,273.29	1,020,273.29	0.00
Transfer to Muni	0.00	0.00	0.00	(175,000.00)	(175,000.00)	0.00
	<u>1,012,362.59</u>	<u>1,009,774.29</u>	<u>1,009,774.29</u>	<u>845,273.29</u>	<u>845,273.29</u>	<u>0.00</u>
141 CPA Infrastructure Road Upgrades Reserve						
Transfer from Muni	220,770.23	220,770.23	220,770.23	220,770.23	220,770.23	0.00
	<u>220,770.23</u>	<u>220,770.23</u>	<u>220,770.23</u>	<u>220,770.23</u>	<u>220,770.23</u>	<u>0.00</u>
Various Building Asset Renewal Reserve						
Accumulated Reserves at Start of Year	1,335,118.59	1,335,118.59	1,335,118.59	1,335,118.59	1,335,118.59	1,493,038.06
Interest transfer to Reserves	8,114.01	7,746.00	7,746.00	30,984.00	30,984.00	37,832.12
Transfer from Muni	10,731.00	10,731.00	10,731.00	42,943.00	42,943.00	172,270.41
Transfer to Muni	0.00	0.00	0.00	(40,000.00)	(40,000.00)	(368,022.00)
	<u>1,353,963.60</u>	<u>1,353,595.59</u>	<u>1,353,595.59</u>	<u>1,369,045.59</u>	<u>1,369,045.59</u>	<u>1,335,118.59</u>
Various Community Development Contribution Reserve						
Accumulated Reserves at Start of Year	6,650,294.50	6,650,294.50	6,650,294.50	6,650,294.50	6,650,294.50	0.00
Interest transfer to Reserves	35,615.75	38,577.00	38,577.00	154,310.00	154,310.00	197,085.92
Transfer from Muni	50,711.00	274,698.00	274,698.00	1,098,790.00	1,098,790.00	8,366,380.90
Transfer to Muni	0.00	0.00	0.00	(844,145.00)	(844,145.00)	(1,913,172.32)
	<u>6,736,621.25</u>	<u>6,963,569.50</u>	<u>6,963,569.50</u>	<u>7,059,249.50</u>	<u>7,059,249.50</u>	<u>6,650,294.50</u>
Various Busseton Area Drainage and Waterways Improvement Reserve						
Accumulated Reserves at Start of Year	609,789.27	609,789.27	609,789.27	609,789.27	609,789.27	0.00
Interest transfer to Reserves	3,718.79	3,537.00	3,537.00	14,148.00	14,148.00	15,225.22
Transfer from Muni	0.00	0.00	0.00	0.00	0.00	594,564.05
Transfer to Muni	0.00	0.00	0.00	(120,000.00)	(120,000.00)	0.00
	<u>613,508.06</u>	<u>613,326.27</u>	<u>613,326.27</u>	<u>503,937.27</u>	<u>503,937.27</u>	<u>609,789.27</u>
Various Employee Entitlement Reserve						
Accumulated Reserves at Start of Year	3,005,076.86	3,005,076.86	3,005,076.86	3,005,076.86	3,005,076.86	0.00
Interest transfer to Reserves	18,245.43	17,433.00	17,433.00	69,732.00	69,732.00	80,277.69
Transfer from Muni	51,621.00	51,621.00	51,621.00	206,480.00	206,480.00	3,474,974.54
Transfer to Muni	0.00	0.00	0.00	(404,840.00)	(404,840.00)	(550,175.37)
	<u>3,074,943.29</u>	<u>3,074,130.86</u>	<u>3,074,130.86</u>	<u>2,876,448.86</u>	<u>2,876,448.86</u>	<u>3,005,076.86</u>

City of Busselton

Reserves Movement Report

For The Period Ending 30 September 2017

	2017/2018 Actual	2017/2018 Amended Budget YTD	2017/2018 Original Budget YTD	2017/2018 Amended Budget	2017/2018 Original Budget	2016/2017 Actual
	\$	\$	\$	\$	\$	\$
Various Infrastructure Asset Renewal Reserve						
Accumulated Reserves at Start of Year	1,076,330.48	1,076,330.48	1,076,330.48	1,076,330.48	1,076,330.48	0.00
Interest transfer to Reserves	7,359.32	6,243.00	6,243.00	24,972.00	24,972.00	55,440.66
Transfer from Muni	550,068.00	550,068.00	550,068.00	2,200,270.00	2,200,270.00	4,445,284.93
Transfer to Muni	0.00	0.00	0.00	(2,142,278.00)	(2,142,278.00)	(3,424,395.11)
	<u>1,633,757.80</u>	<u>1,632,641.48</u>	<u>1,632,641.48</u>	<u>1,159,294.48</u>	<u>1,159,294.48</u>	<u>1,076,330.48</u>
Various Joint Venture Aged Housing Reserve						
Accumulated Reserves at Start of Year	874,987.03	874,987.03	874,987.03	874,987.03	874,987.03	0.00
Interest transfer to Reserves	6,250.93	5,076.00	5,076.00	20,304.00	20,304.00	18,602.71
Transfer from Muni	30,000.00	30,000.00	30,000.00	120,000.00	120,000.00	856,384.32
Transfer to Muni	0.00	0.00	0.00	(25,000.00)	0.00	0.00
	<u>911,237.96</u>	<u>910,063.03</u>	<u>910,063.03</u>	<u>990,291.03</u>	<u>1,015,291.03</u>	<u>874,987.03</u>
Various Public Art Reserve						
Accumulated Reserves at Start of Year	94,836.29	94,836.29	94,836.29	94,836.29	94,836.29	0.00
Interest transfer to Reserves	578.36	549.00	549.00	2,196.00	2,196.00	1,776.29
Transfer from Muni	120,000.00	12,999.00	12,999.00	52,000.00	52,000.00	93,060.00
Transfer to Muni	0.00	0.00	0.00	(52,000.00)	(52,000.00)	0.00
	<u>215,414.65</u>	<u>108,384.29</u>	<u>108,384.29</u>	<u>97,032.29</u>	<u>97,032.29</u>	<u>94,836.29</u>
Total Cash Back Reserves	<u>46,543,417.92</u>	<u>46,479,325.42</u>	<u>46,479,325.42</u>	<u>40,312,663.96</u>	<u>40,337,663.96</u>	<u>43,539,055.90</u>
Summary Reserves						
Accumulated Reserves at Start of Year	43,539,055.90	43,539,055.90	43,539,055.90	43,539,055.90	43,539,055.90	46,024,063.38
Interest transfer to Reserves	261,003.67	249,999.00	249,999.00	1,000,000.00	1,000,000.00	1,334,027.08
Transfer from Muni	3,890,017.35	3,836,929.52	3,836,929.52	15,285,571.66	15,285,571.66	26,832,924.34
Transfer to Muni	(1,146,659.00)	(1,146,659.00)	(1,146,659.00)	(19,511,963.60)	(19,486,963.60)	(30,651,958.90)
Closing Balance	<u>46,543,417.92</u>	<u>46,479,325.42</u>	<u>46,479,325.42</u>	<u>40,312,663.96</u>	<u>40,337,663.96</u>	<u>43,539,055.90</u>





CITY OF BUSSETON - INVESTMENT PERFORMANCE REPORT For the month of September 2017


11am Bank Account As at 30 September 2017

INSTITUTION	RATE	AMOUNT
ANZ 11am At Call Deposit	1.45%	\$ 5,000,000

Term Deposits - Miscellaneous Funds As at 30 September 2017

INSTITUTION	RATING	DAYS	MATURITY	RATE	AMOUNT
ANZ	AA	92	03-Oct-17	2.35%	\$ 3,000,000
Westpac	AA	122	06-Oct-17	2.32%	\$ 5,000,000
Westpac	AA	92	16-Oct-17	2.30%	\$ 1,500,000
NAB	AA	90	17-Oct-17	2.42%	\$ 2,000,000
NAB	AA	90	01-Nov-17	2.41%	\$ 3,000,000
Bank of Queensland	BBB	181	06-Nov-17	2.65%	\$ 2,000,000
NAB	AA	120	23-Nov-17	2.41%	\$ 2,500,000
ANZ	AA	182	15-Dec-17	2.40%	\$ 3,500,000
Westpac	AA	182	29-Dec-17	2.33%	\$ 4,500,000
NAB	AA	122	12-Jan-18	2.53%	\$ 4,000,000
Rural Bank	BBB	181	05-Feb-18	2.50%	\$ 1,500,000
Bankwest	AA	151	12-Feb-18	2.50%	\$ 4,000,000
NAB	AA	153	12-Feb-18	2.54%	\$ 2,000,000
NAB	AA	180	14-Feb-18	2.50%	\$ 3,000,000
ANZ	AA	184	25-Feb-18	2.40%	\$ 3,000,000
Westpac	AA	181	06-Mar-18	2.55%	\$ 5,000,000
Westpac	AA	181	12-Mar-18	2.55%	\$ 4,000,000
NAB	AA	181	12-Mar-18	2.55%	\$ 2,000,000
Westpac	AA	181	22-Mar-18	2.56%	\$ 1,500,000
Bendigo	BBB	272	05-Jun-18	2.50%	\$ 3,000,000
Bendigo	BBB	271	12-Jun-18	2.50%	\$ 1,000,000

Total of Term Deposits \$ 61,000,000

Foreshore Development Funds As at 30 September 2017

WA Treasury Corp. - Overnight Cash Deposit Facility	1.45%	\$ 1,532,522
Please note an additional \$458,535.57 is being held within the pool of term deposit funds		
Total		\$ 1,532,522

Airport Redevelopment Funds As at 30 September 2017

WA Treasury Corp. - Overnight Cash Deposit Facility	1.45%	\$ 2,491
WA Treasury Corp. - State Bonds 186 Days 29-Jan-18	1.76%	\$ 6,189,227

Total of Airport Redevelopment Funds - WATC \$ 6,171,717

NAB	AA	92	03-Oct-17	2.43%	\$ 2,500,000
ANZ	AA	92	05-Oct-17	2.35%	\$ 3,500,000
NAB	AA	90	31-Oct-17	2.41%	\$ 2,000,000
NAB	AA	62	06-Nov-17	2.20%	\$ 3,000,000
ANZ	AA	91	05-Dec-17	2.35%	\$ 2,000,000
Westpac	AA	91	05-Dec-17	2.48%	\$ 4,000,000

Total of Airport Redevelopment Funds - Bank Term Deposits \$ 17,000,000

ANZ Cash Account	AA	NA	NA	1.50%	\$ 4,539,991
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Total of Airport Redevelopment Funds - Other \$ 4,539,991

Total of Airport Redevelopment Funds \$ 27,711,708

Interest Received 2015/16	\$ 609,666
Interest Received 2016/17	\$ 1,158,623
Interest Received 2017/18	\$ 201,308
Interest Accrued but not yet Received	\$ 81,868
Total Interest Airport Funds (Non-Reserve) at month's end	\$ 2,051,465
Interest Transferred out and held in City Reserve Account 136	\$ 730,974
Interest Earned (incl. Accrued) on Funds Held in City Reserve A/c 136	\$ 7,115

(Note: Funds held with the WATC are in accordance with the Airport Redevelopment Funding Contract and are not held within the requirements of the City's Investment Policy 218)

SUMMARY OF ALL INVESTMENTS HELD As at 1 year ago As at 30 June 2017 As at 30 September 2017

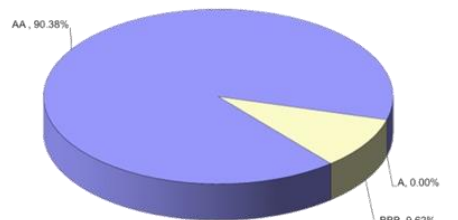
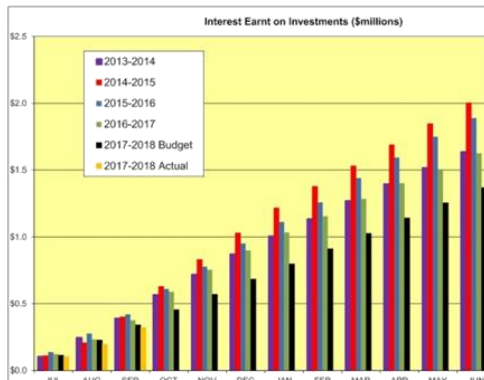
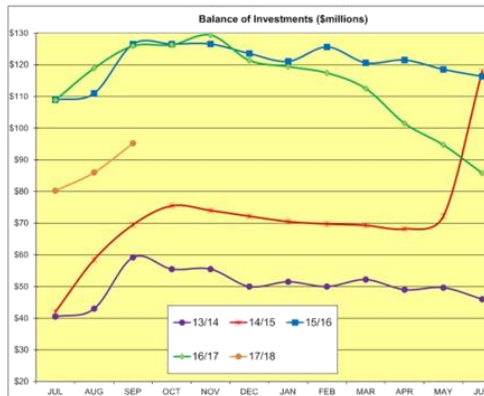
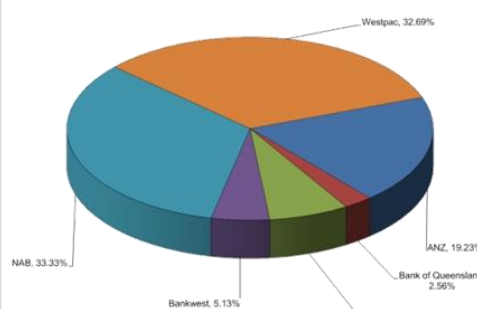
11am Bank Account	\$ 5,000,000	\$ 4,000,000	\$ 5,000,000
Term Deposits - Misc. Funds	\$ 73,500,000	\$ 50,000,000	\$ 61,000,000
Foreshore Development Funds - WATC	\$ 1,510,474	\$ 1,526,935	\$ 1,532,522
Airport Redevelopment - WATC Deposits	\$ 36,699,144	\$ 6,146,434	\$ 6,171,717
Airport Redevelopment - Bank Term Deposit	\$ 4,000,000	\$ 17,000,000	\$ 17,000,000
Airport Redevelopment - ANZ Cash A/c	\$ 5,226,623	\$ 7,101,339	\$ 4,539,991
Total of all Investments Held	\$ 125,936,241	\$ 85,774,708	\$ 95,244,231

TOTAL INTEREST RECEIVED AND ACCRUED	\$ 375,785	\$ 1,625,936	\$ 322,214
INTEREST BUDGET	\$ 388,068	\$ 1,454,850	\$ 342,249

(Note: Interest figures relate to City general funds only and does not include interest allocated to specific areas such as the Airport Redevelopment)

Statement of Compliance with Council's Investment Policy 218

1. All funds are to be invested within legislative limits.	Fully Compliant
2. All individual funds held within the portfolio are not to exceed a set percentage of the total portfolio value.	Fully Compliant
3. The amount invested based upon the Fund's Rating is not to exceed the set percentages of the total portfolio.	Fully Compliant
4. The amount invested based upon the Investment Horizon is not to exceed the set percentages of the total portfolio.	Fully Compliant

Investment Graphs
Summary of Term Deposits by S & P Rating
(Excludes WATC and 11am Cash Account Funds)

Summary of Term Deposits by Institution
(Excludes WATC and 11am Cash Account Funds)


10.2 Audit Committee - 2/11/2017 - CITY OF BUSSELTON 2016/2017 ANNUAL FINANCIAL REPORT, AUDITORS REPORT AND MANAGEMENT LETTER

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 - Cliff Frewing
VOTING REQUIREMENT:	Simple Majority
ATTACHMENTS:	Attachment A 2016/2017 Annual Financial Report Including Auditors Report ↓ Attachment B 2016/2017 Management Letter ↓

This item was considered by the Audit Committee at its meeting on 2 November 2017, the recommendations from which have been included in this report.

PRÉCIS

The 2016/17 Annual Financial Statement, Auditors Report and Management Letter was received from Council's appointed Auditor, Mr Tim Partridge from AMD Chartered Accountants on 12 October 2017, and is provided to Committee Members with the Agenda documents.

Pursuant to its Instrument of Appointment, it is relevant that the Audit Committee considers the 2016/17 Annual Financial Statement, Auditors Report and Management Letter and where appropriate, makes recommendation/s in respect of these reports.

BACKGROUND

Pursuant to Section 7.9 of the Local Government Act (the 'Act'), an Auditor is required to examine the accounts and annual financial report submitted by a local government for audit. The Auditor is also required, by 31 December following the financial year to which the accounts and report relate, to prepare a report thereon and forward a copy of that report to:

- (a) The Mayor or President
- (b) The Chief Executive Officer; and
- (c) The Minister

Furthermore, in accordance with Regulation 10 (4) of the Local Government (Audit) Regulations, where it is considered appropriate to do so, the Auditor may prepare a Management Report to accompany the Auditor's Report, which is also to be forwarded to the persons specified in Section 7.9 of the Act.

The Management Report provides an overview of the audit process and outcomes, whilst also identifying any matters that, whilst generally not material in relation to the overall audit of the financial report, are nonetheless considered relevant to the day to day operations of the City.

STATUTORY ENVIRONMENT

Matters pertaining to the financial audit of a local government authority are detailed within:

- Local Government Act 1995 Section 7.12A.
- Local Government (Financial Management) Regulations 1996.
- Local Government (Audit) Regulations 1996 – Regulation 16.

RELEVANT PLANS AND POLICIES

Not applicable.

FINANCIAL IMPLICATIONS

Not applicable.

Long-term Financial Plan Implications

Nil

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’.

RISK ASSESSMENT

Not applicable.

CONSULTATION

Not applicable.

OFFICER COMMENT

The Audit Committee should note the following Auditors comments that:

“Opinion

In our opinion, the accompanying financial report of the City of Busselton:

- (i) gives a true and fair view, in all material respects, of the financial position of the City of Busselton as at 30 June 2017, and of its financial performance and its cash flows for the year then ended;*
- (ii) complies with Australian Accounting Standards; and*
- (iii) is prepared in accordance with the requirements of the Local Government Act 1995 and the Local Government (Financial Management) Regulations 1996.*

Statutory Compliance:

In accordance with the Local Government (Audit) Regulations 1996, we also report that:

- (i) There are no matters that in our opinion indicate significant adverse trends in the financial position or the financial management practices of the City of Busselton:*
- (ii) There are no other matters indicating non-compliance with Part 6 of the Local Government Act 1995 (as amended), the Local Government (Financial Management) Regulations 1996 (as amended) or applicable financial controls of any other written law noted during the course of our audit, with exception of the following:*
 - a. The mid-year budget review was not completed prior to 31 March 2017 in accordance with Regulation 33A of the Local Government (Financial Management) Regulations 1996. The review was completed on 9 May 2017 and forwarded to the Department of Local Government 1 June 2017; and*

- b. *The monthly financial statements for November 2016 and May 2017 were not presented at an ordinary council meeting within two months after the end of the month to which the financial statements relate; as required by Regulation 34(4) of the Local Government (Financial Management) Regulations 1996.*
- (iii) *The asset consumption ratio and the asset renewal funding ratio included in the annual financial report are supported by verifiable information and reasonable assumptions;*
- (iv) *All necessary information and explanations were obtained by us; and*
- (v) *All audit procedures were satisfactorily completed during our audit.*

The officer notes the minor non-compliance issues raised in points a. and b. above and advises that a review of Committee meeting dates has been initiated to ensure timelines for reporting can be attained.

The Auditor's Management Report provides an overview of the approach undertaken in respect of the annual audit process, and the associated outcomes of the audit. The Management Report also identifies any findings that, whilst not material in relation to the overall audit of the financial report, are considered relevant to the day to day operations of the City.

As part of the 2016/17 Financial Audit, the Auditor made two findings, both of which have been ranked by the Auditor as "Minor":

- a) A finding relating to Policy Review; and
- b) A finding relating to excessive leave balances for key personnel;

The review of the City of Busselton's Policies and Procedures is an ongoing process; the Auditor has highlighted the following items.

These will be addressed in the coming months, as appropriate.

Policy Description	Last reviewed	Review frequency noted within policy
031 Tender selection Criteria	March 2011	As required
FIN100 Petty cash Procedure	January 2014	As required
FIN105 Operation of Business Customer Account Cards	October 2014	As required
HR224 Shire Motor Vehicles	June 2010	Annually
FIN104 Credit Facilities- Waste Disposal Sites	December 2013	As Required
Customer Service Procedure- Petty cash	February 2014	Not noted
HR406 Disciplinary Practice and Procedure	October 2009	Annually
HR301 Study Assistance Practice and Procedure	July 2014	Annually or as required

The finding in relation to excessive leave balances for some employees is acknowledged and a process has been put in place following similar findings over the last few years.

The City continues to adopt an approach of endeavoring to achieve an overall reduction in long outstanding leave balances while still meeting the needs of the organisation. It should be noted this is an issue in relation to a few employees only; and the City does not generally have a problem with excessive leave balances.

This issue will obviously be the subject of continual review prior to and at next year's financial audit.

CONCLUSION

The City achieved a clear audit for the financial year ending 30 June 2016 with only 2 minor areas of non-compliance relating to the timeframes with respect to presentation of the Annual Budget Review and Statements of Financial Activity. As previously noted *a review of Committee meeting dates has been initiated to ensure timelines for reporting can be attained.*

Whilst the Auditor has reported two audit findings in the Management Report, the Auditor has rated these as minor (i.e. not of primary concern however still warranting action being taken). Officers have addressed these minor issues as shown above.

OPTIONS

The Audit Committee may determine to make specific recommendations in relation to the audit findings and the actions identified by management in addressing these. Given the relatively minor nature of the issues that have arisen and the actions which are proposed or are underway, officers do not think specific resolutions are necessary.

TIMELINE FOR IMPLEMENTATION OF OFFICER RECOMMENDATION

Not applicable.

COMMITTEE RECOMMENDATION AND OFFICER RECOMMENDATION

That the City of Busselton Audit Committee recommends to Council that the 2016/17 Annual Financial Report including Auditors Report be accepted.



Financial Report

For the year ended

30 June 2017

City of Busselton

Financial Report

For the Year Ended 30th June 2017

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City of Busselton

Financial Report

For the Year Ended 30th June 2017

LOCAL GOVERNMENT ACT 1995

LOCAL GOVERNMENT (FINANCIAL MANAGEMENT) REGULATIONS 1996

STATEMENT BY CHIEF EXECUTIVE OFFICER

The attached financial report of the City of Busselton being the annual financial report and other information for the financial year ended 30th June 2017 are in my opinion properly drawn up to present fairly the financial position of the City of Busselton at 30th June 2017 and the results of the operations for the financial year then ended in accordance with the Australian Accounting Standards and comply with the provisions of the Local Government Act 1995 and the regulations under that Act.

Signed on the 12th day of October 2017



Mike Archer
Chief Executive Officer

City of Busselton

Financial Report

For the Year Ended 30th June 2017

Statement of Comprehensive Income by Nature or Type

	Note	2017 Actual \$	2017 Budget \$	2016 Actual \$
Revenue				
Rates	22	41,988,600	41,899,310	39,160,121
Operating Grants, Subsidies and Contributions	29	6,364,207	4,861,121	4,423,460
Fees and Charges	28	15,562,634	15,598,955	15,251,233
Interest Earnings	2(a)	3,330,887	2,542,850	2,841,229
Other Revenue		404,611	356,410	2,434,572
		<u>67,650,939</u>	<u>65,258,646</u>	<u>64,110,615</u>
Expenses				
Employee Costs		(27,458,800)	(27,838,725)	(26,408,789)
Materials and Contracts		(14,621,223)	(15,575,365)	(13,698,936)
Utility Charges		(2,252,433)	(2,358,980)	(2,249,459)
Depreciation on Non-Current Assets	2(a)	(16,767,081)	(15,715,050)	(14,998,644)
Interest Expenses	2(a)	(1,278,501)	(1,318,330)	(1,325,698)
Insurance Expenses		(650,427)	(716,772)	(663,483)
Other Expenditure		(613,788)	(1,153,754)	(776,601)
		<u>(63,642,253)</u>	<u>(64,676,976)</u>	<u>(60,121,610)</u>
		4,008,686	581,670	3,989,005
Non-Operating Grants, Subsidies and Contributions	29	17,605,379	35,349,212	25,422,452
Profit on Asset Disposals	20	47,614	23,227	30,164
Loss on Asset Disposals	20	(460,824)	(94,761)	(1,308,366)
		<u>17,192,169</u>	<u>35,277,678</u>	<u>24,144,250</u>
NET RESULT		21,200,855	35,859,348	28,133,255
Other Comprehensive Income				
<i>Items that will not be reclassified subsequently to profit or loss</i>				
Changes on revaluation of non-current assets	12	12,701,372	0	385,926
Total Other Comprehensive Income		<u>12,701,372</u>	<u>0</u>	<u>385,926</u>
TOTAL COMPREHENSIVE INCOME		<u>33,902,227</u>	<u>35,859,348</u>	<u>28,519,181</u>

This statement is to be read in conjunction with the accompanying notes.

City of Busselton

Financial Report

For the Year Ended 30th June 2017

Statement of Comprehensive Income by Program

	Note	2017 Actual \$	2017 Budget \$	2016 Actual \$
Revenue	2(a)			
General Purpose Funding		49,097,898	47,100,160	43,820,266
Governance		235,396	101,290	430,927
Law, Order & Public Safety		725,861	657,303	822,046
Health		426,456	346,310	404,319
Education and Welfare		6,235	5,861	7,302
Housing		470,928	475,230	458,980
Community Amenities		8,980,203	8,696,288	8,790,126
Recreation and Culture		3,664,189	3,547,067	3,237,226
Transport		1,612,936	1,587,304	3,713,761
Economic Services		1,972,674	2,390,134	1,959,981
Other Property and Services		458,163	351,699	465,681
		<u>67,650,939</u>	<u>65,258,646</u>	<u>64,110,615</u>
Expenses Excluding Finance Costs	2(a)			
General Purpose Funding		(978,115)	(1,017,768)	(944,226)
Governance		(4,816,650)	(5,365,621)	(4,532,519)
Law, Order & Public Safety		(2,722,998)	(2,740,928)	(2,657,626)
Health		(1,209,853)	(1,307,038)	(1,182,719)
Education and Welfare		(153,906)	(140,820)	(151,388)
Housing		(1,002,744)	(1,064,270)	(968,378)
Community Amenities		(10,889,372)	(10,327,133)	(10,008,939)
Recreation and Culture		(17,726,799)	(17,963,952)	(16,211,662)
Transport		(18,330,378)	(18,619,375)	(17,616,017)
Economic Services		(3,431,003)	(3,762,932)	(3,385,038)
Other Property and Services		(1,101,934)	(1,048,809)	(1,137,400)
		<u>(62,363,752)</u>	<u>(63,358,646)</u>	<u>(58,795,912)</u>
Finance Costs	2(a)			
Governance		(747,630)	(745,651)	(772,808)
Recreation and Culture		(456,621)	(486,239)	(487,093)
Transport		(40,892)	(53,171)	(47,410)
Economic Services		(2,590)	(2,584)	(3,044)
Other Property and Services		(30,768)	(30,685)	(15,343)
		<u>(1,278,501)</u>	<u>(1,318,330)</u>	<u>(1,325,698)</u>
Non-Operating Grants, Subsidies & Contributions				
Governance		0	80,000	0
Law, Order & Public Safety		790,260	186,827	135,344
Health		11,862	10,000	16,845
Community Amenities		77,500	77,500	70,000
Recreation and Culture		4,198,666	9,236,327	11,571,642
Transport		12,527,091	25,757,358	13,628,621
Other Property and Services		0	1,200	0
		<u>17,605,379</u>	<u>35,349,212</u>	<u>25,422,452</u>
Profit / (Loss) on Disposal of Assets	20			
Governance		(14,851)	(1,300)	(1,005,595)
Law, Order & Public Safety		(5,479)	3,289	6,349
Health		(840)	100	(3,389)
Housing		(673)	0	0
Community Amenities		(8,557)	(24,335)	(12,851)
Recreation and Culture		(58,134)	(13,900)	(195,840)
Transport		(302,023)	(36,788)	(54,494)
Economic Services		(7,330)	1,300	(890)
Other Property and Services		(15,323)	100	(11,492)
		<u>(413,210)</u>	<u>(71,534)</u>	<u>(1,278,202)</u>
NET RESULT		21,200,855	35,859,348	28,133,255
Other Comprehensive Income				
<i>Items that will not be reclassified subsequently to profit or loss</i>				
Changes on revaluation of non-current assets	12	12,701,372	0	385,926
Total Other Comprehensive Income		12,701,372	0	385,926
TOTAL COMPREHENSIVE INCOME		33,902,227	35,859,348	28,519,181

This statement is to be read in conjunction with the accompanying notes.

City of Busselton

Financial Report

For the Year Ended 30th June 2017

Statement of Financial Position

	Note	2017 Actual \$	2016 Actual \$
Current Assets			
Cash and Cash Equivalents	3	86,589,475	115,850,156
Trade and Other Receivables	4	4,163,787	3,605,606
Inventories	5	24,457	20,420
Total Current Assets		90,777,719	119,476,182
Non-current Assets			
Other Receivables	4	581,047	377,570
Property, Plant and Equipment	6	137,089,861	102,761,049
Infrastructure	7	485,023,784	454,520,922
Total Non-current Assets		622,694,692	557,659,541
Total Assets		713,472,411	677,135,723
Current Liabilities			
Trade and Other Payables	8	9,036,971	7,808,826
Current Portion of Long Term Borrowings	9	2,355,987	1,940,629
Provisions	10	4,204,045	4,131,585
Total Current Liabilities		15,597,003	13,881,040
Non-current Liabilities			
Long Term Borrowings	9	27,771,067	27,083,214
Provisions	10	642,979	612,334
Total Non-current Liabilities		28,414,046	27,695,548
Total Liabilities		44,011,049	41,576,588
Net Assets		669,461,362	635,559,135
Equity			
Retained Surplus		422,707,022	399,021,159
Reserves – Cash Backed	11	43,539,055	46,024,063
Revaluation Surplus	12	203,215,285	190,513,913
Total Equity		669,461,362	635,559,135

This statement is to be read in conjunction with the accompanying notes.

City of Busselton

Financial Report

For the Year Ended 30th June 2017

Statement of Changes in Equity

	Note	Retained Surplus \$	Reserves Cash Backed \$	Revaluation Surplus \$	Total Equity \$
Balance as at 1 July 2015		367,765,985	49,145,982	190,127,987	607,039,954
Changes in Accounting Policy		0	0	0	0
Correction of Errors		0	0	0	0
Restated Balance		367,765,985	49,145,982	190,127,987	607,039,954
<u>Comprehensive Income</u>					
Net Result		28,133,255	0	0	28,133,255
Changes on Revaluation of Non-Current Assets	12	0	0	385,926	385,926
Total Comprehensive Income		28,133,255	0	385,926	28,519,181
Transfer from / (to) Reserves		3,121,919	(3,121,919)	0	0
Balance as at 30 June 2016		399,021,159	46,024,063	190,513,913	635,559,135
<u>Comprehensive Income</u>					
Net Result		21,200,855	0	0	21,200,855
Changes on Revaluation of Non-Current Assets	12	0	0	12,701,372	12,701,372
Total Comprehensive Income		21,200,855	0	12,701,372	33,902,227
Transfer from / (to) Reserves		2,485,008	(2,485,008)	0	0
Balance as at 30 June 2017		422,707,022	43,539,055	203,215,285	669,461,362

This statement is to be read in conjunction with the accompanying notes.

City of Busselton

Financial Report

For the Year Ended 30th June 2017

Statement of Cash Flows

	Note	2017 Actual \$	2017 Budget \$	2016 Actual \$
Cash Flows from Operating Activities				
Receipts				
Rates		41,739,664	41,970,658	39,065,485
Operating Grants, Subsidies and Contributions		6,527,785	4,763,767	4,029,813
Fees & Charges		15,621,793	15,529,535	14,974,816
Interest Earnings		3,330,887	2,542,850	2,841,229
Goods and Services Tax		8,211,638	4,000,000	5,793,551
Other Revenue		1,051,072	348,689	3,954,850
		76,482,839	69,155,499	70,659,744
Payments				
Employee Costs		(27,361,342)	(27,865,590)	(26,140,265)
Materials and Contracts		(15,835,602)	(15,496,002)	(12,544,346)
Utility Charges		(2,252,433)	(2,358,980)	(2,249,459)
Insurance Expenses		(650,427)	(716,772)	(663,483)
Interest Expenses		(1,262,108)	(1,318,330)	(1,325,698)
Goods and Services Tax		(8,878,327)	(4,000,000)	(10,434,279)
Other Expenditure		(1,546,481)	(1,173,582)	(1,046,777)
		(57,786,720)	(52,929,256)	(54,404,307)
Net Cash Provided by (used in) Operating Activities	13(b)	18,696,119	16,226,243	16,255,437
Cash Flows from Investing Activities				
Payment for Purchase of Property, Plant & Equipment		(26,209,460)	(28,709,343)	(11,625,495)
Payment for Construction of Infrastructure		(33,049,989)	(66,504,042)	(20,290,808)
Advances to Community Groups		(214,000)	(150,000)	0
Non-Operating Grants, Subsidies and Contributions		9,867,359	21,450,891	12,236,044
Proceeds from Sale of Assets		466,912	609,000	569,723
Net Cash Provided by (used In) Investing Activities		(49,139,178)	(73,303,494)	(19,110,536)
Cash Flows from Financing Activities				
Repayment of Debentures		(2,110,790)	(2,089,302)	(1,823,987)
Proceeds from Self Supporting Loans		79,168	91,040	74,508
Proceeds from New Debentures		3,214,000	3,650,000	850,000
Net Cash Provided By (used In) Financing Activities		1,182,378	1,651,738	(899,479)
Net Increase (Decrease) in Cash Held		(29,260,681)	(55,425,513)	(3,754,578)
Cash at Beginning of Year		115,850,156	115,850,156	119,604,734
Cash and Cash Equivalents at the End of the Year	13 (a)	86,589,475	60,424,643	115,850,156

This statement is to be read in conjunction with the accompanying notes.

City of Busselton

Financial Report

For the Year Ended 30th June 2017

Rate Setting Statement

	Note	2017 Actual \$	2017 Budget \$	2016 Actual \$
Net current assets at start of financial year – surplus / (deficit)		1,178,089	1,178,089	756,540
		1,178,089	1,178,089	756,540
<u>Revenue from operating activities (excluding rates)</u>				
General Purpose Funding		7,593,296	5,677,376	5,109,780
Governance		247,398	102,390	431,109
Law, Order & Public Safety		726,358	660,592	831,178
Health		426,456	346,410	404,319
Education and Welfare		6,235	5,861	7,302
Housing		470,928	475,230	458,980
Community Amenities		8,980,203	8,696,953	8,790,126
Recreation and Culture		3,691,030	3,555,967	3,252,517
Transport		1,619,122	1,593,177	3,718,678
Economic Services		1,972,674	2,391,434	1,960,269
Other Property and Services		460,251	353,699	466,036
		26,193,951	23,859,089	25,430,294
<u>Expenditure from operating activities</u>				
General Purpose Funding		(978,115)	(1,017,768)	(944,226)
Governance		(5,591,134)	(6,113,672)	(6,311,104)
Law, Order & Public Safety		(2,728,973)	(2,740,928)	(2,660,411)
Health		(1,210,693)	(1,307,038)	(1,186,108)
Education and Welfare		(153,906)	(140,820)	(151,388)
Housing		(1,003,417)	(1,064,270)	(968,378)
Community Amenities		(10,897,928)	(10,352,133)	(10,021,790)
Recreation and Culture		(18,268,395)	(18,472,991)	(16,909,886)
Transport		(18,679,478)	(18,715,207)	(17,722,838)
Economic Services		(3,440,923)	(3,765,516)	(3,389,260)
Other Property and Services		(1,150,115)	(1,081,394)	(1,164,588)
		(64,103,077)	(64,771,737)	(61,429,977)
<u>Operating activities excluded from budget</u>				
(Profit) on disposal of assets	20	(47,614)	(23,227)	(30,164)
Loss on disposal of assets	20	460,824	94,761	1,308,366
Movement in deferred pensioner rates		(46,639)	0	(35,251)
Movement in employee benefit provisions		103,105	(26,356)	253,724
Depreciation and amortisation on assets	2(a)	16,767,081	15,715,050	14,998,644
Movement in non-cash contributions	13(e)	(7,774,560)	(13,800,000)	(12,996,614)
Movement Other		(214,949)	0	337,099
		9,247,248	1,960,228	3,835,804
Amount Attributable to Operating Activities		(27,483,789)	(37,774,331)	(31,407,339)
<u>Investing Activities</u>				
Non-operating grants, subsidies and contributions	29	17,605,379	35,349,212	25,422,452
Proceeds from disposal of assets	20	466,912	609,000	569,723
Purchase of property, plant and equipment	6	(26,337,635)	(28,774,917)	(11,750,763)
Purchase and construction of infrastructure	7	(35,665,309)	(66,504,042)	(20,290,808)
Amount attributable to investing activities		(43,930,653)	(59,320,747)	(6,049,396)

This Statement is to be read in conjunction with the accompanying notes.

City of Busselton

Financial Report

For the Year Ended 30th June 2017

Rate Setting Statement (Continued)

	Note	2017 Actual \$	2017 Budget \$	2016 Actual \$
Financing Activities				
Advances to community groups	21(a)	(214,000)	(150,000)	0
Repayment of advances to community groups	21(a)	79,168	91,040	74,508
Repayment of debentures	21(a)	(2,110,790)	(2,089,302)	(1,823,987)
Proceeds from new debentures	21(a)	3,000,000	3,500,000	850,000
Proceeds from self-supporting loans	21(a)	214,000	150,000	0
Transfers to reserves (restricted assets)		(34,281,862)	(36,603,589)	(21,871,964)
Transfers from reserves (restricted assets)		65,062,964	90,774,145	22,695,781
Amount attributable to financing activities		31,749,480	55,672,294	(75,662)
Surplus(deficiency) before general rates		(39,664,962)	(41,422,784)	(37,532,397)
Total amount raised from general rates	22(a)	41,504,602	41,422,784	38,710,486
Net current assets at 30 June c/fwd. – surplus / (deficit)	23	1,839,640	0	1,178,089

This statement is to be read in conjunction with the accompanying notes.

City of Busselton

Financial Report

For the Year Ended 30th June 2017

Notes to and Forming Part of the Financial Report

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

(a) Basis of Preparation

The financial report comprises general purpose financial statements which have been prepared in accordance with Australian Accounting Standards (as they apply to local governments and not-for-profit entities), Australian Accounting Interpretations, other authoritative pronouncements of the Australian Accounting Standards Board, the Local Government Act 1995 and accompanying regulations. Material accounting policies which have been adopted in the preparation of this financial report are presented below and have been consistently applied unless stated otherwise.

Except for cash flow and rate setting information, the report has been prepared on the accrual basis and is based on historical costs, modified, where applicable, by the measurement at fair value of selected non-current assets, financial assets and liabilities.

Critical accounting estimates

The preparation of a financial report in conformity with Australian Accounting Standards requires management to make judgements, estimates and assumptions that effect the application of policies and reported amounts of assets and liabilities, income and expenses.

The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances; the results of which form the basis of making the judgements about carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates.

The local government reporting entity

All Funds through which the City controls resources to carry on its functions have been included in the financial statements forming part of this financial report.

In the process of reporting on the local government as a single unit, all transactions and balances between those Funds (for example, loans and transfers between Funds) have been eliminated.

All monies held in the Trust Fund are excluded from the financial statements. A separate statement of those monies appears at Note 19 to these financial statements.

(b) Goods and Services Tax (GST)

Revenues, expenses and assets are recognised net of the amount of GST, except where the amount of GST incurred is not recoverable from the Australian Taxation Office (ATO).

Receivables and payables are stated inclusive of GST receivable or payable. The net amount of GST recoverable from, or payable to, the ATO is included with receivables or payables in the statement of financial position.

Cash flows are presented on a gross basis. The GST components of cash flows arising from investing or financing activities which are recoverable from, or payable to, the ATO are presented as operating cash flows.

City of Busselton

Financial Report

For the Year Ended 30th June 2017

Notes to and Forming Part of the Financial Report

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(c) Cash and Cash Equivalents

Cash and cash equivalents include cash on hand, cash at bank, deposits available on demand with banks and other short term highly liquid investments that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value and bank overdrafts.

Bank overdrafts are reported as short term borrowings in current liabilities in the statement of financial position.

(d) Trade and Other Receivables

Trade and other receivables include amounts due from ratepayers for unpaid rates and service charges and other amounts due from third parties for goods sold and services performed in the ordinary course of business.

Receivables expected to be collected within 12 months of the end of the reporting period are classified as current assets. All other receivables are classified as non-current assets.

Collectability of trade and other receivables is reviewed on an ongoing basis. Debts that are known to be uncollectible are written off when identified. An allowance for doubtful debts is raised when there is objective evidence that they will not be collectible.

(e) Inventories

General

Inventories are measured at the lower of cost and net realisable value.

Net realisable value is the estimated selling price in the ordinary course of business less the estimated costs of completion and the estimated costs necessary to make the sale.

Land held for sale

Land held for development and sale is valued at the lower of cost and net realisable value. Cost includes the cost of acquisition, development, borrowing costs and holding costs until completion of development.

Finance costs and holding charges incurred after development is completed are expensed.

Gains and losses are recognised in profit or loss at the time of signing an unconditional contract of sale if significant risks and rewards, and effective control over the land, are passed on to the buyer at this point.

Land held for sale is classified as current except where it is held as non-current based on the Council's intentions to release for sale.

(f) Fixed Assets

Each class of fixed assets within either, property, plant and equipment or infrastructure, is carried at cost or fair value as indicated less, where applicable, any accumulated depreciation and impairment losses.

Mandatory requirement to revalue non-current assets

Effective from 1 July 2012, the Local Government (Financial Management) Regulations were amended and the measurement of non-current assets at Fair Value became mandatory.

City of Busselton

Financial Report

For the Year Ended 30th June 2017

Notes to and Forming Part of the Financial Report

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(f) Fixed Assets (Continued)

During the year ended 30 June 2013, the City commenced the process of adopting Fair Value in accordance with the Regulations.

Whilst the amendments initially allowed for a phasing in of fair value in relation to fixed assets over three years, as at 30 June 2015 all non-current assets were carried at Fair Value in accordance with the requirements.

Thereafter, each asset class must be revalued in accordance with the regulatory framework established and the City revalued its asset classes in accordance with this mandatory timetable.

Relevant disclosures, in accordance with the requirements of Australian Accounting Standards, have been made in the financial report as necessary.

Land under control

In accordance with Local Government (Financial Management) Regulation 16(a), the City was required to include as an asset (by 30 June 2013), Crown Land operated by the local government as a golf course, showground, racecourse or other sporting or recreational facility of State or Regional significance.

Upon initial recognition, these assets were recorded at cost in accordance with AASB 116. They were then classified as Land and revalued along with other land in accordance with the other policies detailed in this Note.

Initial recognition and measurement between mandatory revaluation dates

All assets are initially recognised at cost and subsequently revalued in accordance with the mandatory measurement framework detailed above.

In relation to this initial measurement, cost is determined as the fair value of the assets given as consideration plus costs incidental to the acquisition. For assets acquired at no cost or for nominal consideration, cost is determined as fair value at the date of acquisition. The cost of non-current assets constructed by the City includes the cost of all materials used in construction, direct labour on the project and an appropriate proportion of variable and fixed overheads.

Individual assets acquired between initial recognition and the next revaluation of the asset class in accordance with the mandatory measurement framework detailed above, are carried at cost less accumulated depreciation as management believes this approximates fair value. They will be subject to subsequent revaluation at the next anniversary date in accordance with the mandatory measurement framework detailed above.

Revaluation

Increases in the carrying amount arising on revaluation of assets are credited to a revaluation surplus in equity. Decreases that offset previous increases of the same asset are recognised against revaluation surplus directly in equity. All other decreases are recognised in profit or loss.

Land under roads

In Western Australia, all land under roads is Crown Land, the responsibility for managing which, is vested in the local government.

City of Busselton

Financial Report

For the Year Ended 30th June 2017

Notes to and Forming Part of the Financial Report

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(f) Fixed Assets (Continued)

Land under roads (Continued)

Effective as at 1 July 2008, Council elected not to recognise any value for land under roads acquired on or before 30 June 2008. This accords with the treatment available in Australian Accounting Standard AASB 1051 Land Under Roads and the fact Local Government (Financial Management) Regulation 16(a) (i) prohibits local governments from recognising such land as an asset.

In respect of land under roads acquired on or after 1 July 2008, as detailed above, Local Government (Financial Management) Regulation 16(a) (i) prohibits local governments from recognising such land as an asset.

Whilst such treatment is inconsistent with the requirements of AASB 1051, Local Government (Financial Management) Regulation 4(2) provides, in the event of such an inconsistency, the Local Government (Financial Management) Regulations prevail.

Consequently, any land under roads acquired on or after 1 July 2008 is not included as an asset of the City.

Depreciation

The depreciable amount of all fixed assets including buildings but excluding freehold land, are depreciated on a straight-line basis over the individual asset's useful life from the time the asset is held ready for use. Leasehold improvements are depreciated over the shorter of either the unexpired period of the lease or the estimated useful life of the improvements.

When an item of property, plant and equipment is revalued, any accumulated depreciation at the date of the revaluation is treated in one of the following ways:

- a) Restated proportionately with the change in the gross carrying amount of the asset so that the carrying amount of the asset after revaluation equals its revalued amount; or
- b) Eliminated against the gross carrying amount of the asset and the net amount restated to the revalued amount of the asset.

Major depreciation periods used for each class of depreciable asset are:

Fixed Assets:

Land	0 Years
Buildings - General	40 Years
Buildings – Geographe Leisure Centre	10 - 20 Years
Furniture and Fittings – Basic Items	10 Years
Furniture and Fittings – EDP Network	3 Years
Heavy Plant and Equipment	3 – 10 Years
Light to Medium Vehicles	3 - 5 Years
Light Mobile Plant	2 Years
Tools	10 Years

City of Busselton

Financial Report

For the Year Ended 30th June 2017

Notes to and Forming Part of the Financial Report

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(f) Fixed Assets (Continued)
*Depreciation(Continued)***Infrastructure:**

Roads	15 - 60	Years
Bridges	40 - 60	Years
Car Parks	20 - 40	Years
Footpaths & Cycle ways	20 - 40	Years
Parks, Gardens & Reserves & Community Facilities	5 - 50	Years
Storm water Drainage	25 - 90	Years
Regional Airport & Industrial Park	12 - 40	Years

The assets residual values and useful lives are reviewed, and adjusted if appropriate, at the end of each reporting period.

An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount.

Gains and losses on disposals are determined by comparing proceeds with the carrying amount. These gains and losses are included in the statement of comprehensive income in the period in which they arise.

Capitalisation threshold

Expenditure on items of equipment under \$1,000 is not capitalised. Rather, it is recorded on an asset inventory listing.

(g) Fair Value of Assets and Liabilities

When performing a revaluation, the City uses a mix of both independent and management valuations using the following as a guide:

Fair Value is the price that the City would receive to sell the asset or would have to pay to transfer a liability, in an orderly (i.e. unforced) transaction between independent, knowledgeable and willing market participants at the measurement date.

As fair value is a market-based measure, the closest equivalent observable market pricing information is used to determine fair value. Adjustments to market values may be made having regard to the characteristics of the specific asset or liability. The fair values of assets that are not traded in an active market are determined using one or more valuation techniques. These valuation techniques maximise, to the extent possible, the use of observable market data.

To the extent possible, market information is extracted from either the principal market for the asset or liability (i.e. the market with the greatest volume and level of activity for the asset or liability) or, in the absence of such a market, the most advantageous market available to the entity at the end of the reporting period (i.e. the market that maximises the receipts from the sale of the asset after taking into account transaction costs and transport costs).

City of Busselton

Financial Report

For the Year Ended 30th June 2017

Notes to and Forming Part of the Financial Report

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(g) Fair Value of Assets and Liabilities (Continued)

For non-financial assets, the fair value measurement also takes into account a market participant's ability to use the asset in its highest and best use or to sell it to another market participant that would use the asset in its highest and best use.

Fair value hierarchy

AASB 13 requires the disclosure of fair value information by level of the fair value hierarchy, which categorises fair value measurement into one of three possible levels based on the lowest level that an input that is significant to the measurement can be categorised into as follows:

Level 1

Measurements based on quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date.

Level 2

Measurements based on inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly or indirectly.

Level 3

Measurements based on unobservable inputs for the asset or liability.

The fair values of assets and liabilities that are not traded in an active market are determined using one or more valuation techniques. These valuation techniques maximise, to the extent possible, the use of observable market data. If all significant inputs required to measure fair value are observable, the asset or liability is included in Level 2. If one or more significant inputs are not based on observable market data, the asset or liability is included in Level 3.

Valuation techniques

The City selects a valuation technique that is appropriate in the circumstances and for which sufficient data is available to measure fair value. The availability of sufficient and relevant data primarily depends on the specific characteristics of the asset or liability being measured. The valuation techniques selected by the City are consistent with one or more of the following valuation approaches:

Market approach

Valuation techniques that use prices and other relevant information generated by market transactions for identical or similar assets or liabilities.

Income approach

Valuation techniques that convert estimated future cash flows or income and expenses into a single discounted present value.

Cost approach

Valuation techniques that reflect the current replacement cost of an asset at its current service capacity.

City of Busselton

Financial Report

For the Year Ended 30th June 2017

Notes to and Forming Part of the Financial Report

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(g) Fair Value of Assets and Liabilities (Continued)

Each valuation technique requires inputs that reflect the assumptions that buyers and sellers would use when pricing the asset or liability, including assumptions about risks. When selecting a valuation technique, the City gives priority to those techniques that maximise the use of observable inputs and minimise the use of unobservable inputs. Inputs that are developed using market data (such as publicly available information on actual transactions) and reflect the assumptions that buyers and sellers would generally use when pricing the asset or liability are considered observable, whereas inputs for which market data is not available and therefore are developed using the best information available about such assumptions are considered unobservable.

As detailed above, the mandatory measurement framework imposed by the Local Government (Financial Management) Regulations requires, as a minimum, all assets carried at a revalued amount to be revalued in accordance with the regulatory framework.

(h) Financial Instruments

Initial recognition and measurement

Financial assets and financial liabilities are recognised when the City becomes a party to the contractual provisions to the instrument. For financial assets, this is equivalent to the date that the City commits itself to either the purchase or sale of the asset (i.e. trade date accounting is adopted).

Financial instruments are initially measured at fair value plus transaction costs, except where the instrument is classified 'at fair value through profit or loss', in which case transaction costs are expensed to profit or loss immediately.

Classification and subsequent measurement

Financial instruments are subsequently measured at fair value, amortised cost using the effective interest rate method, or at cost.

Amortised cost is calculated as:

- (a) the amount in which the financial asset or financial liability is measured at initial recognition;
- (b) less principal repayments and any reduction for impairment; and
- (c) Plus or minus the cumulative amortisation of the difference, if any, between the amounts initially recognised and the maturity amount calculated using the effective interest rate method.

The effective interest method is used to allocate interest income or interest expense over the relevant period and is equivalent to the rate that discounts estimated future cash payments or receipts (including fees, transaction costs and other premiums or discounts) through the expected life (or when this cannot be reliably predicted, the contractual term) of the financial instrument to the net carrying amount of the financial asset or financial liability. Revisions to expected future net cash flows will necessitate an adjustment to the carrying value with a consequential recognition of an income or expense in profit or loss.

(i) Financial assets at fair value through profit and loss

Financial assets are classified as "fair value through profit or loss" when they are held for trading for the purpose of short-term profit taking. Such assets are subsequently measured at fair value with changes in carrying amount being included in profit or loss. Assets in this category are classified as current assets.

City of Busselton

Financial Report

For the Year Ended 30th June 2017

Notes to and Forming Part of the Financial Report

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(h) Financial Instruments (Continued)

(ii) Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market and are subsequently measured at amortised cost. Gains or losses are recognised in profit or loss.

Loans and receivables are included in current assets where they are expected to mature within 12 months after the end of the reporting period.

(iii) Held-to-maturity investments

Held-to-maturity investments are non-derivative financial assets with fixed maturities and fixed or determinable payments that the City has the positive intention and ability to hold to maturity. They are subsequently measured at amortised cost. Gains or losses are recognised in profit or loss.

Held-to-maturity investments are included in current assets, where they are expected to mature within 12 months after the end of the reporting period. All other investments are classified as non-current.

(iv) Available-for-sale financial assets

Available-for-sale financial assets are non-derivative financial assets that are either not suitable to be classified into other categories of financial assets due to their nature, or they are designated as such by management. They comprise investments in the equity of other entities where there is neither a fixed maturity nor fixed or determinable payments.

They are subsequently measured at fair value with changes in such fair value (i.e. gains or losses) recognised in other comprehensive income (except for impairment losses). When the financial asset is derecognised, the cumulative gain or loss pertaining to that asset previously recognised in other comprehensive income is reclassified into profit or loss.

Available-for-sale financial assets are included in current assets, where they are expected to be sold within 12 months after the end of the reporting period. All other available-for-sale financial assets are classified as non-current.

(v) Financial liabilities

Non-derivative financial liabilities (excluding financial guarantees) are subsequently measured at amortised cost. Gains or losses are recognised in profit or loss.

Impairment

A financial asset is deemed to be impaired if, and only if, there is objective evidence of impairment as a result of one or more events (a "loss event") having occurred, which will have an impact on the estimated future cash flows of the financial asset(s).

In the case of available-for-sale financial assets, a significant or prolonged decline in the market value of the instrument is considered a loss event. Impairment losses are recognised in profit or loss immediately. Also, any cumulative decline in fair value previously recognised in other comprehensive income is reclassified to profit or loss at this point.

City of Busselton

Financial Report

For the Year Ended 30th June 2017

Notes to and Forming Part of the Financial Report

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(h) Financial Instruments (Continued)

Impairment (Continued)

In the case of financial assets carried at amortised cost, loss events may include: indications that the debtors or a group of debtors are experiencing significant financial difficulty, default or delinquency in interest or principal payments; indications that they will enter bankruptcy or other financial reorganisation; and changes in arrears or economic conditions that correlate with defaults.

For financial assets carried at amortised cost (including loans and receivables), a separate allowance account is used to reduce the carrying amount of financial assets impaired by credit losses. After having taken all possible measures of recovery, if management establishes that the carrying amount cannot be recovered by any means, at that point the written-off amounts are charged to the allowance account or the carrying amount of impaired financial assets is reduced directly if no impairment amount was previously recognised in the allowance account.

De-recognition

Financial assets are derecognised where the contractual rights to receipt of cash flows expire or the asset is transferred to another party whereby the City no longer has any significant continual involvement in the risks and benefits associated with the asset.

Financial liabilities are derecognised where the related obligations are discharged, cancelled or expired. The difference between the carrying amount of the financial liability extinguished or transferred to another party and the fair value of the consideration paid, including the transfer of non-cash assets or liabilities assumed, is recognised in profit or loss.

(i) Impairment of Assets

In accordance with Australian Accounting Standards the City's assets, other than inventories, are assessed at each reporting date to determine whether there is any indication they may be impaired.

Where such an indication exists, an impairment test is carried out on the asset by comparing the recoverable amount of the asset, being the higher of the asset's fair value less costs to sell and value in use, to the asset's carrying amount.

Any excess of the asset's carrying amount over its recoverable amount is recognised immediately in profit or loss, unless the asset is carried at a revalued amount in accordance with another Standard (e.g. AASB 116) whereby any impairment loss of a revalued asset is treated as a revaluation decrease in accordance with that other Standard.

For non-cash generating assets such as roads, drains, public buildings and the like, value in use is represented by the depreciated replacement cost of the asset.

(j) Trade and Other Payables

Trade and other payables represent liabilities for goods and services provided to the City prior to the end of the financial year that are unpaid and arise when the City becomes obliged to make future payments in respect of the purchase of these goods and services. The amounts are unsecured, are recognised as a current liability and are normally paid within 30 days of recognition.

City of Busselton

Financial Report

For the Year Ended 30th June 2017

Notes to and Forming Part of the Financial Report

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(k) Employee Benefits

Short-term employee benefits

Provision is made for the City's obligations for short-term employee benefits. Short-term employee benefits are benefits (other than termination benefits) that are expected to be settled wholly before 12 months after the end of the annual reporting period in which the employees render the related service, including wages, salaries and sick leave. Short-term employee benefits are measured at the (undiscounted) amounts expected to be paid when the obligation is settled.

The City's obligations for short-term employee benefits such as wages, salaries and sick leave are recognised as a part of current trade and other payables in the statement of financial position. The City's obligations for employees' annual leave and long service leave entitlements are recognised as provisions in the statement of financial position.

Other long-term employee benefits

Provision is made for employees' long service leave and annual leave entitlements not expected to be settled wholly within 12 months after the end of the annual reporting period in which the employees render the related service. Other long-term employee benefits are measured at the present value of the expected future payments to be made to employees. Expected future payments incorporate anticipated future wage and salary levels, durations of service and employee departures and are discounted at rates determined by reference to market yields at the end of the reporting period on government bonds that have maturity dates that approximate the terms of the obligations. Any re-measurements for changes in assumptions of obligations for other long-term employee benefits are recognised in profit or loss in the periods in which the changes occur.

The City's obligations for long-term employee benefits are presented as non-current provisions in its statement of financial position, except where the City does not have an unconditional right to defer settlement for at least 12 months after the end of the reporting period, in which case the obligations are presented as current provisions.

Sick Leave Scheme

The provision for employee's entitlements under the sick leave scheme represents the estimated cash flows to be made by the employer resulting from the employee's service to balance date in accordance with the relevant clause of the City of Busselton's Enterprise Agreement 2014.

Clause 34 of the City of Busselton's Enterprise Agreement 2014 states that; "Those employees who commenced employment with the City prior to 22 August 2003 will continue to be entitled to 15% of the monetary value of their accrued sick leave on resignation, retirement or redundancy, as negotiated in the City of Busselton Certified Enterprise Bargaining Agreement 1997 (sub-clause 17.18(2))".

(l) Borrowing Costs

Borrowing costs are recognised as an expense when incurred.

(m) Provisions

Provisions are recognised when the City has a present legal or constructive obligation, as a result of past events, for which it is probable that an outflow of economic benefits will result and that outflow can be reliably measured.

Provisions are measured using the best estimate of the amounts required to settle the obligation at the end of the reporting period.

City of Busselton

Financial Report

For the Year Ended 30th June 2017

Notes to and Forming Part of the Financial Report

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(n) Leases

Leases of fixed assets where substantially all the risks and benefits incidental to the ownership of the asset, but not legal ownership, are transferred to the City are classified as finance leases.

Finance leases are capitalised recording an asset and a liability at the lower amounts equal to the fair value of the leased property or the present value of the minimum lease payments, including any guaranteed residual values. Lease payments are allocated between the reduction of the lease liability and the lease interest expense for the period.

Leased assets are depreciated on a straight line basis over the shorter of their estimated useful lives or the lease term.

Lease payments for operating leases, where substantially all the risks and benefits remain with the lessor, are charged as expenses in the periods in which they are incurred.

Lease incentives under operating leases are recognised as a liability and amortised on a straight line basis over the life of the lease term.

(o) Investment in Associates

An associate is an entity over which the City has significant influence. Significant influence is the power to participate in the financial operating policy decisions of that entity but is not control or joint control of those policies. Investments in associates are accounted for in the financial statements by applying the equity method of accounting, whereby the investment is initially recognised at cost and adjusted thereafter for the post-acquisition change in the City's share of net assets of the associate. In addition, the City's share of the profit or loss of the associate is included in the City's profit or loss.

The carrying amount of the investment includes, where applicable, goodwill relating to the associate. Any discount on acquisition, whereby the City's share of the net fair value of the associate exceeds the cost of investment, is recognised in profit or loss in the period in which the investment is acquired.

Profits and losses resulting from transactions between the City and the associate are eliminated to the extent of the City's interest in the associate.

When the City's share of losses in an associate equals or exceeds its interest in the associate, the City discontinues recognising its share of further losses unless it has incurred legal or constructive obligations or made payments on behalf of the associate. When the associate subsequently makes profits, the City will resume recognising its share of those profits once its share of the profits equals the share of the losses not recognised.

(p) Interests in Joint Arrangements

Joint arrangements represent the contractual sharing of control between parties in a business venture where unanimous decisions about relevant activities are required.

Separate joint venture entities providing joint venturers with an interest to net assets are classified as a joint venture and accounted for using the equity method. Refer to note 1(o) for a description of the equity method of accounting.

City of Busselton

Financial Report

For the Year Ended 30th June 2017

Notes to and Forming Part of the Financial Report

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(p) Interests in Joint Arrangements (Continued)

Joint venture operations represent arrangements whereby joint operators maintain direct interests in each asset and exposure to each liability of the arrangement. The City's interests in the assets, liabilities, revenue and expenses of joint operations are included in the respective line items of the financial statements. Information about the joint ventures is set out in Note 16.

(q) Rates, Grants, Donations and Other Contributions

Rates, grants, donations and other contributions are recognised as revenues when the local government obtains control over the assets comprising the contributions.

Control over assets acquired from rates is obtained at the commencement of the rating period or, where earlier, upon receipt of the rates.

Where contributions recognised as revenues during the reporting period were obtained on the condition that they be expended in a particular manner or used over a particular period, and those conditions were undischarged as at the reporting date, the nature of and amounts pertaining to those undischarged conditions are disclosed in Note 2(c). That note also discloses the amount of contributions recognised as revenues in a previous reporting period which were obtained in respect of the local government's operations for the current reporting period.

(r) Superannuation

The City contributes to a number of Superannuation Funds on behalf of employees. All funds to which the City contributes are defined contribution plans.

(s) Current and Non-Current Classification

In the determination of whether an asset or liability is current or non-current, consideration is given to the time when each asset or liability is expected to be settled. The asset or liability is classified as current if it is expected to be settled within the next 12 months, being the City's operational cycle. In the case of liabilities where the City does not have the unconditional right to defer settlement beyond 12 months, such as vested long service leave, the liability is classified as current even if not expected to be settled within the next 12 months. Inventories held for trading are classified as current even if not expected to be realised in the next 12 months except for land held for sale where it is held as non-current based on the City's intentions to release for sale.

(t) Rounding Off Figures

All figures shown in this annual financial report, other than a rate in the dollar, are rounded to the nearest dollar.

(u) Comparative Figures

Where required, comparative figures have been adjusted to conform to changes in presentation for the current financial year.

When the City applies an accounting policy retrospectively, makes a retrospective restatement or reclassifies items in its financial statement, an additional (third) statement of financial position as at the beginning of the preceding period in addition to the minimum comparative financial statements is presented.

(v) Budget Comparative Figures

Unless otherwise stated, the budget comparative figures shown in this annual financial report relate to the original budget estimate for the relevant item of disclosure.

City of Busselton

Financial Report

For the Year Ended 30th June 2017

Notes to and Forming Part of the Financial Report

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(w) Bonds and Deposits

Deposits and bonds received by the City of Busselton, and duly refunded where appropriate are processed via the Municipal fund.

The City's audit committee has considered the requirements of the Accounting Standards and has determined that the concept of control has been met. Council Resolution C1004/115 states that the City continues the accounting treatment for deposits and bonds as part of the Municipal fund. Additionally, the deposits and bonds shall be brought to account as part of the restricted cash in the Municipal fund.

City of Busselton

Financial Report

For the Year Ended 30th June 2017

Notes to and Forming Part of the Financial Report

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(x) New Accounting Standards and Interpretations for Application in Future Periods

The AASB has issued a number of new and amended Accounting Standards and Interpretations that have mandatory application dates for future reporting periods, some of which are relevant to the City.

Management's assessments of the new and amended pronouncements that are relevant to the Council, applicable to future reporting periods and which have not yet been adopted are set out as follows:

	Title	Issued/ Compiled	Applicable ⁽¹⁾	Impact
(i)	AASB 9 Financial Instruments (incorporating AASB 2014-7 and AASB 2014-8)	December 2014	1 January 2018	Nil – The objective of this Standard is to improve and simplify the approach for classification and measurement of financial assets compared with the requirements of AASB 139. Given the nature of the financial assets of the City, it is not anticipated the Standard will have any material effect.
(ii)	AASB 15 Revenue from Contracts with Customers	December 2014	1 January 2019	This Standard establishes principles for entities to apply to report useful information to users of financial statements about the nature, amount, timing and uncertainty of revenue and cash flows arising from a contract with a customer. The effect of this Standard will depend upon the nature of future transactions the City has with those third parties it has dealings with. It may or may not be significant.
(iii)	AASB 16 Leases	February 2016	1 January 2019	Under AASB 16 there is no longer a distinction between finance and operating leases. Lessees will now bring to account a right-to-use asset and lease liability onto their statement of financial position for all leases. Effectively this means the vast majority of operating leases as defined by the current AASB 117 Leases which currently do not impact the statement of financial position will be required to be capitalised on the statement of financial position once AASB 16 is adopted. Currently, operating lease payments are expensed as incurred. This will cease and will be replaced by both depreciation and interest charges. Based on the current number of operating leases held by the City, the impact is not expected to be significant.

Notes:

⁽¹⁾ Applicable to reporting periods commencing on or after the given date.

City of Busselton

Financial Report

For the Year Ended 30th June 2017

Notes to and Forming Part of the Financial Report

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(x) New Accounting Standards and Interpretations for Application in Future Periods (Continued)

	Title	Issued/ Compiled	Applicable⁽¹⁾	Impact
(iv)	AASB 1058 Income of Not-for-Profit Entities (incorporating AASB 2016-7 and AASB 2016-8)	December 2016	1 January 2019	<p>These standards are likely to have a significant impact on the income recognition for NFP's. Key areas for consideration are:</p> <ul style="list-style-type: none"> - Assets received below fair value; - Transfers received to acquire or construct non-financial assets; - Grants received; - Prepaid rates; - Leases entered into at below market rates; and - Volunteer services. <p>Whilst it is not possible to quantify the financial impact (or if it is material) of these key areas until the details of future transactions are known, they will all have application to the City's operations.</p>

Notes:

⁽¹⁾ Applicable to reporting periods commencing on or after the given date.

(y) Adoption of New and Revised Accounting Standards

During the current year, the City adopted all of the new and revised Australian Accounting Standards and Interpretations which were compiled became mandatory and which were applicable to its operations.

Whilst many reflected consequential changes associate with the amendment of existing standards, the only new standard with material application is as follows:

- (i) AASB 2015-6 Amendments to Australian Accounting Standards - Extending Related Party Disclosures to Not-for-Profit Public Sector Entities [AASB 10, 124 & 1049]

The objective of this Standard was to extend the scope of AASB 124 Related Party Disclosures to include not-for-profit sector entities.

The Standard has had a significant disclosure impact on the financial report of the City as both Elected Members and Senior Management are deemed to be Key Management Personnel and resultant disclosures in accordance to AASB 124 have been necessary.

City of Busselton

Financial Report

For the Year Ended 30th June 2017

Notes to and Forming Part of the Financial Report

	2017 Actual \$	2016 Actual \$
2. Revenue and Expenses		
(a) Net Result		
The Net Result includes:		
(i) Charging as an Expense:		
Auditors Remuneration		
- Audit of Financial Report	23,000	22,000
- Other Services	730	6,493
	<u>23,730</u>	<u>28,493</u>
Depreciation		
Buildings	2,053,943	1,959,778
Furniture and Fittings	534,900	486,953
Plant and Equipment	2,235,815	1,647,838
Infrastructure - Roads	4,802,937	4,617,224
Infrastructure - Bridges	569,346	561,416
Infrastructure - Car Parks	303,561	286,923
Infrastructure - Stormwater Drainage	669,355	618,752
Infrastructure - Regional Airport & Industrial Park	122,342	122,342
Infrastructure - Other Infrastructure	5,474,882	4,697,418
	<u>16,767,081</u>	<u>14,998,644</u>
Interest Expenses (Finance Costs)		
Overdraft Interest	0	0
Debentures (refer Note 21(a))	1,278,501	1,325,698
	<u>1,278,501</u>	<u>1,325,698</u>
Rental Charges		
Operating Leases	<u>483,690</u>	<u>516,254</u>
(ii) Crediting as Revenue:		
Significant Revenue		
Reimbursements and Recoveries	<u>1,027,888</u>	<u>1,223,289</u>

City of Busselton**Financial Report****For the Year Ended 30th June 2017****Notes to and Forming Part of the Financial Report**

	2017 Actual \$	2017 Budget \$	2016 Actual \$
2. Revenue and Expenses (Continued)			
(a) Net Result (Continued)			
(ii) Crediting as Revenue (Continued):			
Interest Earnings			
Investments			
- Reserve Funds	1,334,027	1,094,850	1,485,933
- Restricted Funds	1,297,471	780,000	609,666
- Other Funds	291,909	360,000	403,583
- Other Interest Revenue (refer note 27)	407,480	308,000	342,047
	<u>3,330,887</u>	<u>2,542,850</u>	<u>2,841,229</u>

(b) Statement of Objective

In order to discharge its responsibilities to the community, the City has developed a set of operational and financial objectives. These objectives have been established both on an overall basis, reflected by the City's vision, and for each of its broad activities / programs.

Community Vision

The City of Busselton's vision is "A vibrant and cohesive community that protects its natural environment, meets the needs of its population and ensures that future development maintains the City's unique character, lifestyle and community values - The best place to be". In order to support its vision the City is committed to the values of honesty and integrity, a 'can do' attitude, openness, transparency and accountability, mutual respect in everything we do, and striving for excellence. Council operations as disclosed in this report encompass the following service orientated activities / programs:

General Purpose Funding

Objective: To collect revenue to allow for the provision of services.

Activities: Rates, interest revenue and other general purpose Government grants together with any expenses incurred in realising these incomes.

Governance

Objective: To provide decision making process for the efficient allocation of scarce resources.

Activities: Administration and operation of facilities and services to members of Council; other costs that relate to strategic planning, policy making and assisting elected members and ratepayers on matters which do not concern other specific services of Council.

Law, Order and Public Safety

Objective: To provide services to help ensure a safer and environmentally conscious community.

Activities: Supervision and enforcement of various by-laws, fire prevention, animal control and emergency services. Council also provides assistance to surf lifesaving efforts.

City of Busselton

Financial Report

For the Year Ended 30th June 2017

Notes to and Forming Part of the Financial Report

2. Revenue and Expenses (Continued)

(b) Statement of Objective (Continued)

Health

Objective: To provide an operational framework for environmental and community health.

Activities: Inspections of food outlets and their control, noise control, waste disposal compliance, mosquitoes and stingers control.

Education and Welfare

Objective: To provide services for the elderly, children and youth.

Activities: Annual donation relative to the operation of a Senior Citizen's Centre.

Housing

Objective: To provide and maintain elderly residents housing.

Activities: The operation of three sets of aged persons homes.

Community Amenities

Objective: To provide services required by the community

Activities: Includes rubbish collection and disposal services, recycling initiatives, septic tank inspection services, urban stormwater drainage networks, environmental protection initiatives, operation of three cemeteries, town scaping facilities, as well as the administration of Council's Town Planning Scheme and associated policies and obligations.

Recreation and Culture

Objective: To establish and effectively manage infrastructure and resources which will help the social well being of the community.

Activities: Maintenance of halls, swimming areas and beaches, various reserves, recreation programs, the Busselton Jetty, the operation of the two Libraries, the maintenance and operation of the two Leisure Centres, and the employment of a Cultural Development Officer.

Transport

Objective: To provide safe, effective and efficient transport services to the community.

Activities: Construction and maintenance of roads, bridges, drainage, footpaths, cycle ways, parking facilities, traffic signs and depot. Also includes cleaning of streets, maintenance of street trees, street lighting etc. Control and maintenance of a regional airport.

Economic Services

Objective: To help promote the City and its economic wellbeing.

Activities: The regulation and provision of tourism initiatives, the maintenance and operation of a Caravan park and the implementation of building controls. Provision of rural services including weed control, vermin control and standpipes.

Other Property and Services

Objective: To monitor and control Council's overheads operating accounts.

Activities: Private works operation, plant repair and operation costs and engineering operation costs.

City of Busselton

Financial Report

For the Year Ended 30th June 2017

Notes to and Forming Part of the Financial Report

2. Revenue and Expenses (Continued)

(c) Conditions Over Grants / Contributions

Grant / Contribution	Function / Activity	Opening Balance (1) 1-Jul-15 \$	Received (2) 2015/16 \$	Expended (3) 2015/16 \$	Closing Balance (1) 30-Jun-16 \$	Received (2) 2016/17 \$	Expended (3) 2016/17 \$	Closing Balance 30-Jun-17 \$
Cash in lieu of parking	Transport	48,635	0	0	48,635	224,467	0	273,102
Contribution to works	Classified by activity	2,223,961	150,270	(203,272)	2,170,959	89,663	(300,482)	1,960,140
Government grants	Classified by activity	46,936,580	6,021,945	(1,807,285)	51,151,240	1,906,294	(21,977,326)	31,080,208
Vasse diversion drain	Community amenities	383,804	0	0	383,804	225,985	0	609,789
C.P.A. infrastructure	Transport	243,236	0	(22,465)	220,771	0	0	220,771
C.P.A. Community Facilities	Classified by activity	1,021,172	28,048	0	1,049,220	26,393	0	1,075,613
C.P.A. Bushfire Facilities	Law, order and public safety	54,672	0	0	54,672	0	0	54,672
Cash in Lieu – Public Art	Classified by activity	38,000	0	(38,000)	0	94,836	0	94,836
Community recreation Fac.	Classified by activity	6,298,718	1,666,283	(800,457)	7,164,544	1,398,923	(1,913,172)	6,650,295
TOTAL		57,248,778	7,866,546	(2,871,479)	62,243,845	3,966,561	(24,190,980)	42,019,426

Notes:

- (1) - Grants / contributions recognised as revenue in a previous reporting period which were not expended at the close of the previous reporting period.
- (2) - New grants/contributions which were recognised as revenues during the reporting period and which had not yet been fully expended in the manner specified by the Contributor.
- (3) - Grants / contributions which had been recognised as revenues in a previous reporting period or received in the current reporting period and which were expended in the current reporting period in the manner specified by the contributor.

City of Busselton

Financial Report

For the Year Ended 30th June 2017

Notes to and Forming Part of the Financial Report

	2017 Actual \$	2016 Actual \$
3. Cash and Cash Equivalents		
Unrestricted	4,815,096	3,251,577
Restricted	81,774,379	112,598,579
	<u>86,589,475</u>	<u>115,850,156</u>
The following restrictions have been imposed by regulations or other externally imposed requirements:		
Airport Infrastructure Renewal & Replacement Reserve	1,428,768	940,036
Asset Depreciation Reserve	0	2,573,604
Beach Protection Reserve	1,900,993	1,768,390
Building Reserve	1,335,119	1,493,038
Corporate IT System Programme Reserve	125,981	132,062
Jetty Maintenance Reserve	3,158,775	2,306,653
Legal Expenses Reserve	544,832	530,593
Long Service Leave Reserve	0	2,604,471
City Car Parking and Access Reserve	623,502	427,857
Plant Replacement Reserve	2,325,778	2,810,579
Professional Development (Contractual Obligation) Reserve	0	77,905
Road Initiative Reserve	0	328,823
Sick Pay Incentive Reserve	0	144,553
Strategic Projects Reserve	230,337	216,612
Waste Management Facility and Plant Reserve	7,578,592	7,613,254
Port Geopraphe Development Reserve	1,534,671	1,654,121
Port Geopraphe Waterways Management Reserve	3,422,821	3,454,443
Workers Compensation Contingency Reserve	322,008	273,142
Providence Landscape Maintenance Reserve	1,001,808	835,856
Infrastructure Development Reserve	2,033,639	2,007,645
Vasse Newtown Landscape Maintenance Reserve	485,466	470,760
Untied Grants Reserve	1,146,659	0
Locke Estate Reserve	129,971	64,000
Busselton Community Centre Reserve	123,722	92,178
CBD Enhancement Reserve	84,898	50,404
Election, Valuation and Corporate Expenses Reserve	331,553	174,169
Civic and Administration Centre Construction Reserve	444,863	12,782,915
Performing Arts Centre Reserve	0	0
Airport Marketing Reserve	912,986	196,000
Employee Entitlements Reserve	3,005,077	0
Infrastructure Asset Renewal Reserve	1,076,330	0
Community Development Contribution Reserve	6,650,295	0
Busselton Area Drainage and Waterways Improvement Reserve	609,789	0
Joint Venture Aged Housing Reserve	874,987	0
Public Art Reserve	94,836	0
Less Accrued Interest on Restricted Assets	(280,365)	(237,268)
Cash set aside in Lieu of Parking	273,102	48,635
Cash set aside for Roadwork within specific areas, being funds given as a condition of subdivision/development	1,960,140	2,170,959
Cash set aside, being unspent specific purpose Government Grants	31,080,208	51,151,240
Cash set aside, being Unspent Loan Funds	1,263,598	960,584
Cash set aside for Commonage Precinct Infrastructure and roads	1,351,054	1,324,662

City of Busselton

Financial Report

For the Year Ended 30th June 2017

Notes to and Forming Part of the Financial Report

3. Cash and Cash Equivalents (Continued)	2017 Actual \$	2016 Actual \$
Cash set aside for Sundry Restricted	373,407	1,181,608
Cash set aside for Vasse Diversion Drain	0	383,804
Cash in Lieu for Public Arts	0	0
Cash set aside for Community & Recreation Facilities	0	7,164,544
Cash set aside for Deposits & Bonds	2,214,179	2,425,748
	<u>81,774,379</u>	<u>112,598,579</u>
4. Trade and Other Receivables		
Current		
Rates Outstanding	838,886	694,702
Rates Outstanding – Pensioners	111,882	92,484
Sundry Debtors	2,063,136	2,316,600
GST Receivable	1,089,341	422,652
Loans – Clubs / Institutions	60,542	79,168
	<u>4,163,787</u>	<u>3,605,606</u>
Non-Current		
Rates Outstanding – Pensioners	255,550	205,530
Sundry Debtors	5,000	5,000
Loans – Clubs / Institutions)	320,497	167,040
	<u>581,047</u>	<u>377,570</u>
5. Inventories		
Current		
Materials	24,457	20,420
	<u>24,457</u>	<u>20,420</u>

City of Busselton

Financial Report

For the Year Ended 30th June 2017

Notes to and Forming Part of the Financial Report

	2017 Actual \$	2016 Actual \$
6 (a). Property, Plant and Equipment		
<u>Land & Buildings</u>		
Freehold Land – Fair Value	51,033,120	41,994,392
	<hr/> 51,033,120	<hr/> 41,994,392
Buildings – Fair Value	69,920,726	49,921,104
Less Accumulated Depreciation	0	(3,764,279)
	<hr/> 69,920,726	<hr/> 46,156,825
Total Land and Buildings	<hr/> 120,953,846	<hr/> 88,151,217
Furniture and Fittings – Fair Value	3,891,240	2,083,379
Less Accumulated Depreciation	(531,494)	0
	<hr/> 3,359,746	<hr/> 2,083,379
Plant and Equipment – Fair Value	14,919,309	12,526,453
Less Accumulated Depreciation	(2,143,040)	0
	<hr/> 12,776,269	<hr/> 12,526,453
Total Property, Plant and Equipment	<hr/> 137,089,861	<hr/> 102,761,049

The fair value of property, plant and equipment is determined at least every three years in accordance with the regulatory framework. Additions since the date of valuation are shown as cost, given they were acquired at arm's length and any accumulated depreciation reflects the usage of service potential, it is considered the recorded written down value approximates fair value. At the end of each intervening period the valuation is reviewed and where appropriate the fair value is updated to reflect current market conditions. This process is considered to be in accordance with Local Government (Financial Management) Regulation 17A (2) which require property, plant and equipment to be shown at fair value.

City of Busselton

Financial Report

For the Year Ended 30th June 2017

Notes to and Forming Part of the Financial Report

6. Property, Plant and Equipment (Continued)

(b) Movements in Carrying Amounts

The following represents the movement in the carrying amounts of each class of property, plant and equipment between the beginning and the end of the current financial year.

	Land (Level 2)	Buildings Non- Specialised (Level 2)	Buildings Specialised (Level 3)	Furniture and Fittings (Level 3)	Plant and Equipment (Level 3)	Total
Balance as at 1 July 2016	41,994,392	28,230,882	17,925,943	2,083,379	12,526,453	102,761,049
Additions	2,358,692	15,021,500	4,861,262	1,791,613	2,304,568	26,337,635
(Disposals)	0	(23,700)	(62,555)	(10,346)	(493,156)	(589,757)
Revaluation - Increments	9,196,463	5,641,356	3,960,427	0	0	18,798,246
- (Decrements)	(2,516,427)	(1,794,124)	(1,786,323)	0	0	(6,096,874)
Impairment - (Losses)	0	0	0	0	0	0
- Reversals	0	0	0	0	0	0
Depreciation - (Expense)	0	(1,226,874)	(827,068)	(534,900)	(2,235,815)	(4,824,657)
Donated Assets	0	0	0	30,000	674,219	704,219
Other Movements	0	0		0	0	0
Balance as at 30 June 2017	51,033,120	45,849,040	24,071,686	3,359,746	12,776,269	137,089,861

City of Busselton

Financial Report

For the Year Ended 30th June 2017

Notes to and Forming Part of the Financial Report

6. Property, Plant and Equipment (Continued)

(c) Fair Value Measurements

Asset Class	Fair Value Hierarchy	Valuation Technique	Basis of Valuation	Date of last Valuation	Inputs Used
<u>Land & Buildings</u>					
Freehold land	2	Market approach using recent observable market data for similar properties	Independent Registered Valuer	June 2017	Price per hectare / market borrowing rate
Non-Specialised Buildings	3	cost approach using depreciated replacement cost	Independent Registered Valuer	June 2017	construction costs and current condition (level 2), residual values and remaining useful life assessment's (level 3) inputs
Specialised Buildings	2	Market approach using recent observable market data for similar properties	Independent Registered Valuer	June 2017	Price per square meter / market borrowing rate
<u>Furniture & Equipment</u>					
Furniture & Equipment	3	Cost approach using depreciated replacement cost	Management valuation	June 2016	Construction cost and current condition (level 2), residual values and remaining useful life assessment (level 3) inputs
<u>Plant & Equipment</u>					
Plant & Equipment	3	Cost approach using depreciated replacement cost	Management valuation	June 2016	Purchased cost and current condition (level2), residual values and remaining useful life assessments (level 3) inputs

Level 3 inputs are based on assumptions with regards to future values and patterns of consumption utilising current information. If the basis of these assumptions were varied, they have the potential to result in a significantly higher or lower fair value measurement.

During the period there were no changes in the valuation techniques used by the local government to determine the fair value of property, plant and equipment using either level 2 or level 3 inputs.

City of Busselton

Financial Report

For the Year Ended 30th June 2017

Notes to and Forming Part of the Financial Report

	2017 Actual \$	2016 Actual \$
7 (a). Infrastructure		
Roads – Fair Value	274,240,770	263,534,410
Less Accumulated Depreciation	(9,419,548)	(4,616,610)
	<u>264,821,222</u>	<u>258,917,800</u>
 Bridges – Fair Value	 32,666,530	 30,855,487
Less Accumulated Depreciation	(1,123,045)	(561,416)
	<u>31,543,485</u>	<u>30,294,071</u>
 Car Parks – Fair Value	 9,898,968	 8,985,191
Less Accumulated Depreciation	(589,988)	(286,428)
	<u>9,308,980</u>	<u>8,698,763</u>
 Stormwater Drainage – Fair Value	 51,392,423	 48,854,695
Less Accumulated Depreciation	(1,288,107)	(618,752)
	<u>50,104,316</u>	<u>48,235,943</u>
 Regional Airport and Industrial Park – Fair Value	 22,390,734	 5,771,508
Less Accumulated Depreciation	(244,683)	(122,342)
	<u>22,146,051</u>	<u>5,649,166</u>
 Other Infrastructure – Fair Value	 117,251,724	 107,402,290
Less Accumulated Depreciation	(10,151,994)	(4,677,111)
	<u>107,099,730</u>	<u>102,725,179</u>
	<u>485,023,784</u>	<u>454,520,922</u>

The fair value of infrastructure is determined at least every three years in accordance with the regulatory framework. Additions since the date of valuation are shown as cost. Given they were acquired at arm's length and any accumulated depreciation reflects the usage of service potential, it is considered the recorded written down value approximates fair value. At the end of each intervening period the valuation is reviewed and, where appropriate, the fair value is updated to reflect current market conditions. This process is considered to be in accordance with Local Government (Financial Management) Regulation 17A (2) which requires infrastructure to be shown at fair value.

City of Busselton

Financial Report

For the Year Ended 30th June 2017

Notes to and Forming Part of the Financial Report

7. Infrastructure (Continued)

(b) Movements in Carrying Amounts

Movement in the carrying amounts of each class of infrastructure between the beginning and the end of the current financial year

	Roads \$	Bridges \$	Car Parks \$	Drainage \$	Airport \$	Other \$	Total \$
Balance as at 1 July 2016	258,917,800	30,294,071	8,698,763	48,235,943	5,649,166	102,725,179	454,520,922
Additions	7,046,816	1,623,884	913,778	604,296	16,619,227	8,857,308	35,665,309
(Disposals)	0	(290,364)	0	0	0	0	(290,364)
Revaluation - Increments	0	0	0	0	0	0	0
- (Decrements)	0	0	0	0	0	0	0
Impairment - (Losses)	0	0	0	0	0	0	0
- Reversals	0	0	0	0	0	0	0
Depreciation - (Expense)	(4,802,937)	(569,346)	(303,561)	(669,355)	(122,342)	(5,474,883)	(11,942,424)
Donated Assets	3,659,543	485,240	0	1,933,432	0	992,126	7,070,341
Other Movements	0	0	0	0	0	0	0
Balance as at 30 June 2017	264,821,222	31,543,485	9,308,980	50,104,316	22,146,051	107,099,730	485,023,784

City of Busselton

Financial Report

For the Year Ended 30th June 2017

Notes to and Forming Part of the Financial Report

7. Infrastructure (Continued)

(c) Fair Value Measurements

Asset Class	Fair Value Hierarchy	Valuation Technique	Basis of Valuation	Date of last Valuation	Inputs Used
Roads	3	Cost approach using depreciated replacement cost	Management valuation	June 2015	Construction costs and current condition (level 2), residual values and remaining useful life assessments (level 3) inputs
Bridges	3	Cost approach using depreciated replacement cost	Management valuation	June 2015	Construction costs and current condition (level 2), residual values and remaining useful life assessments (level 3) inputs
Car Parks	3	Cost approach using depreciated replacement cost	Management valuation	June 2015	Construction costs and current condition (level 2), residual values and remaining useful life assessments (level 3) inputs
Drainage	3	Cost approach using depreciated replacement cost	Management valuation	June 2015	Construction costs and current condition (level 2), residual values and remaining useful life assessments (level 3) inputs
Airport	3	Cost approach using depreciated replacement cost	Management valuation	June 2015	Construction costs and current condition (level 2), residual values and remaining useful life assessments (level 3) inputs
Other Infrastructure	3	Cost approach using depreciated replacement cost	Management valuation	June 2015	Construction costs and current condition (level 2), residual values and remaining useful life assessments (level 3) inputs

Level 3 inputs are based on assumptions with regards to future values and patterns of consumption utilising current information. If the basis of these assumptions were varied, they have the potential to result in a significantly higher or lower fair value measurement.

During the period there were no changes in the valuation techniques used to determine the fair value of infrastructure using level 3 inputs.

City of Busselton

Financial Report

For the Year Ended 30th June 2017

Notes to and Forming Part of the Financial Report

	2017 Actual \$	2016 Actual \$		
8. Trade and Other Payables				
Current				
Sundry Creditors	3,138,757	4,716,458		
Deposits and Bonds	2,214,179	2,425,748		
GST Payable	0	0		
Accrued Expenses	3,684,035	666,620		
	<u>9,036,971</u>	<u>7,808,826</u>		
9. Long-Term Borrowings				
Current				
Secured by Floating Charge				
Debentures	2,355,987	1,940,629		
	<u>2,355,987</u>	<u>1,940,629</u>		
Non-Current				
Secured by Floating Charge				
Debentures	27,771,067	27,083,214		
	<u>27,771,067</u>	<u>27,083,214</u>		
Additional detail on borrowings is provided in Note 21.				
10. Provisions				
	Provision for Annual Leave	Provision for Long Service Leave	Provision for Sick Leave	Total
	\$	\$	\$	\$
Opening balance at 1 July 2016				
Current	1,954,896	2,032,137	144,552	4,131,585
Non-Current	0	612,334	0	612,334
	<u>1,954,896</u>	<u>2,644,471</u>	<u>144,552</u>	<u>4,743,919</u>
Additional Provisions	1,696,771	588,489	1,827	2,287,087
Amounts Used	(1,714,390)	(469,592)	0	(2,183,982)
Balance 30 June 2017	<u>1,937,277</u>	<u>2,763,368</u>	<u>146,379</u>	<u>4,847,024</u>
Comprises				
Current Provisions	1,937,277	2,120,389	146,379	4,204,045
Non-current Provisions	0	642,979	0	642,979
	<u>1,937,277</u>	<u>2,763,368</u>	<u>146,379</u>	<u>4,847,024</u>

City of Busselton

Financial Report

For the Year Ended 30th June 2017

Notes to and Forming Part of the Financial Report

	2017 Actual \$	2017 Budget \$	2016 Actual \$
11. Reserves – Cash Backed			
Airport Infrastructure Renewal and Replacement Reserve			
Opening Balance	940,036	940,036	459,285
Amount Set Aside / Transfer to Reserve	531,362	452,864	523,381
Amount Used / Transfer from Reserve	(42,630)	(42,630)	(42,630)
	<u>1,428,768</u>	<u>1,350,270</u>	<u>940,036</u>
Asset Depreciation Reserve			
Opening Balance	2,573,604	2,573,604	2,546,024
Amount Set Aside / Transfer to Reserve	0	0	72,401
Amount Used / Transfer from Reserve	(2,573,604)	(2,573,604)	(44,821)
	<u>0</u>	<u>0</u>	<u>2,573,604</u>
Climate Adaptation Reserve			
Opening Balance	1,768,390	1,768,390	1,494,337
Amount Set Aside / Transfer to Reserve	508,641	502,944	495,149
Amount Used / Transfer from Reserve	(376,038)	(447,500)	(221,096)
	<u>1,900,993</u>	<u>1,823,834</u>	<u>1,768,390</u>
Building Asset Renewal Reserve			
Opening Balance	1,493,038	1,493,038	1,409,407
Amount Set Aside / Transfer to Reserve	210,103	165,736	548,784
Amount Used / Transfer from Reserve	(368,022)	(408,022)	(465,153)
	<u>1,335,119</u>	<u>1,250,752</u>	<u>1,493,038</u>
Corporate IT Systems Programme Reserve			
Opening Balance	132,062	132,062	128,259
Amount Set Aside / Transfer to Reserve	3,543	3,912	3,803
Amount Used / Transfer from Reserve	(9,624)	0	0
	<u>125,981</u>	<u>135,974</u>	<u>132,062</u>
Jetty Maintenance Reserve			
Opening Balance	2,306,653	2,306,653	2,094,713
Amount Set Aside / Transfer to Reserve	1,244,203	1,240,738	1,230,428
Amount Used / Transfer from Reserve	(392,081)	(622,870)	(1,018,488)
	<u>3,158,775</u>	<u>2,924,521</u>	<u>2,306,653</u>
Legal Expenses Reserve			
Opening Balance	530,593	530,593	309,206
Amount Set Aside / Transfer to Reserve	14,239	15,672	221,387
Amount Used / Transfer from Reserve	0	0	0
	<u>544,832</u>	<u>546,265</u>	<u>530,593</u>

City of Busselton

Financial Report

For the Year Ended 30th June 2017

Notes to and Forming Part of the Financial Report

	2017 Actual \$	2017 Budget \$	2016 Actual \$
11. Reserves – Cash Backed (Continued)			
Long Service Leave Reserve			
Opening Balance	2,604,471	2,604,471	2,204,037
Amount Set Aside / Transfer to Reserve	0	0	664,305
Amount Used / Transfer from Reserve	(2,604,471)	(2,604,471)	(263,871)
	0	0	2,604,471
City Car Parking and Access Reserve			
Opening Balance	427,857	427,857	198,115
Amount Set Aside / Transfer to Reserve	426,362	420,668	391,991
Amount Used / Transfer from Reserve	(230,717)	(804,170)	(162,249)
	623,502	44,355	427,857
Plant Replacement Reserve			
Opening Balance	2,810,579	2,810,579	2,425,055
Amount Set Aside / Transfer to Reserve	634,998	632,764	784,248
Amount Used / Transfer from Reserve	(1,119,799)	(1,134,000)	(398,724)
	2,325,778	2,309,343	2,810,579
Professional Development Reserve			
Opening Balance	77,905	77,905	74,240
Amount Set Aside / Transfer to Reserve	0	0	63,017
Amount Used / Transfer from Reserve	(77,905)	(77,905)	(59,352)
	0	0	77,905
Road Asset Renewal Reserve			
Opening Balance	328,823	328,823	118,257
Amount Set Aside / Transfer to Reserve	0	0	1,124,210
Amount Used / Transfer from Reserve	(328,823)	(328,823)	(913,644)
	0	0	328,823
Sick Pay Incentive Reserve			
Opening Balance	144,553	144,553	143,876
Amount Set Aside / Transfer to Reserve	0	0	7,010
Amount Used / Transfer from Reserve	(144,553)	(144,553)	(6,333)
	0	0	144,553
Strategic Projects Reserve			
Opening Balance	216,612	216,612	185,994
Amount Set Aside / Transfer to Reserve	31,272	31,408	30,618
Amount Used / Transfer from Reserve	(17,547)	(60,000)	0
	230,337	188,020	216,612

City of Busselton

Financial Report

For the Year Ended 30th June 2017

Notes to and Forming Part of the Financial Report

	2017 Actual \$	2017 Budget \$	2016 Actual \$
11. Reserves – Cash Backed (Continued)			
Waste Management Facility and Plant Reserve			
Opening Balance	7,613,254	7,613,254	8,134,429
Amount Set Aside / Transfer to Reserve	2,703,199	3,225,494	2,915,272
Amount Used / Transfer from Reserve	(2,737,861)	(4,439,723)	(3,436,447)
	7,578,592	6,399,025	7,613,254
Port Geographe Development Reserve (Council)			
Opening Balance	1,654,121	1,654,121	569,370
Amount Set Aside / Transfer to Reserve	44,375	48,756	1,090,680
Amount Used / Transfer from Reserve	(163,825)	(245,510)	(5,929)
	1,534,671	1,457,367	1,654,121
Port Geographe Waterways Management Reserve			
Opening Balance	3,454,443	3,454,443	3,265,183
Amount Set Aside / Transfer to Reserve	268,378	273,087	489,260
Amount Used / Transfer from Reserve	(300,000)	(305,000)	(300,000)
	3,422,821	3,422,530	3,454,443
Workers Compensation Contingency Reserve			
Opening Balance	273,142	273,142	265,278
Amount Set Aside / Transfer to Reserve	48,866	48,888	7,864
Amount Used / Transfer from Reserve	0	(20,000)	0
	322,008	302,030	273,142
Provenge Landscape Maintenance Reserve			
Opening Balance	835,856	835,856	676,765
Amount Set Aside / Transfer to Reserve	174,505	169,682	159,091
Amount Used / Transfer from Reserve	(8,553)	(117,120)	0
	1,001,808	888,418	835,856
New Infrastructure Development Reserve			
Opening Balance	2,007,645	2,007,645	2,311,813
Amount Set Aside / Transfer to Reserve	606,875	612,007	708,288
Amount Used / Transfer from Reserve	(580,881)	(804,945)	(1,012,456)
	2,033,639	1,814,707	2,007,645
Vasse Newtown Landscape Maintenance Reserve			
Opening Balance	470,760	470,760	406,922
Amount Set Aside / Transfer to Reserve	177,055	174,217	166,534
Amount Used / Transfer from Reserve	(162,349)	(273,785)	(102,696)
	485,466	371,192	470,760

City of Busselton

Financial Report

For the Year Ended 30th June 2017

Notes to and Forming Part of the Financial Report

	2017 Actual \$	2017 Budget \$	2016 Actual \$
11. Reserves – Cash Backed (Continued)			
Untied Grants Reserve			
Opening Balance	0	0	1,109,692
Amount Set Aside / Transfer to Reserve	1,146,659	0	0
Amount Used / Transfer from Reserve	0	0	(1,109,692)
	1,146,659	0	0
Locke Estate Reserve			
Opening Balance	64,000	64,000	0
Amount Set Aside / Transfer to Reserve	65,971	61,776	64,000
Amount Used / Transfer from Reserve	0	0	0
	129,971	125,776	64,000
Busselton Community Resource Centre Reserve			
Opening Balance	92,178	92,178	63,513
Amount Set Aside / Transfer to Reserve	31,544	29,720	28,665
Amount Used / Transfer from Reserve	0	0	0
	123,722	121,898	92,178
CBD Enhancement			
Opening Balance	50,404	50,404	14,490
Amount Set Aside / Transfer to Reserve	34,494	36,288	35,914
Amount Used / Transfer from Reserve	0	0	0
	84,898	86,692	50,404
Election, Valuation and Corporate Expenses Reserve			
Opening Balance	174,169	174,169	35,799
Amount Set Aside / Transfer to Reserve	182,317	179,568	209,475
Amount Used / Transfer from Reserve	(24,933)	(72,000)	(71,105)
	331,553	281,737	174,169
Civic and Administration Centre Construction Reserve			
Opening Balance	12,782,915	12,782,915	18,501,924
Amount Set Aside / Transfer to Reserve	161,948	194,850	466,958
Amount Used / Transfer from Reserve	(12,500,000)	(12,977,765)	(6,185,967)
	444,863	0	12,782,915
Performing Arts Centre Reserve			
Opening Balance	0	0	0
Amount Set Aside / Transfer to Reserve	0	0	0
Amount Used / Transfer from Reserve	0	0	0
	0	0	0

City of Busselton

Financial Report

For the Year Ended 30th June 2017

Notes to and Forming Part of the Financial Report

	2017 Actual \$	2017 Budget \$	2016 Actual \$
11. Reserves – Cash Backed (Continued)			
Airport Marketing Reserve			
Opening Balance	196,000	196,000	0
Amount Set Aside / Transfer to Reserve	716,986	4,476	196,000
Amount Used / Transfer from Reserve	0	0	0
	912,986	200,476	196,000
Employee Entitlements Reserve			
Opening Balance	0	0	0
Amount Set Aside / Transfer to Reserve	3,555,252	3,070,369	0
Amount Used / Transfer from Reserve	(550,175)	(616,104)	0
	3,005,077	2,454,265	0
Infrastructure Asset Renewal Reserve			
Opening Balance	0	0	0
Amount Set Aside / Transfer to Reserve	4,500,726	4,527,101	0
Amount Used / Transfer from Reserve	(3,424,396)	(3,793,467)	0
	1,076,330	733,634	0
Community Development Contribution Reserve			
Opening Balance	0	0	0
Amount Set Aside / Transfer to Reserve	8,563,467	7,964,544	0
Amount Used / Transfer from Reserve	(1,913,172)	(2,053,075)	0
	6,650,295	5,911,469	0
Busselton Area Drainage and Waterways Improvement Reserve			
Opening Balance	0	0	0
Amount Set Aside / Transfer to Reserve	609,789	383,804	0
Amount Used / Transfer from Reserve	0	(85,000)	0
	609,789	298,804	0
Joint Venture Aged Housing Reserve			
Opening Balance	0	0	0
Amount Set Aside / Transfer to Reserve	874,987	831,057	0
Amount Used / Transfer from Reserve	0	0	0
	874,987	831,057	0
Public Art Reserve			
Opening Balance	0	0	0
Amount Set Aside / Transfer to Reserve	94,835	0	0
Amount Used / Transfer from Reserve	0	0	0
	94,835	0	0
Total Reserves	43,539,055	36,274,411	46,024,063

City of Busselton**Financial Report****For the Year Ended 30th June 2017****Notes to and Forming Part of the Financial Report**

	2017 Actual \$	2017 Budget \$	2016 Actual \$
11. Reserves – Cash Backed (Continued)			
Summary of Cash / Investment Backed Reserves			
Opening Balance	46,024,063	46,024,063	49,145,982
Amount Set Aside / Transfer to Reserve	28,166,950	25,302,390	12,698,735
Amount Used / Transfer from Reserve	(30,651,958)	(35,052,042)	(15,820,654)
	43,539,055	36,274,411	46,024,063

All of the reserve accounts are supported by money held in financial institutions and match the amount shown as restricted cash in Note 3 to this report.

In accordance with council resolutions in relation to each reserve account, the purpose for which the reserves are set aside are as follows:

Airport Infrastructure Renewal and Replacement Reserve

To provide funding for the renewal, replacement, upgrading and installation of Airport Infrastructure; and to facilitate the implementation of the Noise Management Plan and related activities.

Assets Depreciation Reserve

To assist the City in funding capital expenditure on renewal, replacement and improvements of infrastructure assets as determined by Council, and as specifically identified in relevant Asset Management Plans.

Climate Adaptation Reserve

To cover repairs or preventative measures necessary to protect the beach or land based assets, as well as specific capital projects designed to protect the shoreline, e.g. construction of a sea wall.

Building Asset Renewal Reserve

To provide funding for future building requirements for assets that do not have their own reserve account or loan funding.

Corporate IT Systems Programme

To assist the City in funding expenditure required in relation to the ongoing development and enhancement of the City's corporate systems.

Jetty Maintenance Reserve

As a contingency fund to rectify damage caused by the demise of the Busselton jetty or part of the jetty or for large unbudgeted extraordinary jetty repairs.

City of Busselton

Financial Report

For the Year Ended 30th June 2017

Notes to and Forming Part of the Financial Report

11. Reserves – Cash Backed (Continued)

Legal Expenses Reserve

To provide for any legal expenses or contingency involving the City of Busselton.

Long Service Leave Reserve

To provide funding to meet Council's future long service leave obligations.

City Car Parking and Access Reserve

To provide adequate public car parking in the City for the future, and can be used for the purchase of land and/or development of public car parking and access thereto, the development of infrastructure to provide for the management of public car parking and providing improved public transport to and within the City.

Plant Replacement Reserve

For funding and the purchase of new plant and equipment as may be required to mitigate growth needs or improvements to service levels as agreed by the Council; or plant and equipment as identified in the 10 year plant replacement program by using the basis of plant depreciation earnings and subsidisation by annual budgets as required.

Professional Development Reserve

To provide funding to meet the City's ongoing contractual professional development obligations.

Road Asset Renewal Reserve

To meet the needs of the Long Term Financial Plan road asset management plan requirements.

Sick Pay Incentive Reserve

To provide funding to meet Council's obligations under the City of Busselton's Enterprise Bargaining Agreement.

Strategic Projects Reserve

To finance activities which will create a revenue stream for the City and reduce reliance on rate revenue.

Waste Management Facility and Plant Reserve

To fund the acquisition of additional waste plant, waste facility infrastructure, waste related expenditure and post closure management.

City of Busselton

Financial Report

For the Year Ended 30th June 2017

Notes to and Forming Part of the Financial Report

11. Reserves – Cash Backed (Continued)

Port Geographe Development Reserve

To provide for costs associated with the Port Geographe development.

Port Geographe Waterways Management Reserve

To provide funds for Council to fulfil its obligations under a Waterways Management Deed with Pindan Constructions for the future maintenance of waterways and associated facilities within the Port Geographe subdivision area.

Workers Compensation Contingency Reserve

A contingency fund to assist Council in meeting its Workers Compensation Contribution obligations when claim costs exceed the "Deposit" amount allocated to claims. This is a requirement under Councils current Workers Compensation "performance based contributions policy".

Provence Landscape Maintenance Reserve

For the purpose of holding funds for the maintenance of the approved higher standard of landscaping within the Provence subdivision in accordance with Policy 185/3 including future capital replacement of landscaping structures as may be required.

New Infrastructure Development Reserve

For the purpose of setting aside funds to facilitate the identification, design and development of new infrastructure and other capital projects.

Vasse Newtown Landscape Maintenance Reserve

For the purpose of holding funds for the maintenance of the approved higher standard of landscaping.

Untied Grants Reserve

To hold untied grants monies received in advance.

Locke Estate Reserve

To provide funding for the protection of the Locke Estate (Reserve 22674) coastline.

Busselton Community Resource Centre Reserve

To hold funds for costs associated with asset management (as well as a contingency for annual depreciation) of the building located on Reserve 41445, and known as the Busselton Community Resource Centre.

City of Busselton

Financial Report

For the Year Ended 30th June 2017

Notes to and Forming Part of the Financial Report

11. Reserves – Cash Backed (Continued)

CBD Enhancement Reserve

Financing works and improvements within the Busselton Central Business District', including both capital and maintenance works which enhance the old fire station and / or the CBD generally.

Election, Valuation and Corporate Expenses Reserve

To provide funding for Council elections, rating valuations, fair value valuations and other corporate expenses as determined.

Civic and Administration Centre Construction Reserve

To provide funding for the construction and fit-out of a Civic and Administration Centre, plus associated costs.

Performing Arts Centre Reserve

To provide for the planning and construction of a future Performing Arts Centre for the district.

Airport Marketing Reserve

The purpose for promoting the Busselton Regional Airport.

Employee Entitlements Reserve

To provide funding to meet Council's future long service leave obligations. To provide funding to meet Council's obligations under the City of Busselton's Enterprise Bargaining Agreement (Sick Pay Incentive). To provide funding to meet the City's ongoing contractual professional development obligations.

Infrastructure Asset Renewal Reserve

To assist the City in funding capital expenditure on renewal, replacement and improvements of infrastructure assets as determined by Council, and as specifically identified in relevant asset management plans.

To meet the need of the Long Term Financial Plan Road Asset Management plan requirements.

Community Development Contribution Reserve

To hold development contributions received by the City for the provision of new or upgraded community infrastructure.

Busselton Area Drainage and Waterways Improvement Reserve

To hold development contributions received by the City for the provision of drainage works and the management and improvement of waterways within the Busselton area including the lower Vasse River.

City of Busselton

Financial Report

For the Year Ended 30th June 2017

Notes to and Forming Part of the Financial Report

11. Reserves – Cash Backed (Continued)

Joint Venture Aged Housing Reserve

To hold funds to meet future expenses, including capital, maintenance, operational and administrative costs associated with the provision of community aged housing at Winderlup Villas and Harris Road pursuant to the relevant joint venture agreements with the Department of Housing.

Public Art Reserve

To hold restricted development contributions received by the City for the commissioning, purchase and enhancement of public art works.

City of Busselton

Financial Report

For the Year Ended 30th June 2017

Notes to and Forming Part of the Financial Report

12. Revaluation Surplus

Revaluations surpluses have arisen on revaluation of the following class of non-current assets:

	2017 Actual \$	2016 Actual \$
Land and Buildings		
Opening Balance	44,100,475	44,100,475
Revaluation Increment	18,798,246	0
Revaluation Decrement	(6,096,874)	0
	<u>56,801,847</u>	<u>44,100,475</u>
Furniture & Fittings		
Opening Balance	445,965	196,941
Revaluation Increment	0	249,024
Revaluation Decrement	0	0
	<u>445,965</u>	<u>445,965</u>
Plant and Equipment		
Opening Balance	136,902	0
Revaluation Increment	0	136,902
Revaluation Decrement	0	0
	<u>136,902</u>	<u>136,902</u>
Roads		
Opening Balance	102,035,756	102,035,756
Revaluation Increment	0	0
Revaluation Decrement	0	0
	<u>102,035,756</u>	<u>102,035,756</u>
Bridges		
Opening Balance	19,677,168	19,677,168
Revaluation Increment	0	0
Revaluation Decrement	0	0
	<u>19,677,168</u>	<u>19,677,168</u>
Car Parks		
Opening Balance	5,863,855	5,863,855
Revaluation Increment	0	0
Revaluation Decrement	0	0
	<u>5,863,855</u>	<u>5,863,855</u>
Drainage		
Opening Balance	9,978,811	9,978,811
Revaluation Increment	0	0
Revaluation Decrement	0	0
	<u>9,978,811</u>	<u>9,978,811</u>
Regional Airport and Industrial Park		
Opening Balance	1,309,884	1,309,884
Revaluation Increment	0	0
Revaluation Decrement	0	0
	<u>1,309,884</u>	<u>1,309,884</u>
Other Infrastructure		
Opening Balance	6,965,097	6,965,097
Revaluation Increment	0	0
Revaluation Decrement	0	0
	<u>6,965,097</u>	<u>6,965,097</u>
Total Assets Revaluation Surplus	<u>203,215,285</u>	<u>190,513,913</u>

City of Busselton

Financial Report

For the Year Ended 30th June 2017

Notes to and Forming Part of the Financial Report

13. Notes to the Statement of Cash Flows

(a) Reconciliation of Cash

For the purposes of the statement of cash flows, cash includes cash on hand and cash equivalents, net of outstanding bank overdrafts. Cash at the end of the reporting period is reconciled to the related items in the statement of financial position as follows:

	2017 Actual \$	2017 Budget \$	2016 Actual \$
Cash and Cash Equivalents	86,589,475	60,424,643	115,850,156

(b) Reconciliation of Net Cash Provided By Operating Activities to Net Result

Net Result	21,200,855	35,859,348	28,133,255
Depreciation	16,767,081	15,715,050	14,998,644
(Profit) / Loss on Sale of Asset	413,210	71,534	1,278,202
(Increase) / Decrease in Receivables	(555,932)	139,170	(5,858,363)
(Increase) / Decrease in Inventories	(4,037)	420	(150)
Increase / (Decrease) in Payables	(1,586,247)	(282,032)	2,682,782
Increase / (Decrease) in Employee Provisions	103,105	(26,356)	253,725
Less : Non-Cash Contributions	(7,774,560)	(13,800,000)	(12,996,614)
Grants/Contributions for the Development of Assets	(9,867,356)	(21,450,891)	(12,236,044)
Non-Current Assets Fair Value Adjustment			0
Net Cash from Operating Activities	18,696,119	16,226,243	16,255,437

(c) Undrawn Borrowing Facilities Credit Standby Arrangements

	2017 Actual \$	2016 Actual \$
Bank Overdraft limit	0	0
Bank Overdraft at Balance Date	0	0
Credit Card limit	50,000	50,000
Credit Card Balance at Balance Date	0	0
Total Amount of Credit Unused	50,000	50,000

(d) Loan Facilities

Loan Facilities – Current	2,355,987	1,940,629
Loan Facilities – Non-Current	27,771,067	27,083,214
Total Facilities in Use at Balance Date	30,127,054	29,023,843

City of Busselton**Financial Report****For the Year Ended 30th June 2017****Notes to and Forming Part of the Financial Report**

13. Notes to the Statement of Cash Flows (Continued)		2017	2016
		Actual	Actual
		\$	\$
(e) Non-Cash Contributions			
Acquired by Council at Valuation – Land and Buildings		0	235,000
Acquired by Council at Valuation – Furniture and Fittings		30,000	0
Acquired by Council at Valuation – Plant and Equipment		674,219	121,453
Developers and Acquired by Council at Valuation - Roads		3,659,543	4,097,907
Developers and Acquired by Council at Valuation - Bridges		485,240	0
Developers and Acquired by Council at Valuation - Drains		1,933,432	3,847,463
Developers and Acquired by Council at Valuation - Other		992,126	4,694,791
		7,774,560	12,996,614

14. Contingent Liabilities**14.1 Resident funded aged persons homes**

When either of the two of the resident funded aged person's homes at the Winderlup Villas become vacant, then Council has a contractual obligation to reimburse the occupant the contribution made at the outset (less annual depreciation) and discretion to increase the amount based on market value of the capital cost for the two homes involved.

14.2 Buy Back Conditions contained in City Lease Agreements

On the 14 June 1999 the City entered into a lease agreement with the St John Ambulance Association of WA and this lease agreement expires on 30 June 2020. If a new lease is not entered into the City could be liable for the purchase of the building and improvements at market value (Clause 7).

On the 4 February 2009 the City entered into a lease agreement with the Geographe Hangar Owners Group Inc and this lease agreement expires on 31 March 2018. If a new lease is not entered into the City could be liable for the purchase of the hangar and/ or other buildings constructed on the hangar area at market value (Clause 9.14).

On the 9 June 1998 the City entered into a lease agreement with the Busselton Hangar Owners Pty Ltd and this lease agreement expires on 31 March 2018. If a new lease is not entered into the City could be liable for the purchase of the hangar and/ or other buildings constructed on the hangar area at market value (Clause 9.14).

14.3 Busselton Waste Transfer Station Contamination Investigation

The City of Busselton operates the Rendezvous Road Waste Transfer Station from lots 500 and 27 Rendezvous Road, Busselton (Busselton Tip Site). During 2007 the Contaminated Sites Branch of the Department of Environment Regulation (DER) notified the City that Lot 500 had been entered on the Contaminated Sites Register and classified as "Possibly Contaminated-Investigation required" mainly because of the historical activities carried out on the Busselton Tip Site. The Busselton Tip Site had been reported by residents who had advised that they abstracted the groundwater for drinking purposes who indicated that chloride and ammonia, above Australian Drinking Water Standards, had been detected in the groundwater in the vicinity of the Busselton Tip Site.

City of Busselton

Financial Report

For the Year Ended 30th June 2017

Notes to and Forming Part of the Financial Report

14. Contingent Liabilities (continued)

14.3 Busselton Waste Transfer Station Contamination Investigation (Continued)

Potential contamination of groundwater in the vicinity of the Busselton Tip Site has since been investigated and subsequent test results indicated chemical concentrations above health and aesthetic screening criteria on certain properties in this area. In accordance with DER requirements and directives further investigations into the source, nature and extent of the contamination is ongoing. Depending on the outcome of the investigation the City may incur a certain level of liability in respect of remedial action and/or claims for compensation. Due to complex scientific, operational and legal issues impacting on this matter, it is not reasonably possible to determine Council's potential liability (if any) at this stage.

15. Capital and Leasing Commitments

	2017 Actual \$	2016 Actual \$
(a) Operating Lease Commitments		
Non-cancellable operating leases contracted for but not capitalised in the accounts.		
Payable:		
- not later than one year	414,159	350,094
- later than one year but not later than five years	337,343	299,915
- later than five years	0	0
	<u>751,502</u>	<u>650,009</u>
(b) Capital Expenditure Commitments		
	2017 Actual \$	2016 Actual \$
Contracted for:		
<u>Capital projects</u>		
- Civic and Administration Building	549,999	13,532,305
- Railway House Project	0	878,585
- Youth Building	1,106,822	0
- Barnard Park	249,223	0
- Busselton Foreshore Coastal Defences	1,046,419	0
- Busselton Margaret River Regional Airport Land	0	1,980,000
- Busselton Margaret River Regional Airport Airside Infrastructure	15,904,709	0
- Busselton Margaret River Regional Airport Landside Design	608,941	0
<u>Payable:</u>		
- not later than one year	19,466,113	16,390,890
- later than one year but not later than five years	0	0

City of Busselton

Financial Report

For the Year Ended 30th June 2017

Notes to and Forming Part of the Financial Report

15. Capital and Leasing Commitments (Continued)

(b) Capital Expenditure Commitments

The capital expenditure projects outstanding at the end of the current reporting period represent the construction of;

- The Civic and Administration Building at Southern Drive;
- The new Youth Building;
- Barnard Park Pavilion;
- Coastal Defences within Stage 3 of the Busselton Foreshore Master Plan;
- Busselton Margaret River Regional Airport Airside Infrastructure;
- Busselton Margaret River Regional Airport Landside Design;

These projects are due to be completed in the 2017-18 financial year.

16. Joint Ventures

The City of Busselton has not been involved in any joint venture arrangements during the reporting period.

17. Total Assets Classified by Function and Activity	2017	2016
	Actual \$	Actual \$
General Purpose Funding	3,909,728	4,329,868
Governance	22,804,182	19,273,782
Law, Order & Public Safety	3,871,978	3,151,150
Health	105,086	158,278
Education and Welfare	668,805	484,816
Housing	17,948,364	14,559,260
Community Amenities	26,075,201	23,050,519
Recreation and Culture	127,841,327	110,330,203
Transport	439,635,108	453,120,861
Economic Services	2,634,339	2,654,735
Other Property and Services	16,567,092	5,324,606
Unallocated	51,411,201	40,697,645
	<u>713,472,411</u>	<u>677,135,723</u>

City of Busselton

Financial Report

For the Year Ended 30th June 2017

Notes to and Forming Part of the Financial Report

18. Financial Ratios

	2017 Actual	2016 Actual	2015 Actual
Current Ratio	0.810	0.741	0.779
Asset Sustainability Ratio	1.858	1.252	1.068
Debt Service Coverage Ratio	6.385	6.044	6.588
Operating Surplus Ratio	0.058	0.046	0.056
Own Source Revenue Coverage Ratio	0.967	0.952	0.964

The above ratios are calculated as follows:

Current Ratio (ratio required to meet standard > or = to 1)	$\frac{\text{Current assets minus restricted assets}}{\text{Current liabilities minus liabilities associated with restricted assets}}$
Asset Sustainability Ratio (ratio required to achieve basic standard > 0.9)	$\frac{\text{Capital renewal and replacement expenditure}}{\text{Depreciation expense}}$
Debt Service Coverage Ratio (ratio required to achieve basic standard > or = to 2, and advanced standard > or = to 5)	$\frac{\text{Annual operating surplus before interest and depreciation}}{\text{Principal and interest}}$
Operating Surplus Ratio (ratio required to achieve basic standard is between 0.01 & 0.15, advanced standard > 0.15)	$\frac{\text{Operating revenue minus operating expense}}{\text{Own source operating revenue}}$
Own Source Revenue Coverage Ratio (ratio required to achieve basic standard is between 0.4 & 0.6, Intermediate standard between 0.6 & 0.9, and advanced standard > 0.9)	$\frac{\text{Own source operating revenue}}{\text{Operating expense}}$

Notes: Information relating to the Asset Consumption Ratio and the Asset Renewal Funding Ratio can be found at the supplementary ratio information on page 73 of this document.

City of Busselton

Financial Report

For the Year Ended 30th June 2017

Notes to and Forming Part of the Financial Report

19. Trust Funds

	Balance 01-July-16 \$	Amounts Received \$	Amounts Paid \$	Balance 30-June-17 \$
Builders Registration Board Levies	18,586	388,960	(387,237)	20,309
Building Training Levy	4,977	120,278	(124,470)	785
Community Appeals	1,000	0	(0)	1,000
Nomination Deposits	0	0	(0)	0
Cash in Lieu of P.O.S.	1,874,627	106,825	(65,254)	1,916,198
Sundry Other Trusts	24,240	0	(0)	24,240
	1,923,430	616,063	(576,961)	1,962,532

20. Disposals of Assets – 2016/17 Financial Year

The following assets were disposed of during the year:

By Function/Activity:-

	Net Book Value		Sale Price		Profit / (Loss)	
	Actual \$	Budget \$	Actual \$	Budget \$	Actual \$	Budget \$
General Purpose Funding	0	0	0	0	0	0
Governance	149,027	92,300	134,176	91,000	(14,851)	(1,300)
Law, Order, Public Safety	37,702	46,711	32,223	50,000	(5,479)	3,289
Health	840	0	0	100	(840)	100
Education and Welfare	0	0	0	0	0	0
Housing	673	0	0	0	(673)	0
Community Amenities	43,533	101,335	34,976	77,000	(8,557)	(24,335)
Recreation and Culture	161,640	96,800	103,506	82,900	(58,134)	(13,900)
Transport	424,528	285,288	122,505	248,500	(302,023)	(36,788)
Economic Services	25,725	23,700	18,395	25,000	(7,330)	1,300
Other Property & Services	36,453	34,400	21,130	34,500	(15,323)	100
	880,121	680,534	466,911	609,000	(413,210)	(71,534)

By Asset Class:-

	Net Book Value		Sale Price		Profit / (Loss)	
	Actual \$	Budget \$	Actual \$	Budget \$	Actual \$	Budget \$
Land and Buildings	86,256	0	0	0	(86,256)	0
Plant and Equipment	493,155	680,534	464,797	609,000	(28,358)	(71,534)
Furniture and Fittings	10,346	0	2,114	0	(8,232)	0
Infrastructure	290,364	0	0	0	(290,364)	0
	880,121	680,534	466,911	609,000	(413,210)	(71,534)

City of Busselton

Financial Report

For the Year Ended 30th June 2017

Notes to and Forming Part of the Financial Report

21. Information on Borrowings

(a)	Particulars	Borrowing Institution	Int. Rate %	Maturity Date	Principal	New Loans	New Loans	Principal Repayment		Principal		Interest Repayment	
					1 July 2016	2016/17 Budget	2016/17 Actual	2016/17 Budget	2016/17 Actual	2016/17 Budget	2016/17 Actual	2016/17 Budget	2016/17 Actual
C	Administration												
	Loan #207 Civic and Administration Centre	WATC	4.51	06/34	16,763,324	0	0	619,213	619,213	16,144,111	16,144,111	745,651	747,630
	Recreation & Culture												
S	Loan #192 Busselton Tennis Club	WATC	5.74	12/19	23,659	0	0	6,286	6,286	17,373	17,373	1,224	1,227
S	Loan #195 Dunsborough District Country Club	WATC	6.79	06/17	39,535	0	0	39,535	39,535	0	0	1,692	1,692
S	Loan #196 Dunsborough Bay Yacht Club	WATC	6.16	12/19	10,502	0	0	2,775	2,775	7,727	7,727	584	585
C	Loan #197 Dunsborough Oval	WATC	6.05	03/20	707,336	0	0	173,335	173,335	534,001	534,001	38,911	38,998
C	Loan #198 Jetty Construction	WATC	6.05	03/20	928,379	0	0	227,502	227,502	700,877	700,877	51,070	51,185
S	Loan #199 Busselton Bowling Club	WATC	5.98	12/20	81,029	0	0	16,184	16,184	64,845	64,845	4,487	4,498
S	Loan #200 Dunsborough Bay Yacht Club	WATC	6.00	12/19	6,757	0	0	1,788	1,789	4,969	4,968	366	366
C	Loan #202 Geothermal Heating GLC	WATC	3.98	06/23	395,449	0	0	50,007	50,007	345,443	345,442	14,999	15,036
C	Loan #204 Busselton Foreshore	WATC	4.36	06/29	995,244	0	0	58,249	58,249	936,995	936,995	42,449	42,560
C	Loan #205 GLC Extensions	WATC	3.92	06/24	999,529	0	0	108,562	108,562	890,967	890,967	37,599	37,694
S	Loan# 208 Busselton Football & Sportsman's Club	WATC	2.93	04/25	26,742	0	0	2,636	2,636	24,106	24,106	755	756
C	Loan# 209 Busselton Foreshore	WATC	3.56	06/27	6,085,774	0	0	460,507	460,507	5,625,267	5,625,267	210,551	211,095
C	Loan# 211 Busselton Foreshore	WATC	2.55	10/24	0	3,000,000	3,000,000	117,257	170,160	2,882,743	2,829,840	74,272	49,867
S	Loan# 212 Dunsborough and Districts Country	WATC	3.04	05/27	0	150,000	114,000	11,873	0	138,127	114,000	7,280	565
S	Loan# 213 Geographe Bay Yacht Club	WATC	3.04	05/27	0	0	100,000	0	0	0	100,000	0	496
	Transport												
C	Loan #203 Land Acquisition for Parking	WATC	4.19	09/21	761,071	0	0	132,423	132,423	628,648	628,648	29,826	29,898
C	Loan #206 Airport Jet A1 Installation	WATC	3.92	06/24	291,530	0	0	31,664	31,664	259,865	259,866	10,966	10,994
C	Loan# new Dunsborough Car Parking					500,000	0	19,543	0	480,457	0	12,379	0
	Economic Services												
S	Loan #201 Geographe Bay Tourism Association	WATC	4.76	09/21	57,984	0	0	9,963	9,963	48,021	48,021	2,584	2,590
	Other Property and Services												
C	Loan #210 Lot 40 Vasse Highway	WATC	3.61	12/25	850,000	0	0	0	0	850,000	850,000	30,685	30,769
	Total - Council and Self-supporting Loans				29,023,844	3,650,000	3,214,000	2,089,302	2,110,790	30,584,542	30,127,054	1,318,330	1,278,501
C	Council Loans are financed by general purpose income.				28,777,636	3,500,000	3,000,000	1,998,261	2,031,622	30,279,375	29,746,014	1,299,358	1,265,725
S	Self-Supporting Loans are financed by payments from third parties.				246,208	150,000	214,000	91,041	79,168	305,167	381,040	18,972	12,776
					29,023,844	3,650,000	3,214,000	2,089,302	2,110,790	30,584,542	30,127,054	1,318,330	1,278,501

City of Busselton

Financial Report

For the Year Ended 30th June 2017

Notes to and Forming Part of the Financial Report

21. Information on Borrowings (continued)

(b) New Debentures – 2016/17

Particulars / Purpose	Amount Borrowed		Institution	Loan Type	Term (Years)	Total Interest & Charges	Interest Rate %	Amount Used		Balance Unspent
	Actual \$	Budget \$						Actual \$	Budget \$	
Loan# 211 Busselton Foreshore	3,000,000	3,000,000	WATC	Debenture	8	3,325,916	2.55%	2,272,691	3,000,000	727,309
Loan# 212 Dunsborough and Districts Country Club	114,000	150,000	WATC	Debenture	10	133,062	3.04%	114,000	150,000	0
Loan# 213 Geographe Bay Yacht Club	100,000	0	WATC	Debenture	10	116,721	3.04%	100,000	0	0
	3,214,000	3,150,000				3,575,699		2,486,691	3,150,000	727,309

(c) Unspent Debentures

Particulars / Purpose	Date Borrowed	Balance 01-July-16 \$	Borrowed During Year \$	Expended During Year \$	Balance 30-June-17 \$
Loan #206 Airport Jet A1 Installation	27 th May 14	350,000	0	0	350,000
Loan #207 Civic and Administration Centre	5 th Aug 15	11,814,033	0	11,814,033	0
Loan# 209 Busselton Foreshore	13 th May 15	610,584	0	424,295	186,289
Loan # 211 Busselton Foreshore	31 st October 16	0	3,000,000	2,272,691	727,309
		12,774,617	3,000,000	14,511,019	1,263,598

(d) Overdraft

Council has not utilised an overdraft facility during the financial year 2016/17. The balance of actual bank overdraft as at 1 July 2016 and 30 June 2017 was Nil.

City of Busselton

Financial Report

For the Year Ended 30th June 2017

Notes to and Forming Part of the Financial Report

22. Rating Information – 2016/17 Financial Year
(a) Rates

Rate Type	Rate in \$	Number of Properties #	Rateable Value \$	Rate Revenue \$	Interim Rates \$	Total Revenue \$	Budget Rate Revenue \$	Budget Interim Rate \$	Budget Total Revenue \$
Differential General Rate									
GRV–Residential	8.3838	12,974	244,646,340	20,510,597	0	20,510,597	20,510,597	0	20,510,597
GRV–Industrial	10.1243	385	17,932,789	1,815,567	0	1,815,567	1,815,567	0	1,815,567
GRV–Commercial	10.1243	1,345	60,433,227	6,118,435	0	6,118,435	6,118,435	0	6,118,435
GRV–Residential Vacant Land	8.3838	330	9,459,870	793,095	0	793,095	793,095	0	793,095
GRV–Industrial Vacant Land	11.1528	76	1,677,600	187,099	0	187,099	187,099	0	187,099
GRV–Commercial Vacant Land	11.1528	49	2,544,550	283,788	0	283,788	283,788	0	283,788
UV–Primary Production	0.4031	848	612,604,000	2,469,403	0	2,469,403	2,469,403	0	2,469,403
UV–Rural	0.3669	1,464	683,837,000	2,508,992	0	2,508,992	2,508,992	0	2,508,992
UV–Commercial	0.7337	146	88,379,000	648,436	0	648,436	648,436	0	648,436
Interim Rates		0	0	0	513,349	513,349	0	431,372	431,372
Sub-Totals		17,617	1,721,514,376	35,335,412	513,349	35,848,761	35,335,412	431,372	35,766,784
Minimum \$									
Minimum Differential General Rate									
GRV–Residential	1,160	1,519	19,652,678	1,762,040	0	1,762,040	1,762,040	0	1,762,040
GRV–Industrial	1,160	24	229,057	27,840	0	27,840	27,840	0	27,840
GRV–Commercial	1,160	539	3,616,444	625,240	0	625,240	625,240	0	625,240
GRV–Residential Vacant Land	1,160	1,275	8,957,748	1,479,000	0	1,479,000	1,479,000	0	1,479,000
GRV–Industrial Vacant Land	1,160	0	0	0	0	0	0	0	0
GRV–Commercial Vacant Land	1,160	75	374,500	87,000	0	87,000	87,000	0	87,000
UV–Primary Production	1,160	215	45,600,500	249,400	0	249,400	249,400	0	249,400
UV–Rural	1,160	1,043	220,213,500	1,209,880	0	1,209,880	1,209,880	0	1,209,880
UV–Commercial	1,160	90	4,922,276	104,400	0	104,400	104,400	0	104,400
Sub-Totals		4,780	303,566,703	5,544,800	0	5,544,800	5,544,800	0	5,544,800
Back Rates / Prior Period Adj. (refer note 26)						111,041			111,200
Total Amount Raised from General Rates						41,504,602			41,422,784
Specified Area Rate (refer note 24)						483,998			476,526
Totals						41,988,600			41,899,310

City of Busselton

Financial Report

For the Year Ended 30th June 2017

Notes to and Forming Part of the Financial Report

23. Net Current Assets

Composition of net current assets

	<u>2017</u> 30 June 2017 C/FWD \$	<u>2017</u> 1 July 2016 B/FWD \$	<u>2016</u> 30 June 2016 C/FWD \$
Surplus / (Deficit)	1,839,640	1,178,089	1,178,089
<u>Comprises:</u>			
Cash - Unrestricted	4,815,096	3,251,577	3,251,577
Cash - Restricted	81,774,379	112,598,579	112,598,579
Sundry Debtors	2,872,111	2,501,984	2,501,984
Rates Debtors	950,768	787,186	787,186
Inventories	24,457	20,420	20,420
	90,436,811	119,159,746	119,159,746
<u>Less:</u>			
Sundry Creditors	(3,138,757)	(4,716,458)	(4,716,458)
Sundry Creditors – Deposits and Bonds	(2,214,179)	(2,425,748)	(2,425,748)
Accrued Expenses	(3,684,035)	(666,620)	(666,620)
	(9,036,971)	(7,808,826)	(7,808,826)
	81,399,840	111,350,920	111,350,920
Add Current Liabilities Cash Backed	2,214,179	2,425,748	2,425,748
Less Restricted Cash	(81,774,379)	(112,598,579)	(112,598,579)
Surplus / (Deficit)	1,839,640	1,178,089	1,178,089

Difference:

There was no difference between the Surplus 1 July 2016 Brought Forward position used in the 2017 audited financial report and the Surplus Carried Forward position as disclosed in the 2016 audited financial report.

City of Busselton

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Notes to and Forming Part of the Financial Report

24. Specified Area Rate - 2016/17 Financial Year

	Rate in \$	Basis of Rate	Rateable Value \$	Rate Revenue \$	Budget Rate Revenue \$	Applied to Costs \$	Budget Applied to Costs \$
Port Geographe							
• Rate	1.3402	GRV	12,748,110	170,847	170,847	170,847	170,847
• Interim Rate				1,703	0	1,703	0
• Back Rate							
				172,550	170,847	172,550	170,847

	Rate in \$	Basis of Rate	Rateable Value \$	Rate Revenue \$	Budget Rate Revenue \$	Applied to Costs \$	Budget Applied to Costs \$
Provence							
• Rate	1.2372	GRV	11,632,670	143,919	143,919	143,919	143,919
• Rate	0.0132	UV	9,632,000	1,271	1,271	1,271	1,271
• Interim Rate				4,395	0	4,395	0
• Back Rate							
				149,585	145,190	149,585	145,190

	Rate in \$	Basis of Rate	Rateable Value \$	Rate Revenue \$	Budget Rate Revenue \$	Applied to Costs \$	Budget Applied to Costs \$
Vasse							
• Rate	1.5800	GRV	10,157,520	160,489	160,489	160,489	160,489
• Interim Rate				1,374	0	1,374	0
• Back Rate							
				161,863	160,489	161,863	160,489

The purpose of the Specified Area Rates is disclosed in note 11 "Purpose of Reserves".

25. Service Charges – 2016/17 Financial Year

	Amount of Charge \$	Revenue Raised \$	Budget Revenue \$	Applied to Service Costs \$	Budget Applied to Costs \$
Nil	0	0	0	0	0
		0	0	0	0

City of Busselton

Financial Report

For the Year Ended 30th June 2017

Notes to and Forming Part of the Financial Report

26. Discounts, Incentives, Concessions & Write-offs – 2016/17 Financial Year

	Type	Discount %	Total Cost / Value \$	Budget Cost / Value \$
Back Rates Levied / Prior Period Adjustments	Adjustment	0	111,041	111,200
Write-offs	Write-off	0	0	0
		0	111,041	111,200

27. Interest Charges and Instalments – 2016/17 Financial Year

	Interest Rate %	Admin. Charge \$	Revenue \$	Budgeted Revenue \$
Interest on Unpaid Rates	11%	0	184,883	105,000
Interest on Instalments Plan	5.5%	0	222,597	203,000
Charges on Instalment Plan	0%	\$4.50	109,182	107,600
			516,662	415,600

Two separate payment option plans will be made available to all ratepayers for the payment of their rates.

Option 1 (Full Payment)

Full amount of rates and charges including arrears to be paid on or before 2nd September 2016 or 35 days after the date of service appearing on the rate notice whichever is the later.

Option 2 (4 Instalments)

First instalment to be received on or before 2nd September 2016 or 35 days after the date of service appearing on the rate notice whichever is the later and including all arrears and service charges and one quarter of the current rates. The second, third and fourth instalments of the current rates are to be made on or before dates shown below:

- 1st Instalment 2nd September 2016
- 2nd Instalment 2nd November 2016
- 3rd Instalment 3rd January 2017
- 4th Instalment 3rd March 2017

City of Busselton

Financial Report

For the Year Ended 30th June 2017

Notes to and Forming Part of the Financial Report

	2017 Actual \$	2016 Actual \$
28. Fees & Charges		
General Purpose Funding	87,754	85,188
Governance	1,350	907
Law, Order & Public Safety	209,007	224,552
Health	417,892	402,811
Education and Welfare	158	156
Housing	467,268	454,736
Community Amenities	8,616,904	8,477,773
Recreation and Culture	2,559,229	2,201,078
Transport	1,102,045	1,321,920
Economic Services	1,908,715	1,901,026
Other Property and Services	192,312	181,086
	<u>15,562,634</u>	<u>15,251,233</u>

There were no changes during the year to the amount of the fees or charges detailed in the original budget.

	2017 Actual \$	2016 Actual \$
29. Grant Revenue		
Grants, subsidies and contributions are included as operating revenues in the Statement of Comprehensive Income		
(a) By Nature and Type:		
Operating Grants, Subsidies and Contributions	6,364,207	4,423,460
Non- Operating Grants, Subsidies and Contributions	17,605,379	25,422,452
	<u>23,969,586</u>	<u>29,845,912</u>
By Program:		
General Purpose Funding	3,682,913	1,725,631
Governance	205,840	399,771
Law, Order & Public Safety	1,237,369	620,482
Health	20,426	18,353
Education and Welfare	6,077	7,146
Housing	3,661	4,244
Community Amenities	321,948	279,507
Recreation and Culture	5,291,129	12,567,606
Transport	12,911,183	13,914,259
Economic Services	29,397	24,316
Other Property and Services	259,643	284,597
	<u>23,969,586</u>	<u>29,845,912</u>

City of Busselton

Financial Report

For the Year Ended 30th June 2017

Notes to and Forming Part of the Financial Report

	2017 Actual \$	2016 Actual \$
29. Grant Revenue (Continued)		
(b) Reimbursements, Recoveries and Donations included above		
By Program:		
General Purpose Funding	23,014	2,074
Governance	205,840	359,847
Law, Order & Public Safety	364,388	401,734
Health	1,212	1,008
Education and Welfare	6,077	7,146
Housing	3,661	4,244
Community Amenities	14,081	51,802
Recreation and Culture	147,364	141,578
Transport	26,201	13,149
Economic Services	3,208	8,382
Other Property and Services	232,842	232,325
	<u>1,027,888</u>	<u>1,223,289</u>

	2017 Actual \$	2017 Budget \$	2016 Actual \$
30. Councillors Remuneration			
The following fees, expenses and allowances were paid to council members and / or the mayor.			
Mayor & Deputy Allowance	78,408	78,450	77,631
Councillors Sitting Fees	235,620	235,620	211,769
Travelling Allowance - Councillors Meetings	13,705	17,300	15,061
Communication Allowance	31,500	32,130	31,481
	<u>359,233</u>	<u>363,500</u>	<u>335,942</u>

31. Post Balance Date Events

There were no events subsequent to the reporting date that materially impact on this financial report.

32. Employee Numbers

The number of full-time equivalent employees at balance date

2017	2016
310.5	304.0

City of Busselton

Financial Report

For the Year Ended 30th June 2017

Notes to and Forming Part of the Financial Report

33. Related Party Transactions

Key Management Personnel (KMP) Compensation Disclosure

The total of remuneration paid to KMP of the City during the year are as follows:

	2017 \$
Short-term employee benefits	1,068,871
Post-employment benefits	113,556
Other long-term benefits	127,433
Termination benefits	0
	<u>1,309,860</u>

Short-term employee benefits

These amounts include all salary, paid leave, fringe benefits and cash bonuses awarded to KMP except for details in respect to fees and benefits paid to elected members which may be found at Note 30.

Post-employment benefits

These amounts are the current-year's estimated cost of providing for the City's superannuation contributions made during the year.

Other long-term benefits

These amounts represent long service benefits accruing during the year.

Termination benefits

These amounts represent termination benefits paid to KMP.

Related Parties*i Key management personnel*

Any person(s) having authority and responsibility for planning, directing and controlling the activities of the entity, directly or indirectly, including any elected member, are considered key management personnel.

ii Entities subject to significant influence by the City

An entity that has the power to participate in the financial and operating policy decisions of an entity, but does not have control over those policies, is an entity which holds significant influence. Significant influence may be gained by share ownership, statute or agreement.

iii Joint venture entities accounted for under the equity method

The interest in the joint venture entity (if any) is accounted for in these financial statements using the equity method of accounting. For details of interests held in joint venture entities, refer to Note 16.

City of Busselton

Financial Report

For the Year Ended 30th June 2017

Notes to and Forming Part of the Financial Report

33. Related Party Transactions (Continued)

Council has assessed the materiality of disclosure of transactions with related parties on the following criteria;

- 1) The potential effect of the relationship on the financial statements;
- 2) Whether the transaction occurred as:
 - a. Part of a public service provider relationship with a taxpayer on terms no different to that of a transaction with the general public; or
 - b. Part of an ordinary operational transaction within a normal supplier or client/recipient relationship on terms and conditions no more or less favourable than those that are reasonable to expect the council would have adopted with the party at arm's length in the same circumstances.

Council has determined that no material transactions with related parties have occurred during the financial year ended 30 June 2017.

34. Major Land Transactions

Council did not participate in any major land transactions during the 2016/17 financial year pursuant to S3.59 of the Local Government Act and Part 3 of the Local Government Functions and General Regulations.

35. Trading Undertakings and Major Trading Undertakings

Council did not participate in any trading undertakings or major trading undertakings during the 2016/17 financial year.

City of Busselton**Financial Report****For the Year Ended 30th June 2017****Notes to and Forming Part of the Financial Report****36. Financial Risk Management**

The City's activities expose it to a variety of financial risks including price risk, credit risk, liquidity risk and interest rate risk. The City's overall risk management focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the financial performance of the City.

The City does not engage in transactions expressed in foreign currencies and is therefore not subject to foreign currency risk.

Financial risk management is carried out by the finance area under policies approved by the Council.

The City held the following financial instruments at balance date:

	Carrying Value		Fair Value	
	2017	2016	2017	2016
	\$	\$	\$	\$
Financial Assets				
Cash and cash equivalents	86,589,476	115,850,156	86,589,476	115,850,156
Receivables	4,744,833	3,983,176	4,744,833	3,983,176
Financial assets at fair value through profit or loss	0	0	0	0
	<u>91,334,309</u>	<u>119,833,332</u>	<u>91,334,309</u>	<u>119,833,332</u>
Financial Liabilities				
Payables	6,822,792	5,383,078	6,822,792	5,383,078
Borrowings	30,127,054	29,023,843	32,746,885	32,177,246
	<u>36,949,846</u>	<u>34,406,921</u>	<u>39,569,677</u>	<u>37,560,324</u>

Fair value is determined as follows:

- Cash and cash equivalents, receivables, payables – estimated to the carrying value which approximates net market value.
- Borrowings, held-to-maturity investments – estimated future cash flows discounted by the current market interest rates applicable to assets and liabilities with similar risk profiles.
- Financial assets at fair value through profit and loss, available for sale financial assets - based on quoted market prices at the reporting date or independent valuation.

City of Busselton

Financial Report

For the Year Ended 30th June 2017

Notes to and Forming Part of the Financial Report

36. Financial Risk Management (Continued)

- (a) **Cash and cash equivalents**
Financial Assets at Fair Value through Profit and Loss
Available for sale financial assets
Held to maturity investments

The City's objective is to maximise its return on cash and investments whilst maintaining an adequate level of liquidity and preserving capital. The finance area manages the cash and investments portfolio with the assistance of independent advisers (where applicable). Council has an investment policy and the policy is subject to review by Council. An Investment Report is provided to Council on a monthly basis setting out the make-up and performance of the portfolio.

The major risk associated with investments is price risk – the risk that the capital value of investments may fluctuate due to changes in market prices, whether these changes are caused by factors specific to individual financial instruments of their issuers or factors affecting similar instruments traded in a market.

Cash and investments are also subject to interest rate risk – the risk that movements in interest rates could affect returns.

Another risk associated with cash and investments is credit risk – the risk that a contracting entity will not complete its obligations under a financial instrument resulting in a financial loss to Council.

The City manages these risks by diversifying its portfolio and only investing in investments authorised by *Local Government (Financial Management) Regulations 19C*. Council also seeks advice from independent advisers (where considered necessary) before placing any cash and investments.

	30 June 2017	30 June 2016
	\$	\$
Impact of a 1% ⁽¹⁾ movement in interest rates on cash and investments at balance date:		
• Equity	865,895	1,158,501
• Statement of Comprehensive Income	865,895	1,158,501

Notes:

(1) Sensitivity percentages based on management's expectation of future possible market movements.

City of Busselton

Financial Report

For the Year Ended 30th June 2017

Notes to and Forming Part of the Financial Report

36. Financial Risk Management (Continued)

(b) Receivables

The City's major receivables comprise rates and annual charges and user charges and fees. The major risk associated with these receivables is credit risk – the risk that the debts may not be repaid. The City manages this risk by monitoring outstanding debt and employing debt recovery policies.

Credit risk on rates and annual charges is minimised by the ability of the City to recover these debts as a secured charge over the land – that is, the land can be sold to recover the debt. The City is also able to charge interest on overdue rates and annual charges at higher than market rates, which further encourages payment.

The level of outstanding receivables is reported to Council monthly and benchmarks are set and monitored for acceptable collection performance.

Council makes suitable provision for doubtful receivables as required and carries out credit checks on most non-rate debtors.

There are no material receivables that have been subject to a re-negotiation of repayment terms.

The profile of the Council's credit risk at balance date was:

	30 June 2017	30 June 2016
	\$	\$
Percentage of Rates and Annual Charges		
• Current	11.00%	10.00%
• Overdue	89.00%	90.00%
Percentage of Other Receivables		
• Current	97.38%	99.46%
• Overdue	2.62%	0.54%

City of Busselton

Financial Report

For the Year Ended 30th June 2017

Notes to and Forming Part of the Financial Report

36. Financial Risk Management (Continued)

(c) Payables

(i) Payables

Payables and borrowings are both subject to liquidity risk – that is, the risk that insufficient funds may be on hand to meet payment obligations as and when they fall due. The City manages this risk by monitoring its cash flow requirements and liquidity levels and maintaining an adequate cash buffer. Payment terms can be extended and overdraft facilities drawn upon if required.

The contractual undiscounted cash flows of the City's Payables and Borrowings are set out in the Liquidity Sensitivity Table below:

	Due within 1 year \$	Due between 1 & 5 years \$	Due after 5 years \$	Total contractual cash flows \$	Carrying Values \$
<u>2017</u>					
Payables	6,822,792	0	0	6,822,792	6,822,792
Borrowings	3,637,537	12,959,054	22,939,921	39,536,512	30,127,054
	10,460,329	12,959,054	22,939,921	46,359,304	36,949,846
<u>2016</u>					
Payables	5,383,078	0	0	5,383,078	5,383,078
Borrowings	3,165,027	11,851,791	24,316,892	39,333,710	29,023,843
	8,548,105	11,851,791	24,316,892	44,716,788	34,406,921

City of Busselton

Financial Report

For the Year Ended 30th June 2017

Audit Report

36. Financial Risk Management (Continued)

(c) Payables (Continued)

(ii) Borrowings

Borrowings are also subject to interest rate risk – the risk that movements in interest rates could adversely affect funding costs. The City manages this risk by borrowing long term and fixing the interest rate to the situation considered the most advantageous at the time of negotiation.

The following tables set out the carrying amount, by maturity, of the financial instruments exposed to interest rate risk:

	< 1 year	>1<2 years	>2<3 years	>3<4 years	>4<5 years	>5 years	Total	Weighted Average Effective Interest Rate %
	\$	\$	\$	\$	\$	\$	\$	
<u>Year Ended 30 June 2017</u>								
Borrowings								
Fixed Rate								
Debentures	0	0	1,264,948	64,845	676,669	28,120,592	30,127,054	4.14%
Weighted Average Effective Interest Rate	0.00%	0.00%	6.05%	5.98%	4.23%	4.05%		
<u>Year Ended 30 June 2016</u>								
Borrowings								
Fixed Rate								
Debentures	39,535	0	0	40,919	1,716,744	27,226,645	29,023,843	4.33%
Weighted Average Effective Interest Rate	6.79%	0.00%	0.00%	5.89%	6.05%	4.22%		

City of Busselton

Audit Report



T +61 (8) 9780 7555
F +61 (8) 9721 8982

E amd@amdonline.com.au
www.amdonline.com.au

Unit 1, 28-30 Wellington Street,
Bunbury, WA 6230
PO Box 1306, Bunbury WA 6231

INDEPENDENT AUDITOR'S REPORT
TO THE ELECTORS OF THE CITY OF BUSSELTON

Opinion

We have audited the accompanying financial report of the City of Busselton which comprises the statement of financial position as at 30 June 2017, the statement of comprehensive income, statement of changes in equity, the rate setting statement, and the statement of cash flows for the year then ended, a summary of significant accounting policies and other explanatory notes, and the Chief Executive Officer's statement.

In our opinion, the accompanying financial report of the City of Busselton:

- (i) gives a true and fair view, in all material respects, of the financial position of the City of Busselton as at 30 June 2017, and of its financial performance and its cash flows for the year then ended;
- (ii) complies with Australian Accounting Standards; and
- (iii) is prepared in accordance with the requirements of the Local Government Act 1995 and the Local Government (Financial Management) Regulations 1996.

Report on Other Legal and Regulatory Requirements

In accordance with the Local Government (Audit) Regulations 1996, we also report that:

- (i) There are no matters that in our opinion indicate significant adverse trends in the financial position or the financial management practices of the City of Busselton;
- (ii) There are no other matters indicating non-compliance with Part 6 of the Local Government Act 1995 (as amended), the Local Government (Financial Management) Regulations 1996 (as amended) or applicable financial controls of any other written law noted during the course of our audit, with exception of the following:
 - a. The mid-year budget review was not completed prior to 31 March 2017 in accordance with Regulation 33A of the Local Government (Financial Management) Regulations 1996. The review was completed on 9 May 2017 and forwarded to the Department of Local Government 1 June 2017; and
 - b. The monthly financial statements for November 2016 and May 2017 were not presented at an ordinary council meeting within two months after the end of the month to which the financial statements relate; as required by Regulation 34(4) of the Local Government (Financial Management) Regulations 1996.
- (iii) The asset consumption ratio and the asset renewal funding ratio included in the annual financial report are supported by verifiable information and reasonable assumptions;
- (iv) All necessary information and explanations were obtained by us; and
- (v) All audit procedures were satisfactorily completed during our audit.

Basis for Opinion

We conducted our audit in accordance with Australian Auditing Standards. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Report* section of our report. We are independent of the company in accordance with the ethical requirements the Accounting Professional and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants* (the Code) that are relevant to our audit of the financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

City of Busselton

Audit Report

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Other Information

Management is responsible for the other information. The other information comprises the information included in the City's annual report for the year ended 30 June 2017 but does not include the financial report and our auditor's report thereon.

Our opinion on the financial report does not cover the other information and accordingly we do not express any form of assurance conclusion thereon.

Responsibilities of Management and Council for the Financial Report

Management is responsible for the preparation of the financial report that gives a true and fair view in accordance with Australian Accounting Standards, the Local Government Act 1995 and the Local Government (Financial Management) Regulations 1996 and for such internal control as management determines is necessary to enable the preparation of the financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

In preparing the financial report, management is responsible for assessing the ability of the City to continue as a going concern, disclosing, as applicable, matters relating to going concern and using the going concern basis of accounting.

Council is responsible for overseeing the City's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Report

Our objectives are to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Australian Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial report.

A further description of our responsibility for the audit of the financial report is located at the Auditing and Assurance Standard Board website at: http://www.auasb.gov.au/auditors_files/ar3.pdf. This description forms part of our audit report.

AMD Chartered Accountants



TIM PARTRIDGE
Partner

28-30 Wellington Street, Bunbury, Western Australia

Dated this 12th day of October 2017

City of Busselton

Financial Report

For the Year Ended 30th June 2017

Supplementary Ratio Information

The following information relates to those ratios which only require an attestation they have been checked and are supported by verifiable information. It does not form part of the audited annual financial report.

	2017 Actual	2016 Actual	2015 Actual
Asset Consumption Ratio	0.723	0.739	0.727
Asset Renewal Funding Ratio	1.000	1.000	1.000

The above ratios are calculated as follows:

Asset Consumption Ratio (ratio required to meet basic standard > 0.5)	$\frac{\text{Depreciated replacement cost of depreciable assets}}{\text{Current replacement cost of depreciable assets}}$
--	---

Asset Renewal Funding Ratio (ratio required to achieve basic standard > 0.75)	$\frac{\text{NPV of planned capital renewals over 10 years}}{\text{NPV of required capital expenditure over 10 years}}$
--	---



T +61 (8) 9780 7555
F +61 (8) 9721 8982

Unit 1, 28-30 Wellington Street,
Bunbury, WA 6230
PO Box 1306, Bunbury WA 6231

E amd@amdonline.com.au
www.amdonline.com.au

12 October 2017

Mr G Henley
Mayor
City of Busselton
Locked Bag 1
BUSSELTON WA 6280

Dear Grant

**CITY OF BUSSELTON
30 JUNE 2017 MANAGEMENT REPORT**

Following completion of our 30 June 2017 audit, we provide our Management Report and audit recommendations.

1.0 Our Audit Approach

The Australian Auditing Standards are the professional Standards applicable to all audit engagements. Accordingly, our audit was conducted in accordance with Australian Auditing Standards, with testing designed solely to enable the expression of an opinion on the financial report of the City of Busselton. This involved us making an assessment of the risk of material misstatement, whether due to fraud or error, and then using our professional judgement, applying audit procedures to mitigate that risk.

To assist Council in understanding our role as external auditor, we have previously detailed our audit responsibilities and scope of work to be performed to meet those responsibilities in our audit engagement letter.

Australian Auditing Standards require us to document and evaluate City of Busselton's system of internal control to establish the level of reliance on the internal control system in determining the nature, timing and extent of other auditing procedures necessary to enable us to complete our audit. This work is not primarily directed towards the discovery of weaknesses or the detection of fraud or other irregularities and should not, therefore, be taken to assume that no other weaknesses exist. Accordingly the comments within this letter refer only to those matters that have come to our attention during the course of our normal audit work and may not identify all possible improvements that an internal controls review may detect.

Our audit approach is based on a risk analysis methodology which relies upon our understanding of City of Busselton's operations, strategies and risks. We performed a review of applicable accounting systems and tested those during our audit. The level of testing performed by us is determined by the degree of reliance we place on the internal control systems in place which has a resulting impact on the amount of substantive testing required during our audit procedures. The level of testing performed is also aligned with what is required to form an overall opinion on the financial statements which may not coincide with what the City of Busselton perceives should be tested.

Our audit also included evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates and judgements, as well as evaluating the overall presentation of the financial report.

There were no areas of disagreement either in the accounting estimates or judgements or in the presentation and disclosures made in the financial report.

2.0 Assessment of Fraud and Error

The primary responsibility for the prevention and detection of fraud is that of Council and management. As a result, it is important that management with the oversight of Council place a strong emphasis on fraud prevention, which may reduce opportunities for fraud to take place and fraud deterrence, which could persuade individuals not to commit fraud because of the likelihood of detection and resulting consequences.

In accordance with Australian Auditing Standards we are required to obtain reasonable assurance that the financial report taken as a whole is free from material misstatement, whether caused by fraud or error. While our procedures are designed to identify material weaknesses and misstatements from fraud and error, there is an unavoidable risk that even some material misstatements may remain undiscovered. This unavoidable risk is due to the test nature and other inherent limitations of an audit, together with the inherent limitations of any accounting and internal control system.

We have confirmed that nothing has come to management's attention that may constitute an incident of fraud. In addition our audit procedures did not identify any instances of suspected or actual fraud. We take this opportunity to remind you that our audit is not designed to detect fraud and therefore our audit procedures are not designed for that purpose.

3.0 Significant Difficulties Encountered during the Audit

During the course of our audit, there were no areas where we experienced significant difficulties.

4.0 Audit Adjustments and Unadjusted Audit Differences

During the course of our audit, we did not identify any misstatements considered to be material at a financial report level and therefore no adjustment was required to be reflected within the final audited financial report.

5.0 Accounting Policies

We confirm to you that we are not aware of any changes to the accounting policies of the City of Busselton since 30 June 2016 in respect of the preparation of the 30 June 2017 financial report other than those changes required under Australian Accounting Standards and the Local Government Act and Regulations which are adequately disclosed.

6.0 Commitments and Contingencies

On completion of our audit and subsequent discussions with management, we did not identify any additional commitments or contingencies that required disclosure within the financial report of the City of Busselton, apart from those already disclosed.

7.0 Subsequent Events

We did not identify any additional subsequent events up until the date of this report that required disclosure within the financial report of the City of Busselton, apart from those already disclosed.

8.0 Local Government Act Compliance Measures

In conjunction with our review of the financial statements, we also perform a review of the City of Busselton's compliance with the Local Government Act and Local Government Financial Management Regulations.

Our review of compliance with the Local Government Act and Financial Management Regulations identified two issues of non-compliance which require reporting within the compliance section of our 30 June 2017 audit report as follows;

- a. The mid-year budget review was not completed prior to 31 March 2017 in accordance with Regulation 33A of the Local Government (Financial Management) Regulations 1996. The review was completed on 9 May 2017 and forwarded to the Department of Local Government 1 June 2017.
- b. The monthly financial statements for November 2016 and May 2017 were not presented at an ordinary council meeting within two months after the end of the month to which the financial statements relate; as required by Regulation 34(4) of the Local Government (Financial Management) Regulations 1996.

9.0 Financial Ratios

Note 18 to Council's financial report and the supplementary ratio information includes 7 financial ratios as required to be reported by the Local Government (Financial Management) Regulation 1996. For the past 3 financial years to 30 June 2017, Council has either met or exceeded the standard set by the Department of Local Government for 6 of the 7 reported ratios.

Councils' current ratio reported at 0.81 as at 30 June 2017 (0.74 at 30 June 2016 and 0.78 at 30 June 2015) is less than the standard set as at 1.0 by the Department.

However, as we have acknowledged in prior years; the current ratio calculation excludes Council's restricted assets of \$81.7m at 30 June 2017, within this balance are Council's significant level of cash backed reserves of \$43.5m.

10.0 Prior Year Recommendations

During 2016 we were engaged to complete a financial management systems review on behalf of the CEO, in accordance with section 5(1) of the Local Government (Financial Management) Regulations 1996 in addition to the 2016 annual audit.

Our observations and enquiries during completion of the 2017 audit indicate that financial management system review recommendations raised by us, as well as recommendations arising from the 2016 annual audit have been adequately considered by management with appropriate actions being taken.

11.0 30 June 2017 Audit Recommendations

Please refer to Appendix 1 for audit recommendations identified during our 30 June 2017 audit. We provide these comments and recommendations to suggest improvements to the City of Busselton's internal controls and procedures.

We believe the minimal recommendations raised by us reflect the proactive approach taken by the finance and corporate services team in seeking continuous improvement and by implementing recommendations previously raised by us.

Our management report is on an exception basis, and therefore we have not commented on the various internal controls in place within your accounting systems.

12.0 Other Matters

Our audit indicated procedures and controls in respect to the City of Busselton's internal processes, procedures and financial reporting framework are adequately designed and have been maintained to high standards throughout the audit period.

The City of Busselton has appropriate levels of segregation of financial duties and independent review which ensures internal control requirements are satisfied.

We would like to take this opportunity to thank Kim, Ehab and the finance and corporate services team for the assistance provided to us during our audit.

Should you have any questions concerning the above or would like to discuss any other aspect of our audit, please do not hesitate to contact me.

Yours sincerely

AMD Chartered Accountants



TIM PARTRIDGE FCA
Partner

cc Mike Archer
 Chief Executive Officer

APPENDIX 1
Audit Recommendations for the year ended 30 June 2017

GUIDANCE TO FINDINGS RATING / IMPLICATION

Findings identified during the final audit have been weighted in accordance with the following scale:

Significant: *Those findings where there is potentially a significant risk to the entity should the finding not be addressed promptly.*

Moderate: *Those findings which are of sufficient concern to warrant action being taken by the entity as soon as possible.*

Minor: *Those findings that are not of primary concern however still warrant action being taken.*

AUDIT FINDINGS**1. POLICY REVIEW**

Finding Rating: Minor

At the time of our May 2017 interim audit we identified various policies which had either not been reviewed by the stated review date or had not been reviewed for some years, which we brought to the attention of management. During our September onsite visit we noted the following policies had yet to be reviewed and updated where required;

Policy Description	Last reviewed	Review frequency noted within policy
031 Tender selection Criteria	March 2011	As required
FIN100 Petty cash Procedure	January 2014	As required
FIN105 Operation of Business Customer Account Cards	October 2014	As required
HR224 Shire Motor Vehicles	June 2010	Annually
FIN104 Credit Facilities- Waste Disposal Sites	December 2013	As Required
Customer Service Procedure- Petty cash	February 2014	Not noted
HR406 Disciplinary Practice and Procedure	October 2009	Annually
HR301 Study Assistance Practice and Procedure	July 2014	Annually or as required

Implication

Risk of policy being out of date and non-compliance with stated policy.

Recommendation

We recommend policies and procedures are reviewed in accordance with stated dates, including updating references to applicable legislation and standards as changes arise.

Management Comment

Audit finding acknowledged and a process will be initiated to update policies as and when required.

APPENDIX 1
Audit Recommendations for the year ended 30 June 2017

2. EXCESSIVE LEAVE BALANCES

Finding Rating: Minor

We noted a number of employees who have accrued in excess of eight weeks annual leave at year end. Details of those employees identified can be provided upon request.

Implication

The cost to City of Busselton is greater if annual leave is not paid out on a regular basis due to:

- The cumulative effect of salary increases over a period of time;
- Recreational leave enhances employee performance; and
- It is a fundamental principle of good internal control that all employees take regular leave.

Recommendation

Whilst we understand management recently implemented a strategy to reduce excessive leave balances, we recommend employees take regular leave through ongoing management of leave scheduling and leave liabilities.

Management Comment

The finding in relation to excessive leave balances for some employees is acknowledged and a process has been put in place following similar findings over the last few years.

The City continues to adopt an approach of endeavouring to achieve an overall reduction in long outstanding leave balances while still meeting the needs of the organisation. It should be noted this is an issue in relation to a few employees only; and the City does not generally have a problem with excessive leave balances.

This issue will obviously be the subject of continual review prior to and at next year's financial audit.

10.3 Audit Committee - 2/11/2017 - CONDUCT OF MEETING WITH AUDITOR

SUBJECT INDEX:	Compliance
STRATEGIC OBJECTIVE:	Governance systems that deliver responsible, ethical and accountable decision-making.
BUSINESS UNIT:	Finance and Corporate Services
ACTIVITY UNIT:	Financial Services
REPORTING OFFICER:	Manager Financial Services - Kim Dolzadelli
AUTHORISING OFFICER:	Director, Finance and Corporate Services - Cliff Frewing
VOTING REQUIREMENT:	Simple Majority
ATTACHMENTS:	Nil

This item was considered by the Audit Committee at its meeting on 2 November 2017, the recommendations from which have been included in this report.

PRÉCIS

For the Audit Committee and Council's Auditor to meet.

BACKGROUND

The 2016/17 Annual Financial Statement, Auditors Report and Management Letter were received from Council's appointed Auditor, Mr Tim Partridge from AMD Chartered Accountants on 12 October 2017.

Pursuant to its Instrument of Appointment, the Audit Committee is to consider the 2016/17 Annual Financial Statement, Auditors Report and Management letter and is to meet with its Auditor at least once every year.

STATUTORY ENVIRONMENT

Local Government Act 1995 Section 7.12A(2)

(2) Without limiting the generality of subsection (1), a local government is to meet with the auditor of the local government at least once in every year.

RELEVANT PLANS AND POLICIES

N/A

FINANCIAL IMPLICATIONS

Nil

Long-term Financial Plan Implications

Nil

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'.

RISK ASSESSMENT

N/A

CONSULTATION

The Annual Financial Report has been the subject of close examination by the appointed auditors, Mr Tim Partridge from AMD Chartered Accountants.

OFFICER COMMENT

An important function of the meeting is to discuss with the Auditor, the conduct of the audit, the audit findings, and the state of the City's financial affairs generally. This meeting provides the Audit Committee to undertake this important function as required by the *Local Government Act 1995* Section 7.12A(2).

CONCLUSION

That the Audit Committee meets with Council's Auditor on a regular basis and reports any findings to Council. The auditor has agreed to attend this meeting of the Audit and Governance Committee.

OPTIONS

The Audit Committee may determine to make specific recommendations in relation to the audit findings and the actions identified by management in addressing these.

TIMELINE FOR IMPLEMENTATION OF OFFICER RECOMMENDATION

Immediate.

COMMITTEE RECOMMENDATION AND OFFICER RECOMMENDATION

That the Audit and Governance Committee advises Council that it has met with the Council's appointed Auditor, Mr Tim Partridge from AMD Chartered Accountants who attended the meeting.

11. PLANNING AND DEVELOPMENT SERVICES REPORT

11.1 DEDICATION OF PROPOSED EASTERN LINK ROAD AS A 'PUBLIC ROAD'.

SUBJECT INDEX:	Thoroughfares
STRATEGIC OBJECTIVE:	Road networks that provide for a growing population and the safe movement of all users through the District.
BUSINESS UNIT:	Strategic Planning and Development Services
ACTIVITY UNIT:	Strategic Planning and Development Services
REPORTING OFFICER:	Manager, Strategic Planning and Development Services - Matthew Riordan
AUTHORISING OFFICER:	Director, Planning and Development Services - Paul Needham
VOTING REQUIREMENT:	Simple Majority
ATTACHMENTS:	Attachment A Eastern Link Final Concept Design on PTA-Controlled Land (Subject to Survey) 📄

PRÉCIS

The City has adopted a strategic direction based on traffic modelling and studies, plans and policies expounded in the endorsed Busselton Traffic Study, as well as associated environmental advice and works priorities to address both current and future traffic demands in the City of Busselton.

Part of this strategic direction concerns the 'Eastern Link' project, which shall connect Causeway Road (between Strelly Street and Rosemary Drive) across the Vasse River to Peel Terrace (between Stanley Place and Camilleri Street). This project shall provide an alternative and more efficient route into the CBD and to destinations east of the CBD, and help alleviate congestion at Victoria Square.

In liaison with the Public Transport Authority of Western Australia (PTA), it has been agreed, inter alia, that certain processes and actions will be required to be undertaken by the City in compliance with the *Land Administration Act 1997* (the LAA) in order to enable the dedication and subsequent construction of the Eastern Link road across Crown land predominantly under the control of the PTA.

These actions and processes shall be the responsibility of the City to coordinate.

BACKGROUND

The proposed Eastern Link road will offer an alternative and efficient route for traffic into and out of the City Centre and other parts of the Busselton urban area, helping markedly reduce congestion and other traffic inefficiencies at and around the busy Victoria Square intersections.

Indicative costings for the Eastern Link route have been estimated by the City at around \$3.8 million (excluding any land acquisition, surveying, relocation of services, or drainage and landscaping requirements identified as being necessary), for which grant and other funding has already been predominantly secured.

This Eastern Link road will traverse:

- 1) Crown land currently controlled by the PTA, part of which has been licensed by that authority to the City for 'Community Purposes', most recently for a period of 10 years (1 August 2012 to 31 July 2022) and being portions of Crown reserves 2236 (Lots 37-41), 2237 (Lot 43), 2238 (Lot 380) Causeway Road, and part of Lot 231 (Reserve 2241) Peel Terrace;
- 2) Crown land currently controlled by the City, being portion of Lot 265 (Reserve 7443) Peel Terrace; and

- 3) Crown land currently dedicated and held for an (unnamed and undeveloped) road (ID 3474225).

PTA land requirements for the general Eastern Link road alignment (subject to survey) is shown at Attachment A.

The final alignment of the Eastern Link reservation will, of course, be subject to survey prior to the formal road dedication process being initiated.

For the information of Councillors, a 'dedicated road' is one that has been created by lawful process, whether by approval of a plan creating the road (e.g. a structure plan and/or subdivision plan), or by publication in the Government Gazette or State newspaper of a 'notice of dedication', or (as now required by the LAA in certain cases) by registration against a Crown Land Title or an order declaring that the land has been set aside for such purpose.

STATUTORY ENVIRONMENT

- Land Administration Act 1997
- Land Administration Regulations 1998

RELEVANT PLANS AND POLICIES

N/A

FINANCIAL IMPLICATIONS

There will be no significant financial outlays required beyond those for surveyed plans and detailed drawings/documents associated with the road alignment / construction (and lodgement for road dedication purposes), with these having been budgeted, commissioned and/or coordinated by the City as part of the endorsed Eastern Link project plan.

There are no document lodgement fees or other administrative fees of any significance required by the Department of Planning, Lands and Heritage or Landgate for the road dedication process.

Long-term Financial Plan Implications

Nil

STRATEGIC COMMUNITY OBJECTIVES

Key Goal Area	Community objectives
5.Transport: Smart, connective and accessible	5.1 Transport options that provide greater links within our district and increase capacity for community participation

RISK ASSESSMENT

A potential risk in relation to this matter would have been if any of the PTA reserves affected were deemed to be 'Class A' reserves. This has not proven to be the case. There are no other environmental, monetary or administrative risks recognised.

CONSULTATION

No public consultation is required in respect to the dedication of a 'public road'.

Consultation with the PTA has been necessary due to the majority of land affected by the proposed alignment of the Eastern Link being under the management control of that authority, ostensibly for 'Railway' purposes (and subject of the *Boyanup-Busselton Railway Enabling Act 1892*).

Consultation with the PTA has been conducted with Ms Leoni Wedge (Manager Land and Property Service) who has advised the City by email on 20 September 2017 that:

'I confirm the PTA has reviewed the City of Busselton's proposed Eastern Link road and bridge alignment through the PTA's railway reserves. The PTA has approved the construction of the road through the PTA Reserves 2236, 2237, 2238 and 3370 subject to the City:*

- *Completing all designs and plans for PTA's approval*
- *obtaining all relevant approvals including funding for the project*
- *complying with Section 56 of the Land Administration Act 1997 for dedication of the road and*
- *being responsible for all costs incurred in dedicating the road.*

The community purpose licence L2589 will remain in place until the road is dedicated and will then be varied to exclude the Eastern Link road alignment, which will be under the City's control.

The road dedication will not require rail discontinuance legislation as the balance of land will remain under PTA's control'.

***Note:** Reserve 3370 is in fact in the ownership of the City of Busselton. Land also required by the alignment is Reserve 2241 (Lot 231) Peel Terrace.

OFFICER COMMENT

The PTA is prepared to facilitate the effective 'relinquishment' of part of the subject reserved land under its management control in order to accommodate the proposed Eastern Link strategic road alignment, subject to certain stipulated requirements (as outlined previously and including the requisite dedication of the road under the LAA being the full responsibility of the City).

The City has received strategic environmental advice that that the Eastern Link project was likely to be considered acceptable to the Department of Water and Environmental Regulation and Environmental Protection Agency subject to the following:

- The existing old railway embankment/footbridge would need to be utilised;
- Offsets would be required for any cleared vegetation;
- Following best practice in relation to stormwater treatment and construction environmental management;
- A field survey being required to establish the ecological value for both sides of the old railway embankment to determine which side has the greatest value and which should be infilled; and
- Undertaking rehabilitation opportunities in the immediate vicinity of the proposed bridge crossing, including removal of weeds, waste and rubbish.

Environmental approvals for the Eastern Link project from these peak governmental authorities are anticipated but, at the time of writing, have not as yet been received at the City.

CONCLUSION

The City is committed to a series of endorsed strategic objectives expounded in the Busselton Traffic Study, as follows:

- Enhance road safety for all users
- Improve traffic efficiency for current and future traffic demands
- Support regional and local development
- Involve all stakeholders and consider their interests
- Provide value for money
- Minimise impact on the environment

Subject to all necessary environmental approvals, final securing of all target funding, and administrative functions concerning the dedication of the route as a 'public road', the Eastern Link project is anticipated to be ready for inauguration in 2018.

The matter reported here to the Council is necessary to ensure the commencement of the road dedication process, in compliance with the *Land Administration Act 1997 and Land Administration Regulations 1998*, for the Eastern Link strategic road connection from Causeway Road to the eastern side of the Busselton CBD.

OPTIONS

Should the Council not wish to support the Officer Recommendation it could instead refuse to sanction dedication of the proposed Eastern Link as a 'public road' and explain the rationale behind that determination. However, as such a determination would be counter to the strategic direction previously endorsed by the Council in the Busselton Traffic Study, there would appear little rationale for such an option being exercised.

TIMELINE FOR IMPLEMENTATION OF OFFICER RECOMMENDATION

Should the Officer Recommendation be adopted by the Council, City officers shall commission the services of a Licensed Surveyor to survey the final design route of the Eastern Link road and subsequently arrange for the submission of this survey plan and formal request by the City to dedicate the route as a 'public road'.

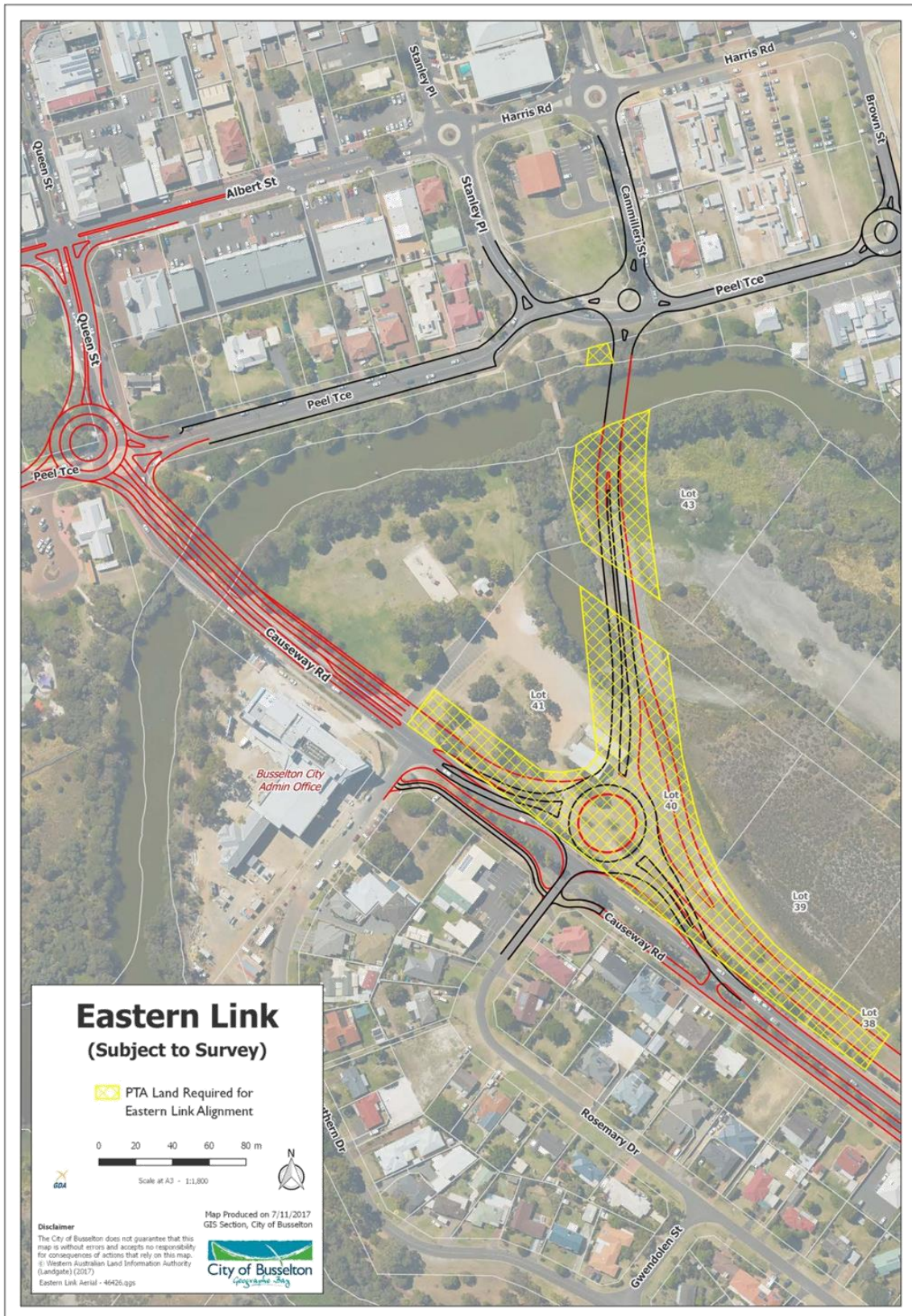
It is anticipated that the survey and preparation of plan(s) would take around 30 days from engagement to be in order for formal lodgement with the road dedication request to the Minister for Transport; Lands; Planning.

The PTA has also required that it be advised of the completion of all steps in the process, ahead of formal lodgement of the request for dedication by the City.

OFFICER RECOMMENDATION

That the Council:

1. Endorses the dedication of that land generally shown in the City of Busselton final design concept shown at Attachment A for the proposed alignment and construction of the Eastern Link strategic road as a 'public road', pursuant to the requirements of s. 56 of the *Land Administration Act 1997*, and Regulation 8 of the *Land Administration Regulations 1998*, and further acknowledges that the City shall be responsible for coordinating this dedication process in compliance with that relevant legislation.
2. Commissions the survey of detailed design plans for the alignment and construction of the Eastern Link route needed in order to formally seek dedication of that road in compliance with the said legislation. All costs associated with the survey and dedication of the Eastern Link road will be met by the City.
3. Acknowledges that the Public Transport Authority 'Community Purpose' license (L2589, valid until 31 July 2022 and currently including land affected by the proposed Eastern Link strategic route) shall remain in place until the subject road dedication is finalised; at which time the license shall be varied by the Public Transport Authority to exclude that public road (Eastern Link) which, by then, shall be under the effective control of the City of Busselton.



11.2 MEELUP REGIONAL PARK MANAGEMENT COMMITTEE -APPOINTMENT OF COMMUNITY MEMBERS

SUBJECT INDEX:	Council and Committee Meetings
STRATEGIC OBJECTIVE:	Governance systems, process and practices are responsible, ethical and transparent.
BUSINESS UNIT:	Environmental Services
ACTIVITY UNIT:	Environmental Planning
REPORTING OFFICER:	Manager, Environmental Services - Greg Simpson
AUTHORISING OFFICER:	Director, Planning and Development Services - Paul Needham
VOTING REQUIREMENT:	Absolute Majority
ATTACHMENTS:	Nil

PRÉCIS

Further to the formal re-formation of the Committee and appointment of Councillor members (Crs McCallum and Hick, with Cr Miles as a deputy) at the Special Council Meeting on 23 October 2017 (i.e. immediately following the recent local government elections) this report recommends the reappointment of those community members that have expressed an interest in their continued involvement on the Meelup Regional Park Management Committee: That will allow Committee meetings/work to continue, allow the Committee to appoint their Presiding Member, and allow the process associated with filling of vacancies to commence.

BACKGROUND

In October 2015, the Council adopted revised governance arrangements for the City's management of Meelup Regional Park, including setting out revised terms of reference for the Meelup Regional Park Management Committee.

A further review of the Terms of Reference of the Meelup Regional Park Management Committee was conducted in October 2017 with amendments made to the Governance Arrangements of the Management Committee in respect to the appointment process for community members.

Membership of the Committee shall comprise six community members and four deputy community members as appointed by the Council. Subject to endorsement of the officer recommendation, the three deputy membership vacancies will be advertised and the expressions-of-interest from those interested community members seeking membership on the Committee will be assessed by the Committee Presiding Member and Chief Executive Officer or Chief Executive Officer's nominee, following which City officers will present a report to the Council reflecting the assessment and the preferred candidates.

STATUTORY ENVIRONMENT

Under Section 5.8 of the Local Government Act 1995 (LG Act), a local government, by absolute majority, may establish Committees of three or more persons to assist the Council, and to exercise the powers and discharge the duties of the local government that can be delegated to committees.

Separately, Section 5.10 and 5.11A of the LG Act relates to the appointment of Committee members and Deputy Committee members.

RELEVANT PLANS AND POLICIES

The continuation of the Committee is consistent with the Meelup Regional Park Management Plan.

FINANCIAL IMPLICATION

There are no financial implications relating to the appointment of community members to fill MRPMC vacancies. Public advertising expenditure for the purpose of seeking community submission to fill Committee vacancies is incorporated within the City's Budget.

Long-term Financial Plan Implications

No long term financial implications have been identified with the contents this report.

STRATEGIC COMMUNITY OBJECTIVES

Strategic Plan Key Goal Area 6

6.1 Governance systems, processes and practices are responsible, ethical and transparent.

RISK ASSESSMENT

An assessment of the potential implications of implementing the officer recommendation has been undertaken using the City's risk assessment framework. The assessment sought to identify 'downside' risks only rather than 'upside' risks and where the risk, following implementation of controls, has been identified as medium or greater. No such risks were identified.

CONSULTATION

The procedure for appointment of community members to reform the MRPMC follows the ordinary Council election, and in accordance with the adopted governance arrangements for the Committee, those community members of the Committee immediately prior to that time with an interest in a continuing involvement are generally expected to be reappointed by the Council.

Expressions of interest for continuing involvement and reappointment to the Meelup Regional Park Management Committee as a member and as a deputy member have been received from the following community members:

Member (total of six required)	Deputy Member (total of four required)
Mr Peter Randerson	Mr Robert Ginbey
Dr Bob Jarvis	
Mrs Shirley Fisher	
Mr Albert Haak	
Tony Smurthwaite	
Damien Jones	

The Committee deputy member vacancies were advertised in June 2017, in accordance with the Council adopted (resolution C1510/296) governance agreements and terms of reference, for the Meelup Regional Park Management Committee. There were no community nominations received to fill the deputy member vacancies on the Committee at the conclusion of the 28 day advertising period.

Further advertising of this Committee's deputy membership vacancies has been withheld until the Council finalised its review of the Governance Arrangements for the Meelup Regional Park Management Committee on 11 October 2017.

OFFICER COMMENT

The reappointment of previous Committee members that have expressed an interest in the Meelup Regional Park Management Committee will ensure continuity of the current work and projects that being undertaken within Meelup Regional Park.

CONCLUSION

In order to continue the valuable contribution to the City made by the Meelup Regional Park Management Committee, it is considered that community members with an interest in a continuing involvement be reappointed to allow the work of the Committee to continue.

OPTION

The Council may choose to review nominations for reappointment on the Committee and advertise some or all the community positions on the Committee.

TIMELINE FOR IMPLEMENTATION OF OFFICER RECOMMENDATION

Any decision of the Council in relation to this matter would be effective immediately

OFFICER RECOMMENDATION**ABSOLUTE MAJORITY DECISION OF COUNCIL REQUIRED**

That the Council appoints the following persons as members and deputy member of the Meelup Regional Park Management Committee:

Mr Peter Randerson - Member
Dr Bob Jarvis - Member
Mrs Shirley Fisher - Member
Mr Albert Haak - Member
Mr Tony Smurthwaite - Member
Mr Damien Jones - Member
Mr Robert Ginbey - Deputy Member

12. ENGINEERING AND WORKS SERVICES REPORT

Nil

13. COMMUNITY AND COMMERCIAL SERVICES REPORT

13.1 BUSSELTON FORESHORE REDEVELOPMENT: HOTEL/SHORT STAY ACCOMMODATION PRECINCT

SUBJECT INDEX:	Busselton foreshore redevelopment
STRATEGIC OBJECTIVE:	Events and unique tourism experiences that attract visitors and investment.
BUSINESS UNIT:	Commercial Services
ACTIVITY UNIT:	Property and Business Development
REPORTING OFFICER:	Economic and Business Development Coordinator - Jon Berry
AUTHORISING OFFICER:	Director, Community and Commercial Services - Naomi Searle
VOTING REQUIREMENT:	Simple Majority
ATTACHMENTS:	Attachment A Advice of withdrawal from Singman Tourism Group (STG) ↓ Attachment B Status report as at 30 September 2017 from Hotel Development Group (HDG) ↓ Attachment C Letter from Pacifica Developments Pty Ltd ↓

PRÉCIS

This report provides a summary of City processes to recruit commercial interest in developing hotel/short-stay tourism accommodation on Crown land on the Busselton foreshore.

Officers recommend Council notes the expiry of the 'preferred proponent' status for sites 1 and 2 for hotel/short-stay accommodation developments. This report also recommends that Council nominates a preferred proponent ('Pacifica Developments') for Site 2 for a term of six months and authorises the CEO to negotiate a draft heads of agreement outlining terms and conditions for a potential future sub-lease of Crown land.

BACKGROUND

The Busselton Foreshore Master Plan (BFMP) was adopted by Council on 28 March 2012 (C1203/073) and identified potential sites for hotel/short-stay commercial development. The City of Busselton initiated an Expression of Interest (EoI) process to recruit hotel developers and/or operators to lease land for short-stay accommodation developments up to four storeys plus loft, with ground floor commercial retail. As part of the State Government investment into the Busselton Jetty, all revenue generated from the lease of the short-stay accommodation land is to be directed into maintenance, renewal and preservation of the Busselton Jetty.

Upon completion of a time-bounded EoI process, three submissions were received from hotel chains and three from developers. The submissions did not include design concepts or business plans (as was requested), rather they included feedback and commentary as summarized below:

- there will likely be a need for a long leasehold period to attract investment finance;
- a preference for a percentage of units to be able to be purchased under sub-lease arrangements (to also help facilitate financing);
- preference for a portion of the development to be able to be converted to residential should the tourism development fail (not necessarily as a condition for Busselton, but raised in the context of reducing risk should tourism returns lead to failure in the future);

- need for greater certainty on funding and timing of the proposed Busselton Regional Airport expansion to induce increased inbound tourism visitation to the region, which was deemed necessary given the annual average occupancy rate for tourist accommodation in Busselton was around 51% at the time, and;
- greater certainty on the timing of the Busselton foreshore master plan delivery including utility headworks infrastructure connected to the proposed short-stay tourism sites.

Since the master plan was prepared by the City in 2012, it has been modified several times, resulting in changes to the location of the sites and the overall land area as follows:

- 2012 (10,040m² over three sites)
- 2014 (9,400m² over five sites)
- 2016 (7,195m² over three sites) – (adopted on 24 February 2016 in a Development Guide Plan (DGP))

The land area of the three hotel sites are:

- Site 1: 2,920sqm (existing Busselton Tennis courts - portion of Lot 418, Reserve 28535)
- Site 2: 2,265sqm (south of the new Railway House - portion of Lot 503, Reserve 38558)
- Site 3: 2,010sqm (south of the new skate park – portion of Lot 503, Reserve 38558)

On 11 May 2016, Council resolved (C1605/114) to authorise the CEO to again invite expressions of interest for development of the three short-stay accommodation sites with the aim of nominating 'preferred proponents' to negotiate Development Agreements.

Following a publicly advertised EoI process, on 27 July 2016 the Council resolved (C1607/182) to nominate two proponents to negotiate terms and develop design concepts over a 12 month period:

- Site 1
Hotel Development Group Pty Ltd (HDG) for the development of a minimum 5 star hotel/short-stay accommodation.

(Site 1 is the subject of an existing lease with the Busselton Tennis Club to 30 June 2021)

- Site 2
Singman Tourism Group Pty Ltd (STG) for the development of a minimum 4-star hotel/short-stay accommodation;

- Site 3
Council resolved not to nominate a preferred proponent for Site 3.

(A car-park has subsequently been developed on this land to service growing demand from visitors to the foreshore, particularly whilst development works were occurring).

The Council also resolved to seek approval from the Minister for Lands to sub-lease the three sites for a period up to a maximum of 65 years, which was subsequently approved by the Minister.

Throughout the EoI recruitment process, the City has been proactive in creating a more conducive investment environment for the hotel/short-stay opportunity, and addressing several of the concerns expressed by respondents to the EoI's issued. Progress has included:

- Funding for the Busselton Margaret River Airport upgrade with construction well underway to facilitate interstate flights and, in the longer term, international visitation;
- Utility infrastructure upgrades have been completed with the support of the State Government providing increased services to the hotel/short-stay accommodation precinct;
- As sub-lessor of Crown land on the foreshore, the City has facilitated private investment into expanding the Equinox café, the Goose Café and the 'Blue Mile', a new venue to include a family restaurant, microbrewery and function centre to commence construction in early 2018. These developments will support an enhanced tourist experience on the Busselton foreshore;
- Progression of a Memorandum of Understanding between the City and the Busselton Tennis Club to relocate the tennis courts and build a new club-house proposed to be concluded by November 2019, thus allowing Site 1 to be progressed for a development;
- Delivery of key public components of the foreshore with Railway House and the Barnard Park Pavilion completed and the Youth and Community Activities building, central core landscaping and new coastal defences well underway; and,
- Unified marketing of the region under a single brand leading to more focussed promotion of the region to interstate and overseas visitor markets.

Notwithstanding the above progress by the City, both preferred proponents nominated by Council have been unable to demonstrate firm progress with their hotel proposals by the expiry date of 30 July 2017 (being 12 months from the nomination date). Upon their request, they were both subsequently afforded a further three months (to 30 September 2017) to provide a further report and to investigate capital finance raising, as this was the biggest concern expressed by both proponents.

Singman Tourism Group officially withdrew from the EoI process on 6 September 2017 (see letter of withdrawal in Attachment A), primarily citing difficulties raising capital finance.

The Hotel Development Group (HDG) was also unable to demonstrate progress on its development plans for Site 1. However, HDG has communicated interest in progressing a future development under a management agreement with Hilton Hotels for a Hilton Garden Inns development on Site 2 (See Attachment B) and is also seeking an undertaking from the City for an extension to its preferred proponent status.

In October 2017, the City was approached by Pacifica Developments Pty Ltd (Pacifica) who expressed interest in investigating opportunities at Busselton and is seeking Council support to be nominated as a preferred proponent for a period of six months to negotiate terms and conditions for a development on Site 2 (see attachment C). Pacifica has affiliations with major hotel groups including Mantra, Hilton Gardens and Peppers.

STATUTORY ENVIRONMENT

There are no statutory issues relating to the Officer recommendation contained within this report. Any future proposals for lease of City property will be subject to s3.58(3) of the Local Government Act 1995, which states that before agreeing to dispose of property, the local government is required to:

- (a) give local public notice of the proposed disposition by:
 - describing the property concerned;
 - giving details of the proposed disposition (including names of the parties concerned; the consideration to be received by the local government and the market value of the disposition)
 - inviting submissions to be made to the local government before a date to be specified in the notice, being a date not less than two weeks after the notice is first given
- (b) consider any submissions made to it before the date specified in the notice and, if its decision is made by the council or a committee, the decision and the reasons for it are recorded in the minutes of the meeting at which the decision was made.

Additionally, s3.59(2) of the Act states that before a Local Government enters into a major land transaction, it is to prepare a business plan and seek public comment by giving state-wide notice.

RELEVANT PLANS AND POLICIES

Busselton Foreshore Statement of Intent

On 8 June 2011 (C1106/180), the former Busselton Shire Council adopted a 'Statement of Intent' for the development of the Busselton Foreshore, recognising a balanced approach is required to ensure sustainable outcomes from public and private investment. The statement concluded *"the foreshore will be developed in a manner that respects Busselton's identity and heritage whilst providing economic, social, environmental and cultural benefits to the Shire (sic) and the South West region"*.

This statement was updated and reaffirmed by Council on 25 February 2015 (C1502/037).

Busselton Foreshore Master Plan (BFMP)

The most recent amendment to the BFMP was adopted by Council (C1602/031) on 24 February 2016 and identified three sites for hotels/short-stay accommodation.

Busselton Foreshore Development Guide Plan (BFDGP)

The BFDGP incorporates statutory controls relating to land use, building heights and floor areas that reflect the BFMP. The BFDGP was also endorsed (C1602/031) by Council on 24 February 2016 and has been approved by the Western Australian Planning Commission.

FINANCIAL IMPLICATIONS

There are no financial implications arising from the Officer recommendation.

Long-term Financial Plan Implications

There is no direct impact on the Long term Financial Plan (LTFP) as a result of the Officer recommendation.

The LTFP identifies revenue streams from ground leases for the hotel sites (Site 1: ~\$117k from 2020/21); and, Site 2: ~\$91k from 2019/20).

Should Council endorse the Officer recommendation the LTFP may need to be adjusted to reflect future development timeframes impacting on future cash in-flows.

STRATEGIC COMMUNITY OBJECTIVES

This report aligns with the following City of Busselton Key Goal Areas identified in the City's 2017 Strategic Community Plan:

Key Goal Area 4: Economy

- 4.1 An innovative and diversified economy that provides a variety of business and employment opportunities as well as consumer choice.
- 4.2 A community where local business is supported and in turn drives our economy.
- 4.3 Events and unique tourism experiences that attract visitors and investment.

RISK ASSESSMENT

The table below describes identified 'downside' risks where the residual risk, once controls have been identified, is identified as 'medium' or greater;

<i>Risk</i>	<i>Controls</i>	<i>Consequence</i>	<i>Likelihood</i>	<i>Risk Level</i>
Potential lost alternative investment opportunities for a period of six months while negotiations are underway with a new 'preferred proponent'	Maintain a register of interest from alternative entities should they be forthcoming over the next six months	Moderate	Unlikely	Medium

CONSULTATION

Public consultation was conducted as part of Council's consideration of the revised Busselton Foreshore Master Plan adopted by Council on 24 February 2016. The consultation process included opportunity for public comment, an invitation for submissions from other commercial lessees on the Busselton foreshore and direct feedback from key Government agencies. Being Crown land, Officers are in regular contact with the Department of Lands Regional Manager.

OFFICER COMMENT

Following conclusion of an EoI process at 30 September 2017, Council's two nominated preferred proponents (STG for Site 2 and HDG for Site 1) were unable to demonstrate progress to the City's satisfaction. STG has officially withdrawn from the EoI process citing inability to raise capital finance.

Whilst HDG has expressed interest in Site 2, their progress on Site 1 as 'preferred proponents' was limited due to their inability to secure finance and as such Officers do not recommend that HDG be given the opportunity to progress Site 2 at this time when another proven hotel developer has expressed keen interest in the site. This developer is Pacifica Developments Pty Ltd who approached the City in October 2017 expressing interest in the Busselton foreshore and as such is seeking to enter into exclusive negotiations for a minimum 4.5 star hotel on Site 2. Pacifica is a privately owned, diversified property development and management company based in Brisbane. It has experience in developing hotel and short stay accommodation in Australia, Papua New Guinea and the Pacific and is currently planning a \$22 million, 120-bed resort on the Kalgoorlie Golf Course in a public/private partnership arrangement with the City of Kalgoorlie Boulder.

Officers recommend Council afford Pacifica a six month term as 'preferred proponent' for Site 2 and authorise the CEO to commence negotiating a heads of agreement to outline potential terms and conditions that may form the basis a future sub-lease of the Crown land. Once this is concluded a further Council report would be provided seeking confirmation of proposed terms and conditions and further direction.

Officers recommend Council do not progress the EoI process for Site 1 at this time.

CONCLUSION

Difficulties raising capital finance for the proposed hotel sites has been cited as the main reason the City's two preferred proponents have been unable to progress a development on both Site 1 and Site 2 on the Busselton foreshore. Given the expiry of the EoI process for the two preferred proponents without substantive progress being demonstrated by HDG (Site 1) and the withdrawal by STG (Site 2) Officers recommend Council nominate a new proponent 'Pacifica Developments Pty Ltd to progress a proposal for Site 2.

Although HDG has also expressed interest in Site 2, it is considered prudent to allow a new entrant to prepare a proposal for Council consideration over a six month period.

OPTIONS

Should Council not support the Officer recommendation it may resolve to:

- Re-advertise seeking further expressions of interest from the open market;
- Not progress the expression of interest process at this time; or,
- Provide preferred proponent status to the Hotel Development Group for a further six months for either Site 1 or Site 2.

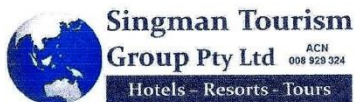
TIMELINE FOR IMPLEMENTATION OF OFFICER RECOMMENDATION

Should Council support the Officer recommendation, Officers will commence negotiations with the preferred proponent in early December and provide a further report to Council in late June 2018.

OFFICER RECOMMENDATION

That Council:

1. Notes the expiry of the 'preferred proponent' status for sites 1 and 2 for hotel/short-stay accommodation developments within the tourism accommodation precinct of the Busselton Foreshore Master Plan;
2. Nominates Pacifica Developments Pty Ltd as 'preferred proponents' to progress a proposal for hotel/short-stay accommodation development (minimum 4.5 star) on Site 2 for a period of six months;
3. Authorises CEO to negotiate and enter into a non-binding Heads of Agreement with Pacifica Development Pty Ltd with terms and conditions outlined in this report; and,
4. Does not progress with nominating a preferred proponent for Site 1 at this time.



Perth Office:
6/41 Hurlingham Rd.
South Perth, WA 6151
Tel: +61 8 93675351

6th September 2017

Mr. Jon Berry
Economic and Business Development Coordinator
City of Busselton
38 Peel Terrace
Busselton WA 6280

Dear Jon,

Re: Expression of Interest – Hotel/Short Stay Apartments Busselton Foreshore (Site 2)

As previously advised, Frontier Capital Group Ltd., nominated as financial partner in our Expression of Interest was unable to fulfill their commitment to finance the venture.

We regret to advise that despite our best endeavours and the efforts of our financial advisors, we have been unable to identify a suitably qualified financial partner to replace Frontier Capital Group Ltd., and hereby withdraw our 29 June 2016, Expression of Interest.

We continue to believe in the project and extend our best wishes to Council for the successful completion of the Foreshore Development Master Plan.

Yours Sincerely,

George C. Chapman
Chairman
Singman Tourism Group Pty Ltd

Jon Berry

From: Roger Foster <Roger.Foster@hoteldevelopmentgroup.com>
Sent: Friday, 6 October 2017 10:48 AM
To: Jon Berry
Subject: Proposed Hilton Garden Inn Busselton Foreshore update request

Hi Jon

I am sorry for the delay in updating you in relation to the proposed Hilton Garden Inn development on the Busselton Foreshore.

As you are aware we were the original proponent for the tennis court site and as such at the time of application were unaware that it would take until 2018 / early 2019 for the site to become available. Your advice that the successful proponent for the Metro Inn has formally withdrawn last month and the advice that we could now possibly take the place of that proponent by building a Hilton Garden Inn on the proposed site of the Metro Inn site is welcome, however, we require some level of certainty and confidence that we are secure as the proponent as considerable time money and effort, not to mention reputation has to be expended in order to achieve the goals that the City of Busselton are desirous of achieving in a rather limited time

We have had indicative discussions with numerous parties in relation to both equity and senior debt as well as branding and specifications however as you would appreciate this is not be perceived as a "real project" until we are given a firm undertaking with conditions and milestones to be met and then we are in a position to move the project forward quickly through the appropriate channels.

In summary, I cannot at this point in time identify exact names and commitment to this project as this is not the way that the development cycle works. We now have established that Pindan will construct the site and may possibly leave in some money as equity however we are yet to determine a cornerstone investor wishing to take the majority shares.

We anticipate being able to identify and confirm the cornerstone investor within 12 weeks at which time a term sheet and an MOU with the Shire and the Commonwealth Government regarding the lease can be executed. Following the execution of these documents senior debt will be identified and the project will become live. To conclude this arrangement, it will take us until the end of March with an anticipated commencement of construction sometime in July 2018 however we require a firm commitment from the City of Busselton in order to move forward through the appropriate channels to give some certainty to all involved stakeholders. It is vital that this process is undertaken in a logical manner to ensure that the project does not stall then becomes over exposed to the market leading to a concern that the project is not viable. I have seen this happen on a number of occasions and I would be cautious in relation to this.

The following activity has been initiated as part of the process leading to the above being concluded.

1. Indicative costings undertaken by Pindan Construction with an understanding from them that they will leave in a \$1 million equity contribution to the equity financing for a period of time after opening. The project will comprise of 110 rooms and will be branded Hilton Garden Inn Busselton Foreshore with facilities that include 2 restaurants, one on the ground floor and one on the roof, banqueting facilities for 150 people, resort style ambiance with large recreation facilities including swimming pool and gymnasium. The hotel will have the broadest market appeal and will be suitable for the corporate, meetings and leisure market and will be an attractive entertainment hub for the local community and an essential component to ensuring Busselton becomes the gateway to Margaret River and the South West with the introduction of the new Airport facility.
2. Griffin Group have been approached who are specialists in raising equity in suburban and regional WA. They have undertaken many projects of a similar nature and their investors are not overly concerned by the cyclical nature of economic activity in WA in comparison to other capital raising organisations who

- are concerned about the downturn in the current economic conditions. They are currently seeking capital from Singapore, Malaysia and Indonesia and we should have indicative feedback by the 25th October.
3. We are also working with Ascend Corporate the hotel and business broker to identify potential local equity investors that they have worked with previously within Western Australia as well as high nett individuals in and around the South West.
 4. Orient Occident are undertaking similar sourcing of interested investors through the HCCS (Hangzhou Chamber of Commerce Shanghai) who's original President was Jack Ma of Alibaba.
 5. Avison Young a Canadian-North American hotel brokerage company have also been approached to identify possible equity investor candidates. This company has a worldwide network.

We have cast the capital net wide and not concentrated solely on WA as we need to ensure that this project does not become over exposed however subtle approaches to qualified high nett worth individuals are being made.

I am running this project in parallel with the proposed Hilton Garden Inn Perth Hills at Armadale. This will give us leverage both in construction costs and other associated synergies.

Jon, if we are to continue to move this forward in the manner described above then we need certainty that our endeavours are not wasted. We do require a commitment from the council that the Metro Inn site would be made available to us and seek your confirmation as soon as possible in order to move this forward as we have done in a similar form with City of Armadale.

I look forward to your advice.

Best regards

Roger Foster
Managing Director
Hotel Development Group
Tel: (61) 0419 680 359
Web: hoteldevelopmentgroup.com
West Perth, WA 6005



Hotel Development Group
Concept to Completion and Beyond



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PO Box 2546, New Farm, Brisbane
QLD 4005

Naomi Searle
Director Community and Commercial Services
City of Busselton
38 Peel Terrace
Busselton, WA 6280

6 November 2017

By email: Naomi.Searle@busselton.wa.gov.au

Dear Naomi,

**PROPOSED HOTEL DEVELOPMENT – BUSSELTON JETTY FORESHORE, WA:
PACIFICA DEVELOPMENTS PRELIMINARY PROPOSAL**

Background and Appreciation

The City of Busselton is located in Western Australia's south west region, and is the perfect base to explore the internationally renowned Margaret River region. The Mediterranean style climate offers pleasant summer months and mild winter rainfall. The Region is bordered by the Indian and Southern oceans, with the coastline featuring some of the best surfing beaches in Australia, towering forests, sheltered bays and an established food and wine scene. The Busselton district has one of the fastest growing populations outside the Perth metropolitan area, experiencing an average annual growth rate of around 4% per annum. To accommodate Busselton's population growth, there are several major projects recently completed, underway or in the planning phase. One of these major projects involves the Busselton foreshore being transformed into a first class recreational hub complete with state-of-the-art skate park, cafes and restaurants, public open space and commercial opportunities for short stay hotel accommodation.

Within the Busselton Foreshore Master Plan and Structure Plan adopted by Council in February 2016 the City of Busselton has identified a land parcel of 2,265 square metres referenced as Site 2 within the Hotel/Short Stay Accommodation Precinct ('the Site') for the development of a hotel. The City of Busselton has through EOI processes evaluated, selected and offered exclusivity to a number of preferred proponents over the last 12 months to provide an integrated single source development and operation outcome. To date all



proponents have failed to deliver an outcome for the City of Busselton. Based on our experience the approach adopted by project sponsors for these type of assets limits the efficacy of solutions and inhibits the ability for a proposal to come to fruition.

The Busselton location would be a valuable addition to our strategic portfolio of hotel developments. Our portfolio enables us to aggregate substantial marketing budgets and provide an integrated offering across all the hotels in different locations to the benefit of travellers and local economic impact. Within this context we would like to discuss commercial terms for the Site with the City of Busselton and achieve mutually acceptable heads of terms by the end of January 2018. As part of this process we will complete a sketch design, feasibility and commercial framework for a development and operation proposal ('the Proposal') for the Site in conjunction with our preferred operator. We will require an exclusivity period in order for us to progress the Proposal and make commercially sensitive information available to the City of Busselton.

Proponent

Pacifica Developments is the proponent for the Proposal that incorporates the design, funding, construction and operation of an upscale mid-tier hotel at the Site. Pacifica Developments is lead by Russell McCart and John Zendler; property and construction professionals with substantial experience developed through roles at BHP, AV Jennings, Mirvac, Lend Lease, Ausco, Hickory and CIMC. They have between them delivered projects in the residential, marina, hotel, student accommodation, mining accommodation and retirement sectors valued at hundreds of millions of dollars. Through their projects they have been involved in successful joint ventures with organisations such as Lend Lease and P&O and the government sector and are highly respected at all levels of government in NSW, QLD and WA. They have been involved in the initiation and creation of successful businesses including RetireAust, Unilodge and Meridien Marinas. Pacifica Developments current focus is on developing a national hotel portfolio and has identified several locations in WA, some of which are currently in negotiation. Pacifica Developments most recent completed hotel asset is the Sage Hotel on James Street, Fortitude Valley in Brisbane (www.nexthotels.com/sage/james-street-brisbane/). Further information on Pacifica Developments can be found on the web site at www.pacifica.com.au.



Operator

We have obtained a letter of understanding from Mantra Group and held preliminary discussion with Hilton and Rydges for the purposes of establishing a commitment to the Site and Proposal and informing the headline terms and metrics of the operational aspects of the hotel. These headline terms are currently being resolved with the objective of reaching binding contractual arrangements in parallel with the resolution of the commercial terms with the City of Busselton.

Proposed Scheme

The Proposal currently envisages the following in relation to the physical hotel asset. These aspects are being discussed with the potential operators:

- 120 rooms
- Maximising the massing of the site within planning parameters
- Amenity and services located at ground level
- Meeting and board room facilities
- Rooftop bar/viewing deck
- Food and beverage facility aligned with the brand offering and cognisant of the food and beverage offering within walking distance of the hotel
- 14 month development period
- Sketch plan and elevation will be resolved during exclusivity period

Milestone Schedule

The milestone dates listed below address the need for resolution of key commercial parameters in a timely manner to ensure our capital partners remain engaged and our track record of decisive resolution of decision frameworks is kept intact.

- | | |
|--|----------------------|
| • Preferred proponent status | 23 November 2017 |
| • Heads of terms for commercial framework complete | 23 January 2018 |
| • Milestone: proceed with or exit transaction | 24 – 30 January 2018 |
| • City of Busselton LGA requirements and process | 30 March 2018 |
| • DA submission by Pacifica Developments | 30 May 2018 |
| • Legal close | 5 August 2018 |



Post legal close:

- Pre-construction/construction/pre-opening 380 days

We have already committed resources to the resolution of the preliminary commercial parameters to inform the decision framework required to enable an informed discussion with City of Busselton and to meet the objectives of the milestone schedule. These activities have included modelling of the expected development and operation cash flow for the evaluation of the valuation and capital stack metrics. Initial output from these activities highlights some aspects particularly in relation to the cost-value relationship which ultimately impacts the capital stack. From the outset of the exclusivity period in December we would like to discuss these aspects on an open book basis and how they can be resolved to the benefit of all parties.

Next Steps

- Formal confirmation of preferred proponent status and exclusivity period from City of Busselton.

We look forward to engaging with you on this exciting opportunity. Please do not hesitate to contact me should you have any queries in relation to the content of our preliminary proposal.

Regards,

John Zendler

Director

Mobile: +61 (0)499 499 613

Email: jzendler@pacificacom.au

14. FINANCE AND CORPORATE SERVICES REPORT

14.1 PROPOSED LEASE AND LICENCE TO DEPARTMENT OF FIRE AND EMERGENCY SERVICES FOR STORAGE SHED AND RUNNING TRACK ON BARNARD PARK

SUBJECT INDEX:	Agreements and Contracts
STRATEGIC OBJECTIVE:	Assets are well maintained and responsibly managed.
BUSINESS UNIT:	Corporate Services
ACTIVITY UNIT:	Property and Corporate Compliance
REPORTING OFFICER:	Property Coordinator - Ann Strang
AUTHORISING OFFICER:	Director, Finance and Corporate Services - Cliff Frewing
VOTING REQUIREMENT:	Simple Majority
ATTACHMENTS:	Attachment A Plan Showing Lease and Licence Areas ↓

PRÉCIS

To facilitate the development of new district playing fields on Lot 505, Reserve 8485 (Barnard Park), the City, in consultation with the Busselton Volunteer Fire and Rescue Service (BVFRS) removed the BVFRS's clubrooms and relocated their running track to an alternative site at Barnard Park. A storage shed was also located with the running track.

The purpose of this report is to present a recommendation on the future tenure arrangement for the storage shed, running track and associated infrastructure.

BACKGROUND

Barnard Park is crown land vested with the City for the purpose of recreation. The City obtained a funding contribution through the Community Sport and Recreation Facilities Fund (CSRFF) to develop an active sporting precinct at Barnard Park, specifically playing fields for sports such as rugby, cricket and soccer, and a multi-user sports pavilion.

To facilitate the development of the playing fields it was necessary to remove the BVFRS clubrooms and running track. A new running track and a replacement storage facility were constructed as part of the first stage of the Barnard Park redevelopment. To service the running track, a water tank and compound area was also constructed adjacent to the storage shed.

In August 2017, the Council resolved (C1708/193) to enter into a lease with the Barnard Park Sports Association (BPSA) over the newly constructed sports pavilion. While the BVFRS were involved in the working group formed in relation to the pavilion, they chose not to become members of the BPSA due to their status as an unincorporated association. Given the impact that the redevelopment of Barnard Park has had on the BVFRS, the lease does however contain a clause providing the BVFRS the right to use the function room within the Pavilion up to four times a year for a nominal amount.

BVFRS are not an incorporated body and not therefore in a position to enter into a lease. As the overarching government agency responsible for the facilities of volunteer fire rescue services, it is recommended that Council enter into a lease with Department of Fire and Emergency Services (DFES). It is proposed that the lease will include the storage shed, water tank and compound and a licence (non-exclusive use) of the running track. The terms and conditions of the proposed lease and licence are detailed in the Officer Recommendation section of this report.

STATUTORY ENVIRONMENT

When disposing of property whether by sale, lease or other means, a Local Government is bound by section 3.58 of the Local Government Act which requires giving local public notice when disposing of property. There are exemptions to this process under Regulation 30 (2)(c) (ii) of the Local Government (Functions & General) Regulations which states “disposal of land to a department, agency, or instrumentality of the Crown in right of the State or the Commonwealth, are exempt from the advertising and tender requirements of section 3.58 of the Local Government Act”. This exemption would therefore apply to DFES.

Reserve 8485 being Lot 505, Deposited Plan 402933, Volume LR3166 Folio 953, Busselton is vested with the City with the power to lease for any term not exceeding 21 years, subject to the consent of the Minister of Lands (now the Minister for Planning, Lands and Heritage), for the designated purpose of “Recreation”.

RELEVANT PLANS AND POLICIES

The recommendation to enter into a lease with DFES is generally consistent with the principles of Council Policy 248, Leases of City Land and Buildings.

FINANCIAL IMPLICATIONS

The rent charged to community and sporting groups for City land and/or buildings is \$210 per annum (inclusive of GST), reviewed annually by CPI. It is proposed that this is the rent charged to DFES, and that DFES be liable for the building insurance and maintenance of the shed, the running track and water infrastructure as a result of the BVFRS use. The City will be responsible for maintenance and repair of the running track at other times. Damage caused to the track during City approved events would be the responsibility of the City or the event organisers, under agreements entered into with the City.

Long-term Financial Plan Implications

Nil

STRATEGIC COMMUNITY OBJECTIVES

The officer recommendation is consistent with Key Goal Area 6 of the City’s Strategic Community Plan 2017 and specifically Community Objective 6.4 ‘Assets are well maintained and responsibly managed’.

RISK ASSESSMENT

There are no identified risks of a medium or greater level associated with the officer recommendation. The recommendation serves to mitigate the risks associated with there not being a lease in place.

CONSULTATION

The City and key stakeholders have been working together for a number of years to develop Barnard Park. Discussions have been held with representatives from both the BVFRS and DFES in relation to the use of the storage shed and running track. Both parties are keen to enter into an agreement that provides clear guidelines around each party’s responsibilities.

OFFICER COMMENT

The BVFRS have operated running training and competitions for many years, predominantly to facilitate fitness and develop team based networks between fire brigades throughout the State.

While ideally DFES would have full responsibility for the maintenance of the running track, this is not practicable due to its high profile location and the level of public access. It is therefore proposed to enter into a licence with DFES for the running track as shown hatched red on Attachment A. Under the licence DFES would be responsible to maintain and keep clean the area when being used by them and be responsible for the ongoing maintenance of the plumbing associated with the water supply to the track and the upkeep of the line markings.

With respect to the storage shed, water tank and compound, these areas are used exclusively by the BVFRS. For this reason it is proposed that we enter into a lease for these facilities, as shown hatched blue on Attachment A, and that DFES be responsible for their maintenance and all outgoings.

Whilst generally the City enters into leases for a 5 year term with a further 5 year option, Council Policy 248 recommends that a longer term is considered when leasing to State Government Agencies. It is therefore recommended that the City enter into a lease with DFES for a term of 10 years with a further 10 year option. It is proposed that the rent be \$210 per annum increased annually by CPI.

As with other leasehold interests on Barnard Park, it is recommended that the lease include a provision allowing the City to restrict access to the land and leased area during a City approved event, such as Forrest Rally. This restriction will be limited to no more than 5 days per calendar year.

CONCLUSION

To provide clarity in terms of tenure and future obligations for the City, DFES and the BVFRS, it is recommended that the Council enter into a lease of the storage shed, water tank and compound and licence of the running track, with DFES on the terms and conditions outlined in the Officer Recommendation.

OPTIONS

1. Council can resolve not to enter into a lease and / or licence with DFES, noting the City would therefore accept the responsibility for management of the running track and facilities.
2. Council can resolve to enter into a different term of lease and licence with DFES; however the term offered could not exceed 21 years.

TIMELINE FOR IMPLEMENTATION OF OFFICER RECOMMENDATION

It is anticipated that the lease and licence would be forwarded to DFES and executed by all parties no later than 30 December 2017.

OFFICER RECOMMENDATION

That the Council:

1. Enter into a lease and licence, subject to the approval of the Minister for Lands, with the Department of Fire and Emergency Services for the occupation of a portion of Part Reserve 8485, Lot 505, Busselton, as shown hatched blue and red on Attachment on the following terms;
 - a) The term of the lease and licence to be 10 years with a further 10 year option, commencing on or before 30 December 2017;
 - b) The rent to commence at \$210.00 per annum inclusive of GST and to be increased on each anniversary by CPI;
 - c) The City may restrict access to the leased area up to 5 days per calendar year during approved City events held at Barnard Park;
 - d) All costs associated with the preparation of the lease and licence to be met by the Lessee; and
 - e) Other terms to be consistent with the City's standard community group lease.



14.2 LEASE OF BLUE CLUB ROOMS DUNSBOROUGH

SUBJECT INDEX:	Agreement/Contracts
STRATEGIC OBJECTIVE:	Assets are well maintained and responsibly managed.
BUSINESS UNIT:	Corporate Services
ACTIVITY UNIT:	Property Services
REPORTING OFFICER:	Property Management Coordinator - Sharon Woodford-Jones
AUTHORISING OFFICER:	Director, Finance and Corporate Services - Cliff Frewing
VOTING REQUIREMENT:	Simple Majority
ATTACHMENTS:	Attachment A Blue Club Rooms Attachment ↓

PRÉCIS

The City currently has under its care and management a building known as the Blue Club Rooms along with a storage shed located on land owned freehold by the City being Lot 3003 Dunsborough Lakes Drive, also known as Dunsborough Playing Fields. The sporting groups that currently use these buildings have requested to lease them from the City. The purpose of this report is to recommend that Council enter into a lease with the sporting groups and to make recommendations in relation to the terms of the proposed lease.

BACKGROUND

On 24th July 2013 Council considered a report on the subject of a lease of the Blue Club Rooms and another building in the vicinity of the Dunsborough Playing Fields known as the John Edwards Pavilion. The proposal at the time followed a long period of consultation among the users of the buildings and the playing fields, resulting in the formation of one consolidated incorporated body, the Naturaliste Sports Club (the NSC). The NSC then sought security of tenure over the buildings for the benefit of the numerous clubs and their varied activities.

Council resolved in part (C1307/196):

“...to enter into a lease with the Naturaliste Sports Club Incorporated for the occupation of a portion of Lot 3003, on Deposited Plan 19111... subject to the following:

- (a) the lease shall be consistent with the City’s standard community and sporting group lease;*
- (b) the term of the lease to be 5 years, commencing on 30 August 2013 with a further 5 year option; and*
- (c) the annual rent to be \$188 inclusive of GST with annual CPI rent reviews.*

Following a period of discord, the NSC unfortunately disbanded and the lease was never concluded. The City have therefore been managing the use of both the Blue Club Room and the John Edwards Pavilion by offering the users seasonal hire permits. The fee charged for these temporary permits is based on cost recovery for services and insurance but does not cover the cost of maintaining the buildings or carrying out any improvement or upgrade to the facilities.

With respect to the Blue Club Rooms, there are four sporting groups that predominantly use the facility:

- The Dunsborough Senior Cricket Club
- The Dunsborough Junior Cricket Club
- The Dunsborough Towners Football Club (Inc.) and
- The Dunsborough Soccer Club Inc.

The junior and senior cricket clubs operate under the banner of one incorporated association, the Dunsborough Cricket Club Inc.

The sporting groups listed above have expressed an interest in securing tenure over the Blue Club Rooms and the storage shed located on the land (the Premises). It is therefore proposed that a lease of the Premises be offered to the three incorporated associations on a joint tenancy basis.

STATUTORY ENVIRONMENT

When disposing of property whether by sale, lease or other means, a Local Government is bound by the requirements of section 3.58 of the Local Government Act 1995 (LGA) to advertise the disposition and have regard to any submissions made. Section 3.58 of the LGA provides exemptions to this process. Regulation 30(2)(b) of the Local Government (Functions and General) Regulations exempts disposals of land to incorporated bodies who are not for profit. The constitutions of the three sporting groups are such that this exemption applies.

The Premises are located on Lot 3003, Plan 19111, Volume 1958, Folio 853, Dunsborough Lakes Drive, Dunsborough as indicated on Attachment 1. This is land owned freehold by the City.

RELEVANT PLANS AND POLICIES

The proposals in relation to the recommended terms and provisions of the lease are consistent with Policy 248 – Leases of City Land and Buildings.

FINANCIAL IMPLICATIONS

The rent charged to community and sporting groups leasing City owned or managed land is currently \$210.00 per annum (inclusive of GST), reviewed annually by CPI. The standard community lease terms include requirements for the tenants to pay outgoings including services and insurance as well as meet the cost of maintenance and repair of the buildings, including structural repairs.

As Council had previously resolved to grant a leases of the buildings to the NSC, no specific budget had been allocated for their maintenance and upkeep. Since the disbanding of the NSC, nominal sums have been spent on minor essential repair items but no significant maintenance items have been undertaken. The groups would like some urgent items of maintenance such as external repainting, electrical inspections, lighting and fire compliance to be addressed, the likely cost of which will be in the region of \$12,000.

City staff have also discussed with the groups the potential for community bids to assist with future improvements to the buildings.

Long-term Financial Plan Implications

Nil

STRATEGIC COMMUNITY OBJECTIVES

The recommendation in this report reflects Key Goal Areas 1 and 2 and specifically Community Objectives 1.3 and 6.4 of the City's Strategic Community Plan 2017 namely:

"A community with access to a range of social and recreational facilities and experiences"

And

"Assets are well maintained and responsibly managed"

RISK ASSESSMENT

There are no identified risks of a medium or greater level associated with the officer recommendation, with the recommendation serving to mitigate the risks associated with there not being a formal lease in place.

CONSULTATION

City officers have been in regular contact with the groups wishing to enter into a lease of the Premises. This has occurred both by virtue of issuing seasonal hire permits and attending meetings to discuss the tenure options available. At the most recent meeting between City officers and club representatives the benefits of securing tenure in the form of a lease were discussed. The groups are particularly motivated by the concept of control over the facility as well as the increased likelihood of grant or community bid funding for future improvements to the buildings.

It has been explained to the club representatives that the standard format of the City's community group lease provides that if the tenant is paying a nominal rent (as would be the case here) the responsibility for maintenance and repair of the leased building falls to that tenant.

OFFICER COMMENT

The disbanding of the NSC has resulted in something of a hiatus so far as formalising management arrangements for the Dunsborough sports facilities is concerned. Granting a lease of the Premises will address arrangements for the Blue Club Room and will bring to an end the interim, and not wholly satisfactory, measure of issuing seasonal hire permits.

The sporting groups using the Premises did consider whether it might be preferable to form one single incorporated association rather than have multiple entities sign a lease. Due to the additional administrative burden of establishing another incorporated body, the groups concluded that all three associated bodies should be parties to the lease. The groups have a good working relationship with each other and understand that they will be jointly and individually liable for the lessee obligations under the lease.

The clubs have confirmed to City officers that it is their intention to make future joint submissions for community bids or other grant funding to ensure the facilities are looked after. In the meantime, they would like the more urgent maintenance works addressed to prevent the buildings suffering from further deterioration.

Following a recent inspection of the building to assess its condition, it was identified that certain works are required to preserve the structure of the building. City staff are therefore in the process of obtaining quotations for external painting, electrical and fire equipment compliance works. It is anticipated that the cost of these works will be in the region of \$12,000. The desired result is to hand over a building to the lessees which is in a reasonable condition structurally and compliant so far as electrical and fire safety is concerned.

CONCLUSION

Whilst administratively it is preferable to have a single lessee (as was originally proposed with the NSC before it disbanded) there is nothing preventing this joint arrangement from working well. The City will progress with certain works to the building. The groups plan to work together to seek funding for improvements to the facility via grants or community bids which will help foster a collaborate approach to management of the facility.

It is therefore recommended that Council consider offering a lease on the terms and conditions detailed in the officer recommendation.

OPTIONS

1. Council could resolve not to enter in a lease with the clubs but continue with the seasonal hire arrangement.
2. Council can resolve to enter into a lease on alternative terms and conditions.

TIMELINE FOR IMPLEMENTATION OF OFFICER RECOMMENDATION

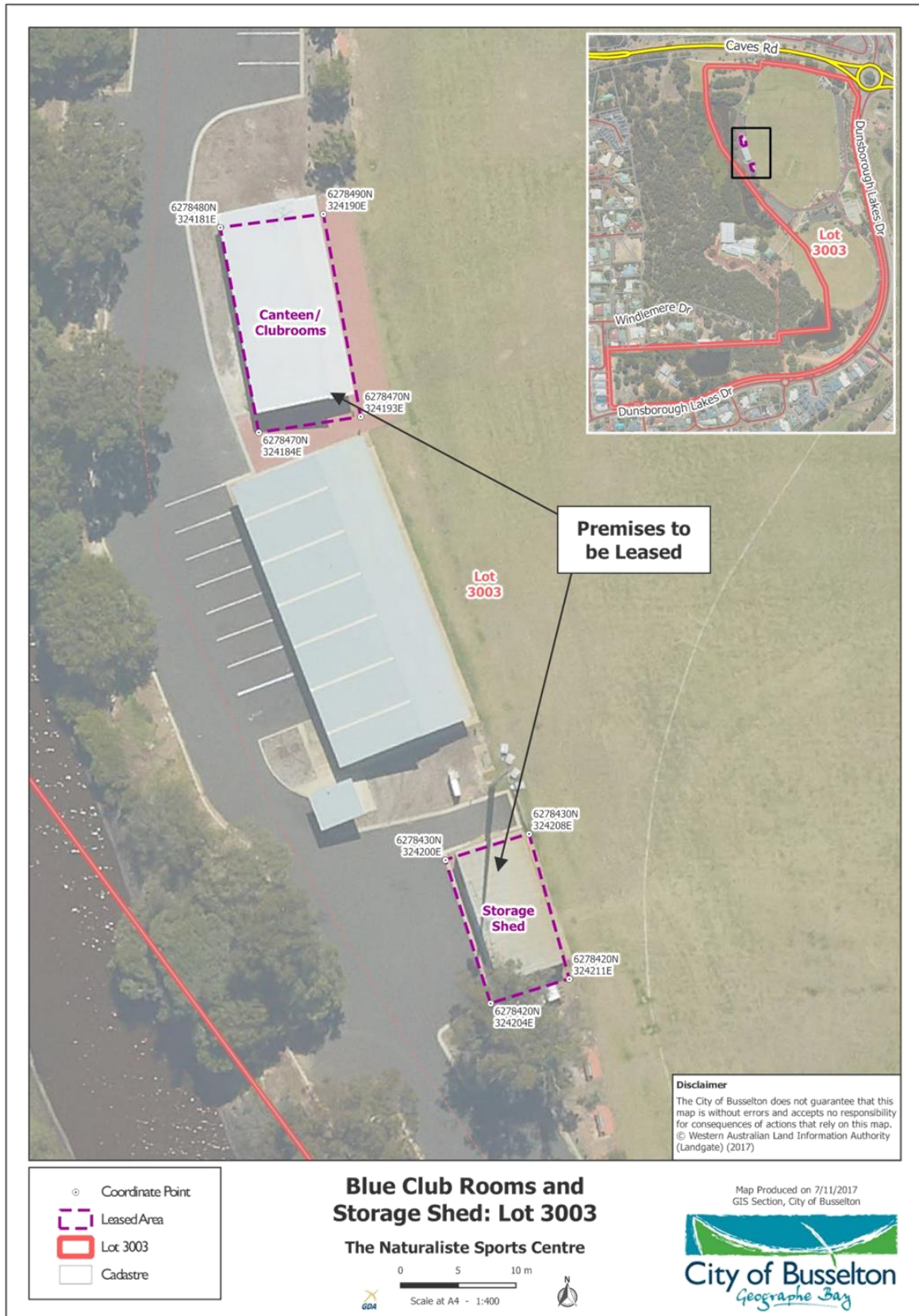
A draft lease will be forwarded to the clubs with a view to commencement of the term by 30 December 2017.

OFFICER RECOMMENDATION

That the Council:

Authorises the CEO to enter into a lease with the Dunsborough Cricket Club (Inc) , the Dunsborough Towners Football Club (Inc). and the Dunsborough Soccer Club (Inc) for the occupation of a portion of Lot 3003, Plan 19111, Volume 853 as shown on Attachment 1 subject to the following:

- a) The annual rent will be \$210 inclusive of GST with annual CPI rent reviews
- b) The term of the lease will be 5 years with a further 5 year option; and
- c) The lease shall be consistent with the City's standard community and sporting group lease



14.3 ACCESSIBILITY OF ONLINE DOCUMENTS

SUBJECT INDEX:	Accessibility of Online Documents
STRATEGIC OBJECTIVE:	Council engages broadly and proactively with the community.
BUSINESS UNIT:	Information Services
ACTIVITY UNIT:	Business Systems
REPORTING OFFICER:	Manager, Information Services - Hendrik Boshoff
AUTHORISING OFFICER:	Director, Finance and Corporate Services - Cliff Frewing
VOTING REQUIREMENT:	Simple Majority
ATTACHMENTS:	Nil

PRÉCIS

This report provides information on the accessibility of documents published online by the City of Busselton. It describes current practice, changes in progress and where the changes might be most effective based on document usage through the public website. The report also details the process involved with document treatment for the visually disabled and the resource requirements associated.

BACKGROUND

At the Ordinary meeting of Council of 23 November 2016 a Notice of Motion was adopted (C1611/141) for the CEO to bring a report to Council within 12 months discussing how accessibility could be improved for documents that the City of Busselton publishes online. The motion originated after a Councillor raised concerns around the digital format of documents on the City's public website.

In particular the accessibility of the information for the visually impaired was raised in conjunction with documents published. It should be noted documents made available for the visually impaired could be categorised to a variety of levels, but the most basic being a document wherein the written text can be interpreted by an electronic system and read out as spoken words.

It was also discussed that the provision of attachments to Council and Committee meeting agendas would format the attachments as pictures when embedded into the agenda, which is not visually impaired compatible at the most basic level.

Even though all Council and Committee meeting agendas and minutes clearly state "*All Information Available in Various Formats on Request*" as part of the cover sheet, the City has no record of receiving a request for documents to be provided in alternative formats to assist the visually disabled over the past decade.

Accessibility of documents also includes the reader's ability to obtain the electronic document in the first place, in particular the file size of Council meeting agendas are noted:

Council Agenda Date	Size (MB)
27 July 2016	74
10 August 2016	87
24 August 2016	170
14 September 2016	80
28 September 2016	79
12 October 2016	39
26 October 2016	31
9 November 2016	108
23 November 2016	16
14 December 2016	53
8 February 2017	23
22 February 2017	14
8 March 2017	27
22 March 2017	32
12 April 2017	31
26 April 2017	60
10 May 2017	37
24 May 2017	26
14 June 2017	62
28 June 2017	137
26 July 2017	41
9 August 2017	45
22 August 2017	20
13 September 2017	76
27 September 2017	54
11 October 2017	108
8 November 2017	33

Average 58 MB

Even though the National Broadband Network (NBN) is progressively being rolled out throughout the Busselton and Dunsborough region, these files would be difficult to download for the average home internet user and even more challenging if done on a mobile device (like an iPad, smartphone, etc.).

The main reason for the file size is because the agenda document would include all relevant attachments embedded into the main document, resulting in a situation where the reader needs to download the entire document even though they might only have an interest in certain sections of the agenda. Development applications consultations might also consist of large documents due to the inclusion of maps and the like, but these documents are generally separated into relevant portions and are topic specific.

STATUTORY ENVIRONMENT

As online publishing is the main means of advertising and document distribution for the City numerous legislation and regulations are applicable to this report. As identified above the two most active sections being Council/Committee reports and development applications consultations the following is seen as most relevant:

Local Government Act 1995 s. 5.25(1)(j)

5.25 Regulations about council and committee meetings and committees...

(1)....

- (j) the circumstances and time in which notice papers and agenda relating to any council or committee meeting and reports and other documents which could be —
 - (i) tabled at a council or committee meeting; or
 - (ii) produced by the local government or a committee for presentation at a council or committee meeting, are to be made available for inspection by members of the public.....

And

Planning and Development Act 2005

Planning and Development (Local Planning Scheme) Regulation 2015 cl.64

64. Advertising applications

(1) An application for development approval must be advertised under this clause if the proposed development —

- (a) relates to the extension of a non-conforming use; or
- (b) relates to a use if —
 - (i) the use is not specifically referred to in the zoning table for this Scheme in respect of the zone in which the development is located; and
 - (ii) the local government determines that the use may be consistent with the objective of that one and that notice of the application should be given;
- or
- (c) does not comply with a requirement of this Scheme; or
- (d) is a development for which the local government requires a heritage assessment to be carried out under clause 11(1); or
- (e) is of a type that this Scheme requires to be advertised.

RELEVANT PLANS AND POLICIES

City of Busselton Disability Access and Inclusion Plan 2014-18 Outcome 3 details the City's current commitment to the provision of accessible information to the community:

Outcome 3

People with disability receive information from City of Busselton in a format that will enable them to access the information as readily as other people are able to access it

Strategy

3.1	Improve community awareness that City information can be provided in alternative formats upon request
3.2	Improve staff awareness of accessible information needs and how to obtain information in other formats
3.3	Ensure that the City's website meets contemporary good practice
3.4	Ensure all promotional materials and documentation regarding services, facilities and customer feedback are in an accessible format using clear and concise language wherever possible.

As the topic includes the distribution of documents as a whole, all plans and policies produced by the City would be affected by system changes.

FINANCIAL IMPLICATIONS

As most of the proposed improvements are utilising existing systems and the changes are more process related there are only minimal financial impacts. That said, if Council selects to have a full review of all document creation processes undertaken or selects to have all documents professionally converted to various accessibility formats it would require significant financial and staff resources and as a consequence this course of action is not proposed.

The initial focus will be to make Council Agendas and Minutes more accessible.

Long-term Financial Plan Implications

Nil

STRATEGIC COMMUNITY OBJECTIVES

Consideration of this matter is consistent with Key Goal 6 – Leadership - Community Objective 6.2 Council engages broadly and proactively with the community.

RISK ASSESSMENT

The risk associated to this report is predominantly reputational, but is not deemed as a high level risk.

<i>Risk</i>	<i>Controls</i>	<i>Consequence</i>	<i>Likelihood</i>	<i>Risk Level</i>
Not exploring available technologies	City officers to keep abreast of new technologies and implement these where appropriate	The City might be criticised for not exploring every avenue available to assist with Outcome 3 of the Disability Access and Inclusion Plan	Medium	Low

CONSULTATION

No specific community consultation was undertaken during the development of this report. However, officers engaged with other Local Governments, the Access and Disability Working Group and Councillor Paine directly to source information and assist with researching the topic.

OFFICER COMMENT

Transforming standard documents into specific accessibility enabled content is a task normally undertaken by organisations with the specialist skills to ensure the content conversion is appropriately done for the disability identified. There are various standards and systems utilised to meet the desired outcomes associated with different levels of disability. City officers requested a quote for a typical conversion service from various specialist vendors for the conversion of an average Council Agenda and estimations are that it would take five to six days and \$15 per page to convert the document to a fully compliant format. This is mostly due to:

- All images in the document lack alternative text and hence not readable by the screen reading software.
- The colour contrast used on certain portion of the document should be enhanced.

- Even though the document has an indexed structure it is not tagged accordingly, which means there is no proper reading structure implement for the document. Therefore, screen reader users will have difficulties to navigate through the document.
- Certain portion of the text is appearing as images.

During the review, officers also looked at the entire process of document generation at the City from initial idea through collaborative editing to complete published result. It was found a significant portion of the document produced by City officers are constructed using Microsoft Office software suite as the document editing tool. It should also be noted this behaviour is consistent with nearly all Local Governments, State Departments and private sector businesses, which can be seen as an unofficial industry standard for larger organisations of similar size and nature to the City of Busselton.

As part of the discussion during the debate of the notice of motion, there was a proposal that documents could be produced using a free editing tool *R Markdown for R Studio* or similar. If the City was to consider changing from the unofficial industry standard document editing software (Microsoft) to using the *R Markdown* or similar tool in its full capacity it would mean all City administration staff would need to be retrained and any value a new recruit might bring to the organisation in the document development space would be limited, which would be a costly and impractical exercise. Therefore officers looked to the capacities within the current systems and processes to achieve similar outcomes.

To this end officers found the production of a Hypertext Markup Language (HTML) version of the final published document bears the most significant value as it relates to document accessibility. As documents published in HTML format effectively turns the document into a mini webpage, with direct online navigation, web like search functionality and no need to download files to be able to access the reports, officers believe this format will have significant improvements to the navigation of large complex documents, in particular the Council meeting agendas and minutes. Furthermore documents published as HTML allow for various accessibility software systems to natively interpret the content and translate it into various other formats, like other languages or audio formats, with little to no involvement from the City.

As the production of well organised and structured HTML documents is not easily done within Microsoft's Office product, officers worked closely with the City's Agenda and Minute management software vendor (InfoCouncil) to determine if the software was able to leverage the inherent document structure built into the InfoCouncil system to deliver a structured and well organised HTML document. Tests revealed it is indeed possible to utilise the structure within the InfoCouncil system to leverage a well organised and structured document ready for web publishing, apart from report attachments which become individual downloadable documents associated to the report. Unfortunately this is only possible for documents constructed using the InfoCouncil Microsoft Word Add-In system, therefore at this time only Council and Committee agendas and minutes can readily be published in this way.

CONCLUSION

As noted above Council and Committee agenda and minutes are generally complex documents covering a large variety of topics and potentially have many different audiences, depending on the individual reports contained in any meeting. Therefore, even though the online publishing of HTML documents will initially be limited to Council and Committee agendas and minutes the City will proceed with dual document publishing of these documents.

The publishing mechanism will be the traditional file format and the second being the publishing of a HTML version of the same document. This way an interested party has the opportunity to download the entire meeting content in one record, which could be useful from a record keeping perspective, or the reader could choose to navigate directly to the report of their interest as web enable content and only choose to download the additional attachments after they had the opportunity to review the entire report.

In keeping with Outcome 3 of the Disability Access and Inclusion Plan City officers will also continue to look for opportunities within other business systems, upgraded technologies and business processes to improve the accessibility of online published documents, as these become available to the City.

OPTIONS

The Council could choose to not accept the report and request any other action deemed appropriate.

OFFICER RECOMMENDATION

That the Council notes the document publishing changes proposed to improve documents that the City of Busselton publishes online.

14.4 PROPOSED LEASE TO THE UNDALUP ASSOCIATION FOR A PORTION OF THE BUSSELTON YOUTH & COMMUNITY CENTRE

SUBJECT INDEX:	Agreements/Contracts
STRATEGIC OBJECTIVE:	Assets are well maintained and responsibly managed.
BUSINESS UNIT:	Corporate Services
ACTIVITY UNIT:	Property Services
REPORTING OFFICER:	Property Management Officer - Julie Oates
AUTHORISING OFFICER:	Director, Finance and Corporate Services - Cliff Frewing
VOTING REQUIREMENT:	Absolute Majority
ATTACHMENTS:	Attachment A Undalup Association Proposed Lease Plan

PRÉCIS

The Busselton Youth & Community Centre (BYCC) is located on Lot 61 Bussell Highway and is owned freehold by the City. The BYCC is used by the community for a variety of purposes. Additionally the City's Youth Services team has been utilising the BYCC for carrying out of youth activities. With completion of the new Youth and Community Activity Building on the Busselton Foreshore imminent, this use will soon cease.

The Undalup Association Inc. (the Association) has met with the City seeking to lease a suitable space to operate their services from. The purpose of this report is to recommend to Council that a portion of the BYCC building be leased to the Association.

BACKGROUND

The BYCC is located at the corner High Street and Bussell Highway, West Busselton and was one of the City's first community facilities. The Centre has a large hall, a smaller function room called the Blue Room, a small meeting room and store called the Youth Room, a generous kitchen and a foyer area containing an old ticket booth that has been converted to a storage facility.

The BYCC is hired out to a variety of groups who use the hall for gymnastics, dance, martial arts, badminton and events. The Blue Room is also hired for events and meetings.

The City has utilised the BYCC youth room as well as the hall and the Blue Room to run school holiday programs and other events. Completion of the new Youth and Communities Activity Building (YCAB) is imminent and from December 2017 the City's Youth Development Team will operate from this new facility leaving the BYCC Youth Room vacant.

The Association provides cultural awareness services, workshop and events that embrace and share the aboriginal culture, with an objective to create meaningful relationships, respect and a sense of belonging in our community. In June 2017, the City received a letter from the Association seeking discussions in relation to a space from which they could operate. The BYCC has been identified as suitable due to its central location, facilities, accessibility and car parking. The Association has also recently been using the Blue Room for activities.

It is therefore proposed that the Association be granted a lease of the Youth Room (the Premises) with non-exclusive use of the foyer and toilets (Common Area) and receive a 50% discount for bookings for other rooms at the BYCC (excluding the Premises).

The terms and conditions of the proposed new lease and reduced hire rates arrangement are detailed in the Officer Recommendation section of this report.

STATUTORY ENVIRONMENT

When disposing of property whether by sale, lease or other means, a Local Government is bound by the requirements of section 3.58 of the Local Government Act (LGA) to advertise the disposition and have regard to any submissions made. Section 3.58 of the LGA provides exemptions to this process with Regulation 30 (2)(b) of the Local Government (Functions & General) Regulations exempting disposal of land to incorporated bodies who are not for profit from the advertising requirements. The constitution of the Association is such that this exemption applies.

The BYCC is located on Lot 61 Bussell Highway, West Busselton on Plan 10211, Volume 1321 and Folio 642 and is owned freehold by the City.

RELEVANT PLANS AND POLICIES

The recommendation to enter into a lease with the Association is generally consistent with the principles of Policy 248, Leases of City Land and Buildings, adopted by Council on 27 July 2016.

FINANCIAL IMPLICATIONS

The rent charged to community and sporting groups leasing City owned land and/or buildings is currently \$210.00 per annum (inclusive of GST), reviewed annually by CPI. It is proposed that this be the annual rent charged to the Association for the lease of the Premises. Additionally, it is proposed that a fifty percent (50%) discount be offered to the Association when hiring any other area of the BYCC.

Under the lease the Association will be responsible for internal repairs and maintenance and outgoings associated with the Premises. The City will continue to be responsible for structural repairs of the BYCC.

Long-term Financial Plan Implications

Nil

STRATEGIC COMMUNITY OBJECTIVES

The officer recommendation is consistent with Key Goal Area 6 of the City's Strategic Community Plan 2017 and specifically the Community Objective 6.4 'Assets are well maintained and responsibly managed' and 1.4 'Community services and programs that support people of all ages and backgrounds'.

RISK ASSESSMENT

There are no identified risks assessed as being of a medium or greater level associated with the Officer recommendation.

CONSULTATION

City Officers have met with members of the Association to discuss the proposal to lease the Youth Room and the use of the Blue Room and kitchen. The Association was provided with a copy of the City's Leasing Guidelines and the City's Community and Sporting Leasing Policy.

OFFICER COMMENT

It is recommended that the City enter into a lease with the Association for the Youth Room, under which they will have access to the foyer and toilet facilities.

The Association will continue to require use of the Blue Room. It is proposed that the lease enable them to hire the Blue Room, or any other area of the BYCC, at a fifty percent (50%) reduced hire rate. This is a similar arrangement to the ArtGeo Cultural Complex.

The Association plays an important role in promoting cultural awareness within our community and offers activities and programs centred on culture, respect and relationships. They have for some time been seeking suitable premises in Busselton to operate from, with location, accessibility, and space for events as well as storage being required.

Although the Youth Room itself is smaller than ideal for the activities of the Association, it provides a good location for them to operate from in terms of a work space, with the Blue Room, which is currently under-utilised, providing a good venue for the running of events and activities.

The proposed term is for an initial period of 2 years followed by a further 2 years plus 1 year option, exercisable by the Association. The commencement date of the lease is expected to be on or before the 30 December 2017.

The Associations use of the Blue Room, kitchen and main hall will continue to be through the City's booking system. This will enable the community to continue utilising the BYCC (excluding the Premises). Currently the Association is paying to hire the Blue Room for their activities; the proposed lease/ reduced rate arrangement will be significantly more cost effective.

It is recommended that the Association be responsible for maintenance and repair of the Premises and for keeping the common areas in a clean and tidy condition when used. The City will retain responsibility for structural maintenance of the building (excluding damage caused by the Association).

CONCLUSION

A lease of the Youth Room will provide certainty and security for the Association as they continue to grow their organisation and services. This proposal also provides an opportunity for the City to increase the utilisation of a valuable community asset, and to strengthen relationships with and generally support the social and economic development of our aboriginal community.

OPTIONS

Council may also consider the following options;

1. Council can resolve to enter into a different term of lease.
2. Council can resolve not to enter into a lease with the Association.

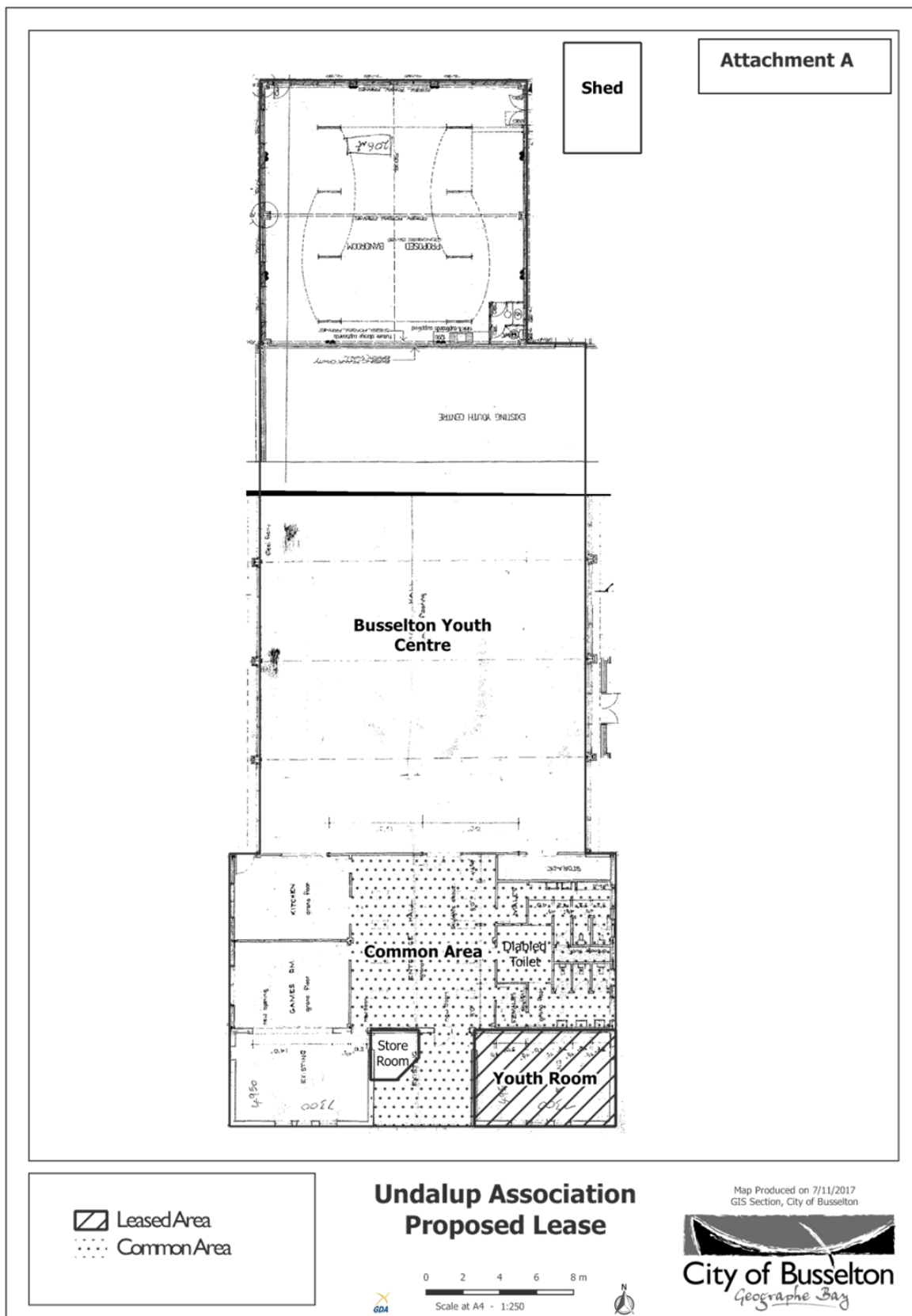
TIMELINE FOR IMPLEMENTATION OF OFFICER RECOMMENDATION

It is anticipated that the lease would be entered into on or before the 30 December 2017.

OFFICER RECOMMENDATION

That the Council:

1. Enter into a lease with Undalup Association Inc. for a portion of Lot 61, Plan 10211, Volume 1321, Folio 642, 47 Bussell Highway, West Busseton, as shown hatched on Attachment A, on the following terms:
 - a) The term of the lease to be 2 years commencing on or before the 30 December 2017, with a 2 year option followed by a further 1 year option.
 - b) The rent to commence at \$210.00 per annum inclusive of GST and to be increased each year by CPI;
 - c) The lease to be consistent with the City's standard community group lease with the exception of clauses requiring that:
 - (i) The lessee is responsible for internal repairs and maintenance of the leased area only;
 - (ii) The lessee is responsible for keeping the common areas in a clean and tidy condition when used; and
 - (iii) The Association receive a fifty percent (50%) discount on current hire rates when hiring any area of the BYCC, for the term of their lease.
 - d) All costs of the preparation of the lease are to be met by the lessee.



14.5 COUNCIL MEETING SCHEDULE FOR 2018

SUBJECT INDEX:	Governance Services
STRATEGIC OBJECTIVE:	Governance systems, process and practices are responsible, ethical and transparent.
BUSINESS UNIT:	Governance Services
ACTIVITY UNIT:	Governance Support and Inter-Council Relations
REPORTING OFFICER:	Administration Officer - Governance - Katie Dudley
AUTHORISING OFFICER:	Director, Finance and Corporate Services - Cliff Frewing
VOTING REQUIREMENT:	Simple Majority
ATTACHMENTS:	Attachment A Proposed Council Meeting Dates 2018 ↓ Attachment B School Holidays/Public Holidays 2018 ↓

PRÉCIS

This report is presented to enable the Council to determine its Ordinary Meeting dates for 2018. In accordance with the *Local Government (Administration) Regulations 1996*, a meeting schedule for the next 12 months must be advertised at least once each year.

BACKGROUND

The proposed meeting schedule generally continues with the Council's adopted approach to Council meetings ie: two Council meetings per month with briefing sessions and Community Access Sessions on two other occasions (with the exception of January, July and December when one meeting per month is proposed).

STATUTORY ENVIRONMENT

It is up to each Council to set its own meeting cycle, dates and procedures, provided that the Council meets at least once every three months in accordance with Section 5.3 of the *Local Government Act 1995*.

Local Government (Administration) Regulation 12 requires a Council to give local public notice of the dates on which and the time and place at which the Ordinary Council meetings are to be held in the next 12 months. Council meeting dates are continually made available on the City's website.

RELEVANT PLANS AND POLICIES

Nil

FINANCIAL IMPLICATIONS

Nil

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'.

RISK ASSESSMENT

Nil

CONSULTATION

Following Council's decision to adopt a meeting cycle, its meeting dates for the next 12 months must be advertised for public information. This will occur prior to the end of 2017.

OFFICER COMMENT

Council would normally hold two meetings each month, however there is one Council meeting in the proposed for January, July and December. Due to Anzac day public holiday the second council meeting in April will be held on Tuesday 24 April 2018. The official meeting days are generally recommended to remain as the second and fourth Wednesday of the month between February and November, excluding July, with the first and third Wednesdays for Community Access Sessions, Councillor briefings and other Councillor planning sessions, where required.

Attachment A shows the proposed 2018 dates for Council Meetings. Attachment B displays the WA School Holidays.

A similar meeting schedule was utilised throughout 2017, with the mid-year break being in line with school holidays as is proposed again for 2018.

The dates of the 10 Western Australian public holidays for 2018 have been checked and one of the holidays coincides with a proposed meeting date. This meeting date is Wednesday 25 April 2018 (Anzac Day).

CONCLUSION

The dates of the meetings for the next 12 months need to be advertised in advance. It is considered appropriate to conduct two council meetings each month, subject to a mid-year break in July to coincide with the school holidays and allowing for the December/January holiday period.

OPTIONS

In accordance with the *Local Government Act 1995*, there are a wide range of options available to the Council with regard to its meeting schedule, subject to a meeting occurring once every three months at the least.

The Council could also of course reduce its meeting cycle to three-weekly, monthly, every second month or quarterly with the requirement simply to meet every three months as a minimum.

TIMELINE FOR IMPLEMENTATION OF OFFICER RECOMMENDATION

The advertising would necessarily occur prior to the end of the year.

OFFICER RECOMMENDATION

That the council adopts the proposed Ordinary Council meeting schedule for 2018 (as shown in attachment A) and the meetings be advertised in accordance with *Local Government (Administration) Regulation 12*.

Council Meeting Schedule 2018
Council Chambers Level 2, Civic and Administration Centre, Causeway Road, Busselton
Meetings Commence at 5.30pm

DATE
Wednesday, 31 January
Wednesday, 14 February
Wednesday, 28 February
Wednesday, 14 March
Wednesday, 28 March
Wednesday, 11 April
Tuesday, 24 April
Wednesday, 9 May
Wednesday, 23 May
Wednesday, 13 June
Wednesday, 27 June
Wednesday, 25 July
Wednesday, 8 August
Wednesday, 22 August
Wednesday, 12 September
Wednesday, 26 September
Wednesday, 10 October
Wednesday, 24 October
Wednesday, 14 November
Wednesday, 28 November
Wednesday, 12 December

Western Australia School Holidays/Public Holidays 2018

2018 School Dates		
School Term / Holiday	Starts	Finishes
Term 1	31 Jan 2018 (Wed)	13 Apr 2018 (Fri)
Autumn Holidays	14 Apr 2018 (Sat)	29 Apr 2018 (Sun)
Term 2	30 Apr 2018 (Mon)	29 Jun 2018 (Fri)
Winter Holidays	30 Jun 2018 (Sat)	15 Jul 2018 (Sun)
Term 3	16 Jul 2018 (Mon)	21 Sep 2018 (Fri)
Spring Holidays	22 Sep 2018 (Sat)	7 Oct 2018 (Sun)
Term 4	8 Oct 2018 (Mon)	13 Dec 2018 (Thu)
Summer Holidays	14 Dec 2018 (Fri)	3 Feb 2019 (Sun)

2018 Public Holidays		
Date	Day	Holiday
1 Jan	Monday	New Year's Day
26 Jan	Friday	Australia Day
5 Mar	Monday	Labour Day
30 Mar	Friday	Good Friday
2 Apr	Monday	Easter Monday
25 Apr	Wednesday	Anzac Day
4 Jun	Monday	Western Australia Day
24 Sep	Monday	Queen's Birthday
25 Dec	Tuesday	Christmas Day
26 Dec	Wednesday	Boxing Day

15. CHIEF EXECUTIVE OFFICER'S REPORT

15.1 COUNCILLORS' INFORMATION BULLETIN

SUBJECT INDEX:	Councillors' Information
STRATEGIC OBJECTIVE:	Governance systems, process and practices are responsible, ethical and transparent.
BUSINESS UNIT:	Executive Services
ACTIVITY UNIT:	Governance Services
REPORTING OFFICER:	Reporting Officers - Various
AUTHORISING OFFICER:	Chief Executive Officer - Mike Archer
VOTING REQUIREMENT:	Simple Majority
ATTACHMENTS:	Attachment A Planning Applications received by the City between 16 October, 2017 and 31 October, 2017 ↓
	Attachment B Planning Applications determined by the City between 16 October, 2017 and 31 October, 2017 ↓
	Attachment C State Administrative Tribunal (SAT) Appeals ↓
	Attachment D Economic Development Taskforce Meeting Minutes ↓

PRÉCIS

This report provides an overview of a range of information that is considered appropriate to be formally presented to the Council for its receipt and noting. The information is provided in order to ensure that each Councillor, and the Council, is being kept fully informed, while also acknowledging that these are matters that will also be of interest to the community.

Any matter that is raised in this report as a result of incoming correspondence is to be dealt with as normal business correspondence, but is presented in this bulletin for the information of the Council and the community.

INFORMATION BULLETIN

15.1.1 Planning and Development Statistics

Attachment A is a report detailing all Planning Applications received by the City between 16 October, 2017 and 31 October, 2017. A total of 50 formal applications were received during this period.

Attachment B is a report detailing all Planning Applications determined by the City between 16 October, 2017 and 31 October, 2017. A total of 67 applications (including subdivision referrals) were determined by the City during this period with 67 approved / supported and 0 refused / not supported.

15.1.2 State Administrative Tribunal (SAT) Appeals

Attachment C is a list showing the current status of State Administrative Tribunal Appeals involving the City of Busselton as at 2 November, 2017.

15.1.3 Busselton Margaret River Airport Water Services Connection

As part of the Busselton Margaret River Airport Development Project the City has engaged Busselton Water to undertake the design and construction of new infrastructure required for the connection of water services supply to the airport lot boundary.

15.1.4 Economic Development Taskforce Meeting Minutes

Attachments D is a copy of the Economic Development Taskforce meeting minutes, held on 26 October 2017.

OFFICER RECOMMENDATION

That the items from the Councillors' Information Bulletin be noted:

- [15.1.1 Planning and Development Statistics](#)
- [15.1.2 State Administrative Tribunal \(SAT\) Appeals](#)
- [15.1.3 Busselton Margaret River Airport Water Services Connection](#)
- [15.1.4 Economic Development Taskforce Meeting Minutes](#)

Applications Received (Deemed Complete) Report									
Application Number	Description	Primary Property Address	Primary Property Legal Desc	Application Received Date	Date Application Deemed Complete	Estimated Cost	Primary Property Owners	Applicant Name	Clock Days
Development Applications									
DA17/0734	Single House (Landscape Value Area)	Sheoak Drive~YALLINGUP WA 6282	Lot 79 PLAN 37901	23/10/2017		2000000	Kimberley Craig Robinson	Kimberley Craig Robinson	0
DA17/0799	Bed and Breakfast (2 people)	12 Gunn Street~WEST BUSSELTON WA 6280	Lot 160 PLAN 59475	16/10/2017	17/10/2017	1	Peter Markovic	Debra Markovic	2
DA17/0800	Single House (Reduced Rear Setback)	22 Roberts Road~ABBEY WA 6280	Lot 1 SSPLN 74438	16/10/2017	19/10/2017	280000	Kael David O'Dea & Brooke Nicole O'Dea	Darren Kirkham	14
DA17/0801	Grouped Dwelling (Reduced Setback/Window Variance)	5/10 Martingale Drive~DUNSBOROUGH WA 6281	Lot 5 SSPLN 55868	16/10/2017	1/11/2017	350000	Robert Henry Goddard & Patricia Joan Goddard	Lynne Sheen	15
DA17/0807	Caravan and Camping Grounds (Demountable Office Building)	162 Caves Road~SIESTA PARK WA 6280	Lot 5303 PLAN 220583	17/10/2017		30000	Scripture Union of Western Australia	Scripture Union of Western Australia	0
DA17/0809	Modified Building Envelope (reduced setback); and Over-height Outbuilding (Landscape Value Area)	3 Samphire Place~DUNSBOROUGH WA 6281	Lot 96 PLAN 49891	17/10/2017	26/10/2017	18800	Jonathan Rex Phipps & Danielle Alexandra Phipps	Busseilton Sheds Plus	14
DA17/0810	Holiday Home (Single House) 2 People	120 Lagoon Drive~YALLINGUP WA 6282	Lot 20 PLAN 21893	17/10/2017	19/10/2017	1	Anne Robyn Gunnell	Anne Robyn Gunnell	17
DA17/0811	Single House Additions/Alterations (Zincalume Roof to Match Existing); and Outbuilding (Zincalume)	6 Kent Street~WEST BUSSELTON WA 6280	Lot 129 PLAN 31822	17/10/2017	18/10/2017	45000	Kathleen Jennifer Green	D'Agostino and Luff Architects Pty Ltd	11
DA17/0813	Outbuilding (Oversized Total Area)	32 Avocet Boulevard~GEOGRAPHE WA 6280	Lot 264 DIAGRAM 82585	19/10/2017		3000	Bradley James Gilson & Leanne Patricia Gilson	Leanne Patricia Gilson	2
DA17/0814	Single House (Reduced Setback)	36 Martingale Drive~DUNSBOROUGH WA 6281	Lot 553 PLAN 410405	19/10/2017	23/10/2017	369598	Scott Brian Watson	Dale Alcock Homes South West Pty Ltd	9

DA17/0815	Modified Building Envelope and Swimming Pool (Landscape Value Area)	110 Nukklgup Loop~YALLINGUP WA 6282	Lot 10 PLAN 38059	18/10/2017		25000	Brett Anthony Moyle & Alesha Marie Moyle	Brett Anthony Moyle, Alesha Marie Moyle	7
DA17/0816	Change of Use - Holiday Home (Single House) 4 People	7 Caladenia Close~EAGLE BAY WA 6281	Lot 4 DIAGRAM 59503	20/10/2017		0	Gary Thomas Claydon & Caroline Ann Claydon	Gary Thomas Claydon, Caroline Ann Claydon	9
DA17/0817	Extension (Quindalup Special Character Area)	212 Geographe Bay Road~QUINDALUP WA 6281	Lot 2 DIAGRAM 36963	20/10/2017	27/10/2017	35000	Anna Teresa Carger	Anna Teresa Carger	2
DA17/0818	Timber Jetty (Port Geographe Special Control Area)	27 Headstay Cove~GEOGRAPHE WA 6280	Lot 31 PLAN 57392	16/10/2017		16000	Cherri Margaret Brown & Geoffrey Mervyn Hard	West Coast Jetties	10
DA17/0819	Garage (reduced setbacks)	5 Harnett Street~BROADWATER WA 6280	Lot 73 DIAGRAM 32496	17/10/2017	27/10/2017	13000	Peter Wayne Buswell & Ellen Buswell	Peter Wayne Buswell, Ellen Buswell	10
DA17/0820	Alterations and Additions to Existing Residence, New Garage and Outbuilding (Reduced Front, Side and Rear Setbacks) (Quindalup Special Character Area)	4 Pine Court~QUINDALUP WA 6281	Lot 31 PLAN 11902	20/10/2017	31/10/2017	300000	Debra Lee Renn & Richard Frank Renn	Mark Webster	8
DA17/0821	2 Grouped Dwellings	32 Derek Street~WEST BUSSELTON WA 6280	Lot 116 DIAGRAM 39402	16/10/2017	2/11/2017	472722	Christopher Ian Jones & Cathy Margaret Cowcher	BGC Residential Pty Ltd	4
DA17/0822	Over-height Outbuilding	81 Switchback Parade~WEST BUSSELTON WA 6280	Lot 898 PLAN 407130	24/10/2017	31/10/2017	12000	Anthony Thomas Chitty & Elena Frances Chitty	Anthony Thomas Chitty, Elena Frances Chitty	10
DA17/0823	Single House (Reduced Setback)	27 Serpentine Bend~YALYALUP WA 6280	Lot 44 PLAN 404829	16/10/2017		193683	Mary Donald Nominees Pty Ltd/a DJ MacCormick Property Group	BGC Residential Pty Ltd	7
DA17/0824	Additions to Existing Oversized Outbuilding	106 Pinnacle Avenue~AMBERGATE WA 6280	Lot 119 PLAN 45238	23/10/2017	23/10/2017	15000	Craig Edward Crampton & Rebecca Crampton	Craig Edward Crampton, Rebecca Crampton	8
DA17/0825	Patio Addition to a Single House (Reduced Setback)	1/2 Seagrass Cove~DUNSBOROUGH WA 6281	Lot 1 SSPLAN 38277	18/10/2017	23/10/2017	2100	Susan Patricia Cowcher	Ben Austin	12
DA17/0826	Change of Use - Holiday Home (Single House) 12 People	101 Kinross Loop~QUINDALUP WA 6281	Lot 235 PLAN 68461	18/10/2017	23/10/2017	1	Estate Of Warwick Harold Mitford Rowell & Gillian Elizabeth Rowell	Richard Mitford Rowell	5
DA17/0827	Patio Addition to Single House (Reduced Setback)	31 Castleroy Terrace~DUNSBOROUGH WA 6281	Lot 659 PLAN 44229	19/10/2017	23/10/2017	4990	Murray Charles Green & Leonie Maree Herdman	CPR Outdoor Centre	11

DA17/0828	Reception Centre	15/4072 Caves Road~WILYABRUP WA 6280	Lot 15 STPLN 30305	19/10/2017		1	Patricia Clare Poynton	Patricia Clare Poynton	15
DA17/0830	Factory Unit Building (Five Commercial Units)	4 Faure Lane~DUNSBOROUGH WA 6281	Lot 916 PLAN 45007	24/10/2017	26/10/2017	580000	Christine Ann Davies & Gary Clive Berwyn Davies	Gary Clive Berwyn Davies, Christine Ann Davies	7
DA17/0831	Sea Container (Storage)	10 Averil Street~ABBEY WA 6280	Lot 41 PLAN 7643	16/10/2017		1	Kellie Ann Curnuck & Damien Shaun Curnuck	Kellie Ann Curnuck, Damien Shaun Curnuck	8
DA17/0832	Reception Centre and Two Chalets	66 Vidler Road~NATURALISTE WA 6281	Lot 100 PLAN 24538	19/10/2017	30/10/2017	20000	Nicolas Mesdag	Able Planning & Project Management	12
DA17/0833	Holiday Home (Single House) 8 People	120 Geographe Bay Road~QUINDALUP WA 6281	Lot 21 DIAGRAM 39912	20/10/2017		0	Malcolm Ross Walker	Malcolm Ross Walker	4
DA17/0834	Single House, Outbuildings and Modified Building Envelope (Landscape Value Area)	Nukklgup Loop~YALLINGUP WA 6282	Lot 11 PLAN 38059	24/10/2017	30/10/2017	400000	Peter Leslie Bradley & Karen Alyssa Bradley	Peter Leslie Bradley, Karen Alyssa Bradley	6
DA17/0836	Single House (Reduced Balcony Setback)	9 Hennessey Loop~DUNSBOROUGH WA 6281	Lot 27 PLAN 50804	24/10/2017		480000	Jeffrey Samuel Dick & Linda Christine Casey Dick	Space Light Order	6
DA17/0837	Change of Use - Use Not Listed (Small Bar)	16 Cyrilleean Way~DUNSBOROUGH WA 6281	Lot 106 PLAN 36824	24/10/2017	25/10/2017	1	Barka Pty Ltd	The Ripe Bunch Pty Ltd	2
DA17/0838	Single House and Ancillary Dwelling	7 Norfolk Street~DUNSBOROUGH WA 6281	Lot 107 PLAN 20430	24/10/2017	25/10/2017	600000	Sada Illmann-Rhelan & Margaret Louise Illmann-Rhelan	Naked Architecture	5
DA17/0839	Single House (Reduced Setback)	12 Julianne Street~BROADWATER WA 6280	Lot 64 PLAN 7895	25/10/2017	30/10/2017	300000	Michelle Lee Tilbrook & Zachary Jonathan Reiger	Michelle Lee Tilbrook, Zachary Jonathan Reiger	7
DA17/0840	Holiday Home (Single House) - 6 People	154 Kent Street~BUSSELTON WA 6280	Lot 3 DIAGRAM 15108	25/10/2017	31/10/2017	1	Darren Mervin Miles & Nicole Leanne Miles	Darren Mervin Miles, Nicole Leanne Miles	1
DA17/0841	Bed and Breakfast	46 Cardinal Crescent~WEST BUSSELTON WA 6280	Lot 503 PLAN 23808	25/10/2017	31/10/2017	1	Jill Rebecca McIntyre	Jill Rebecca McIntyre	2
DA17/0842	Holiday Home (Single House) 12 People	792 Geographe Bay Road~WEST BUSSELTON WA 6280	Lot 42 PLAN 8541	25/10/2017	27/10/2017	1	Graham Bosveld & Marion Abigail Bosveld	Graham Bosveld, Marion Abigail Bosveld	3
DA17/0843	Signage (Pylon Display Sign)	80 Gurnard Loop~KEALY WA 6280	Lot 1480 PLAN 409125	25/10/2017		5500	BGC Residential Pty Ltd	BGC Residential Pty Ltd	5
DA17/0844	Relocated Building Envelope to Accommodate Extensions to an Existing Outbuilding	250 Brash Road~YALLINGUP WA 6282	Lot 30 PLAN 68867	26/10/2017	30/10/2017	14000	Honor Judith Putland-Saunders	Craig Saunders	5

DA17/0845	Additions / Alterations to Existing Single House (Special Control Area)	402 Caves Road~SIESTA PARK WA 6280	Lot 7 PLAN 26508	26/10/2017	30/10/2017	86000	Helen Anne Hanson & Geoffrey Edward Hanson	Clark Coastal Build Pty Ltd	5
DA17/0846	Change of Use - Holiday Home (Single House) 8 People	62 Spindrift Cove~QUINDALUP WA 6281	Lot 31 PLAN 23252	27/10/2017	30/10/2017	1	Tasc WA Pty Ltd	Andrew Turner, Suzanne Gordine Turner	3
DA17/0847	Illuminated Signage	22-38 Peel Terrace~BUSSELTON WA 6280	Lot 73 PLAN 49894	27/10/2017		250	City of Busselton	Innovest Construction Pty Ltd	3
DA17/0848	Outbuilding	1 Grace Court~WEST BUSSELTON WA 6280	Lot 500 PLAN 34157	27/10/2017		30000	Cornerstone Church of Christ Incorporated	Sheds Down South	3
DA17/0849	Outbuilding (Reduced Setback)	21 Shovelboard Way~VASSE WA 6280	Lot 334 PLAN 23479	30/10/2017	30/10/2017	25000	Kimberley Charles Yates & Kerry-Anne Yates	Busselton Sheds Plus	1
DA17/0850	One Sea Container and Dome Roof	6 Faure Lane~DUNSBOROUGH WA 6281	Lot 3 STPLN 70772	28/10/2017		16500	Olivier Vincent Jean-Marie Behiels & Marion Marjorie Behiels	Olivier Vincent Jean-Marie Behiels, Marion Marjorie Behiels	3
DA17/0851	Single House (Port Geographe, reduced setback)	14 Burgee Cove~GEOGRAPHE WA 6280	Lot 11 PLAN 57392	31/10/2017		250000	Southern Built Homes Pty Ltd	Southern Built Homes Pty Ltd	0
DA17/0852	Single House, Rainwater Tank and Modified Building Envelope (Landscape Value Area)	151A Vintners Drive~QUINDALUP WA 6281	Lot 58 PLAN 33465	31/10/2017		480000	David Philip Wood & Amanda Louise Wood	Mark Webster Design	0
DA17/0853	Outbuilding (Reduced Setbacks)	13 Fitzroy Link~VASSE WA 6280	Lot 26 PLAN 56807	1/11/2017		30000	Michael John McNamara	Michael John McNamara	0
WAPC17/0041	Two Lot Survey Strata Subdivision	970 Geographe Bay Road~GEOGRAPHE WA 6280	Lot 2 SSPLN 65559	23/10/2017	23/10/2017	0	Stephen Brian Hayward	BSO Development Consultants Pty Ltd	11
WAPC17/0042	2 Lot Subdivision (9386m2 + 2000m2)	5 Picquet Close~EAGLE BAY WA 6281	Lot 214 PLAN 28889	26/10/2017	26/10/2017	0	Christopher Brian Heyring & Ann Elizabeth Heyring	SurvCon Pty Ltd	8
WAPC17/0043	29 Lot Subdivision	1442 Wildwood Road~YALLINGUP WA 6282	Lot 115 PLAN 30086	30/10/2017	30/10/2017	0	William Michael Butterly, Stephen Joseph Butterly, Dawn Beverly Butterly	Able Planning & Project Management	4

Applications Determined Report										
Application Number	Description	Primary Property Address	Primary Property Legal Desc	Applic Determined Date	Application Determined Result	Decision	Clock Days	Estimated Cost	Primary Property Owners	Applicant Name
Development Applications										
DA16/0503	Market	24 Dunn Bay Road~DUNSBOROUGH WA 6281	Lot 202 DIAGRAM 92952	18/10/2017	Approved	Approved	79	170000	24 DB Pty Ltd	24 DB Pty Ltd
DA16/0543	Extractive Industry (Gravel)	755 Ludlow-Hithergreen Road~RUABON WA 6280	Lot 61 PLAN 49002	19/10/2017	Approved	Approved	8	1	Christopher Ian Harbeck, Gilbert Arthur Harbeck, Maureen Lesley Harbeck	BSO Development Consultants Pty Ltd
DA17/0265	Childcare Centre	80 West Street~WEST BUSSELTON WA 6280	Lot 17 PLAN 1717	31/10/2017	Approved	Approved	6	1100000	Realview Holdings Pty Ltd	Joe Prestipino Building Design
DA17/0587	Single House (Special Character Area)	1A Gifford Road~DUNSBOROUGH WA 6281	Lot 102 PLAN 64709	17/10/2017	Approved	Approved	71	1000000	Jacqueline Williams	Craig Steere Architects
DA17/0595	Single House Renovation (with reduced setbacks) Special Character Area	8 Geographe Close~QUINDALUP WA 6281	Lot 5 PLAN 12649	24/10/2017	Approved	Approved	26	450000	Andrew Robert Sime & Nikki Sime	Andrew Robert Sime, Nikki Sime
DA17/0602	Activity Room Addition	110 Caves Road~SIESTA PARK WA 6280	Lot 5303 PLAN 220583	23/10/2017	Approved	Approved	57	385000	Masonic Care WA	Masonic Care WA
DA17/0610	Store Room Addition (Landscape Value Area)	32 Fern Road~EAGLE BAY WA 6281	Lot 48 PLAN 12895	31/10/2017	Approved	Approved	50	13000	City of Busselton	Eagle Bay Community Hall Assc Inc
DA17/0629	Oversized and Over-height Outbuilding	5 Otway Pass~WEST BUSSELTON WA 6280	Lot 356 PLAN 402935	16/10/2017	Approved	Approved	40	13613	Benjamin Clive Henderson	Benjamin Clive Henderson
DA17/0632	2x Grouped Dwellings (Second Dwelling & Additions/Alterations to Existing)	8 Earnshaw Road~WEST BUSSELTON WA 6280	Lot 32 PLAN 7428	20/10/2017	Approved	Approved	63	180000	Janina Lee Downes & Brian Stephen Massara	Able Planning & Project Management
DA17/0634	Holiday Home (Single House) 4 People	50 Hammond Road~YALLINGUP WA 6282	Lot 25 PLAN 8037	23/10/2017	Approved	Approved	53	1	Kristian Neil Moore	Kristian Neil Moore

DA17/0638	Additions to Existing Outbuilding (reduced setbacks)	25 Jones Way~ABBEY WA 6280	Lot 6 PLAN 9684	23/10/2017	Approved	Approved	56	18821	Gregory Alan Robinson & Marie Susan Robinson	CPR Outdoor Centre
DA17/0639	Sea Container (storage)	26 Barlee Street~BUSSELTON WA 6280	Lot 32 DIAGRAM 78070	20/10/2017	Approved	Approved	49	5000	Murray John Rynvis & Philippa Anne Rynvis	Broadwater Fencing
DA17/0645	Change of Use - Holiday Home (Grouped Dwelling) 6 people	2/26 Bird Crescent~DUNSBOROUGH WA 6281	Lot 2 SSPLN 33488	24/10/2017	Approved	Approved	54	1	Louise Georgia Douglas, Robert Ian Murphy, Phillip Edward Edmiston, Karen Barbara Harrop	Louise Georgia Douglas, Robert Ian Murphy, Phillip Edward Edmiston, Karen Barbara Harrop
DA17/0659	Grouped Dwelling	12/5 Curtis Street~DUNSBOROUGH WA 6281	Lot 12 SSPLN 39345	18/10/2017	Approved	Approved	5	400000	Sefton Peter Ford	Gavin Nelmes
DA17/0661	Two (2) Grouped Dwellings	278A Geographe Bay Road~QUINDALUP WA 6281	Lot 1 SSPLN 64003	18/10/2017	Approved	Approved	18	700000	Terry Edwin Cornelius & Michele Mary Cornelius	Richard David Norrish
DA17/0667	Extension to Existing Over-height & Oversized Outbuilding	5 Zamia Grove~YALLINGUP WA 6282	Lot 31 PLAN 21024	17/10/2017	Approved	Approved	15	19000	M&M Investments (WA) Pty Ltd	M&M Investments (WA) Pty Ltd
DA17/0668	Oversized Outbuilding & Additional Water Tank (Landscape Value)	120 Lagoon Drive~YALLINGUP WA 6282	Lot 20 PLAN 21893	17/10/2017	Approved	Approved	11	100000	Anne Robyn Gunnell	Busselton Sheds Plus
DA17/0670	Sea Container	1 Artisan Street~BUSSELTON WA 6280	Lot 61 PLAN 13808	24/10/2017	Approved	Approved	6	1	Russell John Chinnery & Elsie Joy Chinnery	Elsie Joy Chinnery, Russell John Chinnery
DA17/0672	Single House (Port Geographe Development Area)	32 Gunwale Elbow~GEOGRAPHE WA 6280	Lot 132 PLAN 59251	18/10/2017	Approved	Approved	45	497000	Thomas Elliott Sibson & Caitlin Joan Hughes	Thomas Elliott Sibson, Caitlin Joan Hughes
DA17/0674	Single House Patio Additions (Reduced Setbacks)	10 Roubion Gardens~YALALUP WA 6280	Lot 680 PLAN 400970	25/10/2017	Approved	Approved	53	9490	Yvonne Elizabeth Muir	CPR Outdoor Centre
DA17/0676	Tree Removal (Special Character Area)	22B Bay View Crescent~DUNSBOROUGH WA 6281	Lot 1 SSPLN 57477	18/10/2017	Approved	Approved	45	1000	Clive James McDonnell & Nee Phua	DMG Australia
DA17/0677	Single House (Reduced Setback)	11 Durban Way~DUNSBOROUGH WA 6281	Lot 1272 PLAN 407774	16/10/2017	Approved	Approved	23	214720	Brooke Small	Tangent Nominees Pty Ltd
DA17/0680	Second Storey Addition to Existing Single House (Reduced Setback)	21 King Street~WEST BUSSELTON WA 6280	Lot 2 SSPLN 53566	17/10/2017	Approved	Approved	40	125178	Stephen Blackwell	Tangent Nominees Pty Ltd

DA17/0681	Overheight Outbuilding (Reduced Setback) & Modified Building Envelope	37 Angus Close~BOVELL WA 6280	Lot 189 PLAN 52786	23/10/2017	Approved	Approved	12	20000	Jennifer Anne Fisher & Trevor James Fisher	Busselton Sheds Plus
DA17/0683	Single House (Reduced Setback)	4 Camargo Loop~DUNSBOROUGH WA 6281	Lot 220 PLAN 407786	27/10/2017	Approved	Approved	10	288066	Wendy Ann Francis & Bevan Trevor Francis	Dale Alcock Homes South West Pty Ltd
DA17/0684	Single House - Replace Existing Roof (Municipal Heritage Inventory)	33 Duchess Street~BUSSELTON WA 6280	Lot 2 DIAGRAM 5348	23/10/2017	Approved	Approved	42	25000	Carolyn Jane Donnelly & Peter Geoffrey Donnelly	Peter Geoffrey Donnelly, Carolyn Jane Donnelly
DA17/0689	Change of Use - Managers Residences to 1 x Grouped Dwelling and 2 x Multiple Dwellings	35/12 Dunn Bay Road~DUNSBOROUGH WA 6281	Lot 35 STPLN 29439	25/10/2017	Approved	Approved	42	1	Fallston Pty LtdT/A Dunsborough Bay Village ResortTrust Fund The Bay Village Unit Trust & Kimberly Royston Hancock	Fallston Pty Ltd T/A Dunsborough Bay Village Resort Trust Fund The Bay Village Unit Trust, Kimberly Royston Hancock
DA17/0690	Change of Use from Warehouse to Bulk Store	1/32 Faure Lane~DUNSBOROUGH WA 6281	Lot 1 STPLN 59674	31/10/2017	Approved	Approved	43	150000	Hooper Storage Co Pty Ltd	Kenneth Michael Hooper
DA17/0691	Change of Use - Holiday Home (Grouped Dwelling) 6 people	2/33 Spinnaker Boulevard~GEOGRAPH HE WA 6280	Lot 2 SSPLN 55723	23/10/2017	Approved	Approved	20	1	Frederick George Pope & Laurie-Paula Pope	Frederick George Pope, Laurie-Paula Pope
DA17/0693	Special Control Area(s): Single House Addition (garage with reduced front setback)	11 Koorinal Retreat~MARYBROOK WA 6280	Lot 206 DIAGRAM 94786	18/10/2017	Approved	Approved	39	15000	Nicole Gayle Donachie	Busselton Sheds Plus
DA17/0694	Public Amenities Building and Bin Store (Vasse Piazza)	Napoleon Promenade~VASSE WA 6280	Lot 120 PLAN 405345	25/10/2017	Approved	Approved	42	650000	State of WA	Roxby Architects
DA17/0695	Enclose Existing Carport	1/89 Gifford Road~DUNSBOROUGH WA 6281	Lot 1 SSPLN 38802	18/10/2017	Approved	Approved	22	8000	Dylan Jan Leeuwenburg & Kate Louise Leeuwenburg	Mark Webster Design
DA17/0698	Outbuilding (Landscape Value Area)	25 Hebrides Close~QUINDALUP WA 6281	Lot 262 PLAN 68461	17/10/2017	Approved	Approved	3	19000	Steven Michael James & Heidi Elizabeth James	Steven Michael James, Heidi Elizabeth James
DA17/0701	Single House (Landscape Value Area)	113 Kinross Loop~QUINDALUP WA 6281	Lot 237 PLAN 68461	23/10/2017	Approved	Approved	34	550000	Ian Philip Wilson & Kathleen Jane Wilson	Ian Philip Wilson, Kathleen Jane Wilson
DA17/0703	Single House (Landscape Value Area)	136 Woodbridge Vale~YALLINGUP SIDING WA 6282	Lot 12 PLAN 38741	25/10/2017	Approved	Approved	12	256184	Alister Charles Hocks & Cassandra Hocks	Leimac Building Pty Ltd

DA17/0708	Masonry Wall (Signage)	31 Bussell Highway~WEST BUSSELTON WA 6280	Lot 79 DIAGRAM 48867	23/10/2017	Approved	Approved	34	10000	Amelia Park Holdings Pty Ltd	Alan Lee
DA17/0709	Garage/Outbuilding (reduced setback)	5/880 Geographe Bay Road~WEST BUSSELTON WA 6280	Lot 5 SSPLN 4367	19/10/2017	Approved	Approved	13	12000	Paul Ian Durrant & Susan Lynette Durrant	Paul Ian Durrant, Susan Lynette Durrant
DA17/0710	Single House (within a Special Character Area) with Modified Building Envelope	9 Waterlily Cove~EAGLE BAY WA 6281	Lot 122 PLAN 18346	23/10/2017	Approved	Approved	31	1000000	Hampton Park Pty Ltd	Clayton John Lindley Naked Architecture
DA17/0711	Single House - Front Brushwood Fence (1.8 metres) & Retaining Wall	42 Hakea Way~DUNSBOROUGH WA 6281	Lot 155 DIAGRAM 85059	18/10/2017	Approved	Approved	28	4000	Ian Small & Janet Rayner	Ian Small, Janet Rayner
DA17/0715	Single House (reduced setback)	11 Blum Boulevard~YALYALUP WA 6280	Lot 256 PLAN 23798	30/10/2017	Approved	Approved	17	399991	Robert Peter Watson Reynolds & Ebony Paige Reynolds	M&MJ Constructions Pty Ltd
DA17/0716	Signage (Two)	Heritage Drive~VASSE WA 6280	Lot 2007 PLAN 52474	26/10/2017	Approved	Approved	34	1000	State of WA	Heron Lake Investments Pty Ltd
DA17/0717	Masonry Wall (Signage)	3 Coley Road~YALLINGUP WA 6282	Lot 772 PLAN 38066	27/10/2017	Approved	Approved	31	4869	Cape Naturaliste Wines Pty Ltd	Cape Naturaliste Wines Pty Ltd
DA17/0722	Signage (located on adjacent road reserve)	97 Caves Road~ABBEEY WA 6280	Lot 3 DIAGRAM 46285	19/10/2017	Approved	Approved	76	12762	RAC Tourism Assets Pty Ltd	Albec Constructions
DA17/0723	Patio (Grouped Dwelling)	4/2 Lecaille Court~DUNSBOROUGH WA 6281	Lot 4 STPLN 30658	17/10/2017	Approved	Approved	21	9270	Hurstmead Pastoral Company Pty Ltd	CPR Outdoor Centre
DA17/0729	Single House (Special Character Area)	21A North Street~DUNSBOROUGH WA 6281	Lot 43 DIAGRAM 54769	27/10/2017	Approved	Approved	24	272565	Gregory Robert Ellis	Milford Homes Pty Ltd
DA17/0733	Modified Building Envelope and Carport	14 Corymbia Close~YALLINGUP WA 6282	Lot 3 PLAN 52697	17/10/2017	Approved	Approved	18	7517	Adam Paul Wright & Hannah Wright	Sheds Down South
DA17/0735	Single House (Garage on Primary Street)	8 Shoveler Road~GEOGRAPHE WA 6280	Lot 217 PLAN 402926	16/10/2017	Approved	Approved	13	236732	Cheryl Anne Kissane & David Patrick Kissane	Tangent Nominees Pty Ltd
DA17/0736	Single House (Reduced Rear Setback)	30 Serpentine Bend~YALYALUP WA 6280	Lot 72 PLAN 407789	31/10/2017	Approved	Approved	19	226396	Mark Anthony Linczmaier	Dale Alcock Homes South West Pty Ltd

DA17/0738	Patio (reduce side setback)	16 Egyptian Street~KEALY WA 6280	Lot 1147 PLAN 400047	31/10/2017	Approved	Approved	39	10250	Scott Thomson & Catherine Elizabeth Thomson	Patio Life Australia
DA17/0740	Modified Building Envelope to Accommodate Over-height Extension (Landscape Value Area)	169 Butterfly Road~YALLINGUP WA 6282	Lot 1 PLAN 33476	16/10/2017	Approved	Approved	5	100000	Jorley Developments Pty Ltd	Jorley Developments Pty Ltd
DA17/0744	Modified Building Envelope to Accommodate Outbuilding	12 Serene Place~QUINDALUP WA 6281	Lot 5 PLAN 76913	17/10/2017	Approved	Approved	5	1	Craig Charles Brown & Amanda Jane Touhill	Craig Charles Brown, Amanda Jane Touhill
DA17/0745	Single House (Reduced Setback)	11 Somerset Road~DUNSBOROUGH WA 6281	Lot 1221 PLAN 406062	17/10/2017	Approved	Approved	14	159252	Kathryn Lee Jackson & Pablo Martin Colombino	BGC Residential Pty Ltd
DA17/0747	Forestry (Bluegum Harvesting)	1010 Wildwood Road~YALLINGUP SIDING WA 6282	Lot 452 PLAN 112126	24/10/2017	Approved	Approved	20	1	Narelle Roslyn Topham	Narelle Roslyn Topham
DA17/0748	Signage (Display Home)	6 Amberjack Avenue~KEALY WA 6280	Lot 1421 PLAN 409125	31/10/2017	Approved	Approved	0	847	Hayes Developments Pty Ltd	Dale Alcock Homes South West Pty Ltd
DA17/0749	Hotel (Alterations to paving and roof cover)	30-38 Marine Terrace~BUSSELTON WA 6280	Lots 20 & 300	31/10/2017	Approved	Approved	25	175000	EHB Holdings Pty Ltd	Greg Davies
DA17/0755	Additions to Existing Single House (Landscape Value Area)	178 Brushwood Brook Drive~YALLINGUP WA 6282	Lot 6 PLAN 21027	24/10/2017	Approved	Approved	21	18000	Lloyd Christopher Maria Gradisen & Linda Gay Gradisen	Lloyd Christopher Maria Gradisen, Linda Gay Gradisen
DA17/0759	Outbuilding (Landscape Value Area)	201 Woodbridge Vale~YALLINGUP SIDING WA 6282	Lot 36 PLAN 41217	24/10/2017	Approved	Approved	19	21000	Michael Jeffrey Back & Tracy Leanne Back	Sheds Down South
DA17/0760	Change of Use - Holiday Home (Single House) 6 people	17 Norman Road~BROADWATER WA 6280	Lot 59 DIAGRAM 54193	16/10/2017	Approved	Approved	9	0	Kevin James Corten, Pamela Jane Corten, Geoffrey Charles Corten, Kathleen Mary Anquetil, Colin Edwyn Corten	Kevin James Corten
DA17/0783	Change of Use - Holiday Home (Single House) 10 people	8 Carinya Rise~DUNSBOROUGH WA 6281	Lot 93 PLAN 20617	19/10/2017	Approved	Approved	7	0	Ross Maxwell Woodley & Roslyn Patricia Woodley	Ross Maxwell Woodley, Roslyn Patricia Woodley

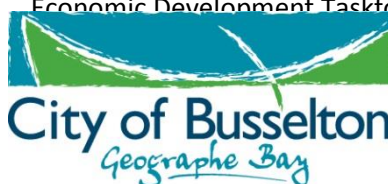
DA17/0789	Gazebo for Tourist Accommodation (Reduced Setback)	40 Gale Street~WEST BUSSELTON WA 6280	Lot 100 DIAGRAM 76971	19/10/2017	Approved	Approved	1	7000	Cherie Anne Peacock & John Mark Peacock	Cherie Anne Peacock, John Mark Peacock
DA17/0794	Retaining Walls, Boundary Walls & Plant Room (Port Geographe Development Area)	42 Lanyard Boulevard~GEOGRAPH HE WA 6280	Lot 80 PLAN 59251	26/10/2017	Approved	Approved	12	19500	John Kevin Frankham	Dunsborough Pool and Spa
DA17/0798	Holiday Home (8 people)	20 Honeyeater Crescent~GEOGRAPH E WA 6280	Lot 585 PLAN 23306	17/10/2017	Approved	Approved	0	1	Andrea Marden & Simon David Marden	Simon David Marden
DA17/0799	Bed and Breakfast (2 people)	12 Gunn Street~WEST BUSSELTON WA 6280	Lot 160 PLAN 59475	17/10/2017	Approved	Approved	2	1	Peter Markovic	Debra Markovic
DA17/0802	Change of Use - Holiday Home (Single House) 8 people	1 Reynolds Street~WEST BUSSELTON WA 6280	Lot 1 SSPLN 58299	31/10/2017	Approved	Approved	14	1	Michael James Drown & Dionne Natasha Drown	Michael James Drown, Dionne Natasha Drown
DA17/0803	House Extension (Landscape Value Area)	25 Hebrides Close~QUINDALUP WA 6281	Lot 262 PLAN 68461	20/10/2017	Approved	Approved	6	150000	Steven Michael James & Heidi Elizabeth James	Steven Michael James, Heidi Elizabeth James
DA17/0817	Extension (Quindalup Special Character Area)	212 Geographe Bay Road~QUINDALUP WA 6281	Lot 2 DIAGRAM 36963	27/10/2017	Approved	Approved	2	35000	Anna Teresa Carger	Anna Teresa Carger
DA17/0838	Single House and Ancillary Dwelling	7 Norfolk Street~DUNSBOROUGH WA 6281	Lot 107 PLAN 20430	31/10/2017	Approved	Approved	5	600000	Sada Illmann-Rhelan & Margaret Louise Illmann-Rhelan	Naked Architecture
WAPC16/0039	Survey Strata - 5 x Lots including Common Property (180m2 - 269m2)	15 Mackerel Avenue~KEALY WA 6280	Lot 1115 PLAN 408151	19/10/2017	Approve	Approved	40	0	Ventura Home Group Pty Ltd	Harley Dykstra

(Note: All applications (excluding WAPC matters) are managed by the legal services section of Finance and Corporate Services in conjunction with the responsible officer below.)

As at 3 November 2017

APPEAL (Name, No. and Shire File Reference)	PROPERTY	DATE COMMENCED	DECISION APPEAL IS AGAINST	RESPONSIBLE OFFICER	STAGE COMPLETED	NEXT ACTION AND DATE OF ACTION AS PER SAT ORDERS	DATE COMPLETED / CLOSED
CITY OF BUSSELTON APPEALS							
24DB Pty Ltd v City of Busselton	24 Dunn Bay Road, Dunsborough	March, 2017	Market	Paul Needham	<ul style="list-style-type: none"> • Notice of Directions Hearing on 17 March, 2017 against City of Busselton decision to refuse application. • Mediation on 22 March 2017 where it was resolved that by 28 April 2017 the applicant must provide additional and amended information. The City is invited to reconsider its decision at its meeting on 14 June 2017; • Directions hearing further vacated 20 October 2017. • Assessment / reconsideration report to Council for 11 October 2017 • Council Approved revised application on 11 October 2017; Directions Hearing to be held 20 October 2017, likely that appeal to be withdrawn. • The directions hearing was vacated and the proceedings withdrawn. 	Application withdrawn 19 October, 2017	
Forrest v City of Busselton	Lots 3 and 237 Ludlow Park Road	October, 2017	Appeal against refusal of Development Application for Extractive Industry	Joanna Wilson	<ul style="list-style-type: none"> • Notice of Directions Hearing on 3 November, 2017 against City of Busselton decision to refuse the application, the following orders were made: <ul style="list-style-type: none"> - S.31 Reconsideration of the decision on or before 14 February 2017; - In the event that the parties are unlikely to agree Mediation on 18 December 2017. 	Mediation on 18 December, 2017	
JOINT DEVELOPMENT ASSESSMENT PANEL APPEALS							
DCSC vs Southern JDAP	Lot 108 No 57 Dunn Bay Road, Dunsborough	January, 2016	Appeal against refusal of Development application for Service Station	State Solicitors Office / Anthony Rowe / Paul Needham	<ul style="list-style-type: none"> • Determination – Appeal upheld • JDAP has formally requested a judicial review of the SAT determination at the Supreme Court. 	• Awaiting Supreme Court Determination	

WESTERN AUSTRALIAN PLANNING COMMISSION APPEALS							
Rapsey v Western Australian Planning Commission	Lot 7 Caves Road, Quedjinup		Appeal against conditions of subdivision	State Solicitors Office / Justin Biggar	<ul style="list-style-type: none">• Notice of Directions Hearing on 31 March, 2017 against conditions of a subdivision.• Mediation hearing 20 April 2017.• Directions hearing on 2 June 2017 where it was decided to vacate the appeal for 6 months to provide both parties time to carry out investigations.	Direction hearing to be set.	



Minutes
Economic Development Taskforce Meeting
Held in the Kaloorup Room
City of Busselton Administration Building
2 Southern Drive, Busselton
26 October at 10.00am

Name	Title
Cr Grant Henley	Mayor, City of Busselton (Chairperson)
Cr John McCallum	Councillor, City of Busselton
Jodie Richards	Busselton Chamber of Commerce and Industry
Michael Brown	Busselton Chamber of Commerce and Industry
Amanda Taylor	South West Development Commission
Darren Berson	Business/Industry
Erl Happ	Business/Industry
Scott Robinson	Business/Industry
Jon Berry	Economic and Business Development Coordinator, City of Busselton
Tanya Downie	Executive Support Officer, City of Busselton

APOLOGIES

Cr Paul Carter - Councillor, City of Busselton
Naomi Searle – Director Community and Commercial Services, City of Busselton
Jenny May – Manager Commercial Services, City of Busselton
Emma Heys – Project Manager, Business Development – BMRA Redevelopment, City of Busselton
Steve Harrison – Margaret River Busselton Tourism Association
Rebecca Ball – South West Development Commission
Charles Jenkinson – Regional Development Australia SW
Jim Winter – Dunsborough-Yallingup Chamber of Commerce and Industry
Kyle Jackson – Business/Industry
Trevor Fitzgerald – Business/Industry
Peter Gordon - Business/Industry

1.0 Attendance

Attendance and apologies were noted. Meeting commenced at 10.08am.

2.0 Welcome

Mayor Henley welcomed everyone to the meeting.

3.0 Minutes of Previous Meeting

The minutes of the previous Economic Development Taskforce meeting held on 24 August 2017 were accepted as a true and correct record by Cr John McCallum. Seconded by Erl Happ.

4.0 Regional Centres Development Plan (RCDP) Update

The budget for RCDP has been halved, and is now \$4 million. The Minister for Regional Development is reviewing the program with no further updates available at this time. SWDC will look at linking in with Great Southern and Peel regions to collaborate. Both regions may benefit from the airport upgrade which will have regional spin-off benefits.

Potential for growth in FIFO was discussed with Rio Tinto having approximately 700 workers who FIFO in the region and it has been recognised there are a lot of workers from other mining companies who live in Busselton. Options could be to share resources and have charter flights available to other mining companies. The Busselton Margaret River Airport Noise Management Plan has been amended, albeit it subject to EPA approval, to remove restrictions to the hours of operation for charter services. This could benefit fatigue management. Data would need to be collected to identify the number of workers living in the region who may utilise FIFO option from Busselton.

5.0 City of Busselton Economic Development Strategy – Implementation Initiatives

The 2017 Economic and Demographic Profile is currently being updated with the new industry and employment data that will be released by the end of October 2017 and will be published in the new profile in late November 2017.

The Sub Groups of the ED Taskforce have all held at least one meeting. The high priorities and actions identified from each sub group are as follows:

5.1 Investment Attraction and Marketing Sub Group

High Priorities	Actions
<u>Strategic:</u> Economic Opportunities Forum	CCI to draft project plan with budget, scope, timeframes. Potentially linked with RCDP for a forum in late 2018.
Facilitate an Industry/Logistics hub at the Busselton-Margaret River Regional Airport	City to lead and have completed investment prospectus media before the proposed Economic Opportunities forum.
Investment Attraction Website/portal (content rich site)	City to lead and budget for 2018 RDASW to support Remplan online tool for the region with rich data supplemented with video and social media content by City for Busselton http://www.remplan.com.au/
Attract and support international investment delegations	SWDC to lead and provide strategies to promote business migration.

Discussion:

The Group indicated its support for the City to invest \$1,500 per year over three-years for the Remplan product and commence scoping a content rich Investment Attraction Portal.

5.2 Business Retention and Expansion Sub Group

High Priorities	Actions
Strategic: Business Retention and Expansion (BR&E) program <i>(a formalised rich engagement program with businesses)</i>	Potentially integrate with RCDP for resourcing. Scope a project plan for potential funding in City Activity Unit business plan for ED
Industry Leadership Training Program to build local capacity within the community and business	BSW/CCI to lead upskilling program collaboration with institutions such as TAFE, ECU, CQU, and Curtin to be invited to a future meeting
Regional goods and services database to grow local business to business supply chains	BBCI and City to develop local supplier database (City to investigate Buy Local regional procurement software) BSW to investigate potential for training in tender preparation and report back City and BCCI to engage with the Procure South West event in late November 2017
Business Awards	BCCI/City/BSW to work on regional awards to potentially be held in the Busselton area and stronger marketing of awards to local businesses
Links to proposed new website portal	CCI/City/BSW coordinate the proposed website portal where rich content for businesses would reside in one place.

Discussion:

Business South West indicated it may be able to resource additional workshops to educate businesses in key areas such as customer service skills (with Tourism Council WA) and shop merchandising displays. The Place management sub-group of the ED Taskforce is also working to encourage greater vibrancy and activation of the CBD's.

The City will attend the Procure South West event and participate in a session '*Doing Business with Local Government*' in conjunction with the Shire of Augusta Margaret River. The City is investigating purchasing Buy Local procurement software that will improve City officers better understanding local suppliers and report metrics on how much purchasing is done locally and in what areas.

5.3 Digital Economy/Smart Cities Sub Group

High Priorities	Actions
Strategic: Digital/Smart City Plan	Potentially integrate with RCDP for resourcing. Scope a project pan for potential funding in City Activity Unit business plan for ED
Plan and deliver a community engagement event to identify community/business issues that could be addressed by ICT	Proposed for 16 November 2017 with NBN/City sponsored visit of Bernard Salt followed by a facilitated workshop with about 40 people to identify priority smart city initiatives for inclusion in a Smart City Plan
'Hackathon' style event to progress specific initiatives identified in the community engagement event	Following the workshop on 16 November, run a 'hackathon' style event in February 2018, to plan and implement two or three of the projects identified at the workshop

The ED Taskforce supported the proposed foundational workshops to build a Digital City Plan. Jon reported NBN Co and CQ University had agreed to sponsor the planning workshop.

5.3 Place Management and Activation Sub Group

High Priorities	Actions
Strategic: Activity Centre Structure Plan and complimentary Place Activation Strategies for Busselton and Dunsborough	Potentially integrate with RCDP for resourcing. Scope a project pan for potential funding in City Activity Unit business plan for ED and/or Planning and Development Services (by late November 2017)
Options paper on place management governance and financing models	Finalise a matrix of existing services provided by the City for the CBD's. Prepare a brief options paper outlining potential governance models (City and CCI to research and draft by the end of December 2017)
Markets	Review City's Markets Policy with potential to bring them into the CBD. Sub-group to provide comments by 2 November 2017
Upskilling business	Customer service/merchandising display/façade (BSW/CCI). BSW to consider delivering this training and report back to next meeting.
CBD Activation	Roll out busk stops. City has commissioned production of busk stop signage for the start of summer 2017. Programming of public spaces would also be investigated.
Business Engagement	CCI to engage with business on priorities and feedback into the next meeting

Discussion:

The ED Taskforce agreed there was merit in moving the markets into the CBD area for greater economic spin-off to businesses, however there are costs for traffic management to close the streets, which would be an expensive exercise. Sponsorship for road closures was a possibility worth further investigation.

BCCI has installed wifi outside Hillzeez as a test location to gather information before rolling out to the entire CBD. The City has submitted an application for \$120k funding from the Federal Government Smart Cities and Suburbs program for free wifi and smart parking trial and is awaiting a decision.

The Group discussed utilising car parking spaces in Queen Street for food and beverage providers to have 'parklets' to create an alfresco dining experience. This was to be trialled at Al Forno's

RECOMMENDATION:

Moved Cr McCallum, seconded Jodi Richards.

THAT the Economic Development Taskforce receives and notes the minutes of each sub group.

The Group agree ED Taskforce meetings be scheduled bi-monthly and sub groups to meet monthly. Electronic diary appointments will be despatched.

6.0 **General Business**

Cr McCallum advised Bernie Masters and a group of investors meet weekly to share ideas on investment and stock market trends etc and invite investors to Busselton from Perth regularly. Cr McCallum believes this group of investors should be made aware of the ED Taskforce Group and be invited to the Investment Attraction and Marketing sub-group.

Action: Jodie Richards (BCCI) to contact Bernie Masters.

Meeting closed at: 12.05am

10.0 **Next Meeting**

Time: 10.00am
Date: 14 December 2017
Venue: Kaloorup Room, City of Busselton Administration Building

16. MOTIONS OF WHICH PREVIOUS NOTICE HAS BEEN GIVEN

Nil

17. CONFIDENTIAL REPORTS

Nil

18. QUESTIONS FROM MEMBERS

19. PUBLIC QUESTION TIME

20. NEXT MEETING DATE

Wednesday, 13 Decmeber 2017

21. CLOSURE