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are yet to be confirmed as a
true record of proceedings

CITY OF BUSSELTON

MINUTES FOR THE FINANCE COMMITTEE MEETING HELD ON 8 DECEMBER 2016

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MINUTES

MINUTES OF A MEETING OF THE FINANCE COMMITTEE HELD IN MEETING ROOM ONE, COMMUNITY RESOURCE CENTRE, 21 CAMMILLERI STREET, BUSSELTON, ON 8 DECEMBER 2016 AT 9.30AM.

1. DECLARATION OF OPENING AND ANNOUNCEMENT OF VISITORS

The Presiding Member opened the meeting at 9.32am.

2. ATTENDANCE

Presiding Member:

Cr John McCallum

Members:

Cr Grant Henley

Cr Terry Best

Cr Paul Carter

Cr Coralie Tarbotton (Deputy Member) (from 9.33am)

Officers:

Mr Mike Archer, Chief Executive Officer (from 9.33am)

Mr Cliff Frewing, Director, Finance and Corporate Services

Mr Kim Dolzadelli, Manager, Finance Services

Mr Dan Hall, Asset Coordinator (until 9.35am)

Mr Stuart Wells, Strategic Financial Plan Accountant

Ms Leigh Sly, Executive Assistant to the CEO

Miss Hayley Barge, Administration Officer, Governance

Apologies

Cr Gordon Bleechmore

Approved Leave of Absence

Nil

3. PUBLIC QUESTION TIME

Nil

4. DISCLOSURE OF INTERESTS

Nil

5. CONFIRMATION OF MINUTES

5.1 Minutes of the Finance Committee Meeting held 3 November 2016

Committee Decision

F1612/062

Moved Councillor G Henley, seconded Councillor T Best

That the Minutes of the Finance Committee Meeting held 3 November 2016 be confirmed as a true and correct record.

CARRIED 4/0

9.33am At this time Councillor Coralie Tarbotton and the Chief Executive Officer entered the meeting.

6. REPORTS

6.1 FINANCE COMMITTEE INFORMATION BULLETIN - OCTOBER 2016

SUBJECT INDEX: Councillors' Information
STRATEGIC OBJECTIVE: An organisation that is managed effectively and achieves positive outcomes for the community.
BUSINESS UNIT: Finance and Corporate Services
ACTIVITY UNIT: Executive Services
REPORTING OFFICER: Manager Financial Services - Kim Dolzadelli
 Asset Coordinator - Daniel Hall
 Governance Support Officer - Lisa Haste
AUTHORISING OFFICER: Chief Executive Officer - Mike Archer
VOTING REQUIREMENT: Simple Majority
ATTACHMENTS: Nil

PRÉCIS

This report provides an overview of information that is considered of relevance to members of the Finance Committee, and also the Council.

INFORMATION BULLETIN

1. Chief Executive Officer – Corporate Credit Card

Details of monthly 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
25-Aug-16	\$150.00	Arimia Estate, Yallingup	Farewell Gift for Martyn Glover
24-Aug-16	\$273.24	Mounts Bay Waters Apartments	Accom: PLA Conference (Cr Paine)
27-Sep-16	\$1,500.00	Market Creations (City Of Swan)	Rego: National Economic Development Conference (Cr. McCallum)
28-Sep-16	\$90.00	Local Government East Perth	LGMA Membership (Tracey King)
29-Sep-16	\$30.00	Pan Pacific Perth	Parking CEO Presenting to SW Focus Conference (CEO)
07-Oct-16	\$942.94	The Vines	Accom: National Economic Development Conference (Cr. McCallum)
14-Oct-16	\$131.30	Airport Security Parking	Sugito Trip
19-Oct-16	\$446.00	Al Forno	Council Dinner
20-Oct-16	\$315.00	Busselton Chamber Of Commerce	Dealing With Ice Function (Councillors Attended)
25-Oct-16	\$490.00	City Of Geraldton (Eventbrite)	* Local Govt CEO Conference (CEO)
27-Oct-16	\$933.80	Intercontinental Adelaide	Accom: Parks & Leisure Conference, Adelaide (Cr. Tarbotton)

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

◆ Allocated against CEO Hospitality Expenses Allowance

+ Funds debited against the Airport Development Fund

2. Voluntary Contributions/Donations (Income)

At its meeting of 22 September 2010, the Council adopted (C1009/329) its Voluntary Contributions/Donations Policy. This Policy requires that the Finance Committee be informed (via an information only bulletin) of any instances whereby voluntary contributions/ donations are approved by the Chief Executive Officer or jointly by the Mayor and Chief Executive Officer.

No voluntary contributions have been approved this financial year to date.

3. Donations/Contributions and Subsidies Fund (Sponsorship Fund – Payment of Funds)

Council resolved in April 2010 (C1004/132) a move towards a tiered system of funding and following the 6 October 2011 Finance Committee meeting, it was recommended to Council that the delegation to determine the allocations of sponsorship and donations from the sponsorship fund be revoked and be returned to the Chief Executive Officer to enable a more timely turnaround of sponsorship applications.

Current expenditure from the Donations, Contributions and Subsidies Fund (Sponsorship Fund) reveals:

- 54 applications for sponsorship have been received during this financial year.
- The average donation approved for the financial year is \$280.52
- There were 14 applications for sponsorship received or assessed during October 2016.
- Expenditure from the Donations, Contributions and Subsidies Fund (Sponsorship Fund) for the financial year totals \$15,148.50
- Total budget for the Donations, Contributions and Subsidies Fund (Sponsorship Fund) is \$37,450.

App. No.	Recipient	Purpose	Amount
41/1617	Busselton Croquet Club	Funds to assist with the Spring Tournament and the purchase of prizes	\$500
42/1617	Naturaliste Renewable Energy Group	Funds to assist with venue hire, chair hire and catering for the Community Forum on becoming carbon neutral	\$500
43/1617	Busselton Uniting Church	Waiver of the Admin fee for the Busselton Wildflower Exhibition	\$37
44/1617	Naturaliste Family Playgroup	Funding to assist with activities to attract more members to the group	\$400
45/1617	Geographe Bay Yacht Club	Geographe Bay Boat Rally, funds to assist with catering and advertising costs	\$500
46/1617	Busselton Choral Society	Funding to assist with December concert, hall hire and guest artist	\$500
47/1617	Busselton Art Society	58th Annual Art in the Park event, funds to assist with hire equipment, event running costs and prizes	\$500
48/1617	Plunkett Homes	Building application fee waiver for the Royal Flying Doctor Service Charity home	\$380

App. No.	Recipient	Purpose	Amount
49/1617	Lions Cancer Institute	Donation to Special Children's Christmas Day Out being held in Bunbury and other parts of WA. Does not meet guidelines.	\$0
50/1617	Combined Churches of Busselton Welfare Committee	Food hampers and toys for disadvantaged families in Busselton for Christmas	\$500
51/1617	Caelin Winchcombe	Representing State at various sailing competitions in Australia	\$200
52/1617	Our Lady of the Cape Primary School	End of year awards/graduation night (\$100 primary \$200 secondary)	\$100
53/1617	St Mary's Anglican Church	Annual Christmas lunch for the lonely/needy members of the community. Funds to assist with catering costs	\$600
54/1617	Acting Up!	Holding the 'Summer Series' event over summer, showing movies in the Cultural Precinct. Funds to assist with movie licence fees	\$500

Asset Management Report

Donated Assets.

As of December 2016, The City has received approx. \$6.5M in donated assets. This amount includes Roads, Footpaths, Drains; and landscaping, signage and other assets associated with the roads. Of the \$6.5M, \$3.3M is attributed to Roads, \$500,000 for Footpaths, \$1M for Drainage and \$1.7M for landscaping and other assets.

These assets are mainly associated with subdivisions at Dawson Estate and Dunsborough Lakes as well as sections of the old Bussell Highway, resulting from the extension of the Bussell Highway bypass.

The landscaping assets that were built as part of the Port Geographe Reconfiguration Project are also due to be taken on by the City in 2016/17. This is due to occur in May 2017 and includes two ablution blocks, picnic areas and playgrounds, lighting; turf and gardens areas and paths, fencing and boardwalk. The total estimated replacement value of these assets is \$4M.

This process will allow for a formal transfer of the assets from the Department of Transport asset register to City of Busselton.

As a comparison, the total donated assets recording the 2015/16 financial year was \$9.2M, and we are well on track to exceed this figure in 2016/17.

Committee Decision

F1612/063 Moved Councillor P Carter, seconded Councillor T Best

That the Finance Committee notes the Finance Committee Information Bulletin for the month of October 2016.

CARRIED 5/0

9.35am At this time the Asset Coordinator left the meeting and did not return.

6.2 LIST OF PAYMENTS MADE - OCTOBER 2016

SUBJECT INDEX:	Financial Operations
STRATEGIC OBJECTIVE:	An organisation that is managed effectively and achieves positive outcomes for the community.
BUSINESS UNIT:	Financial Services
ACTIVITY UNIT:	Finance
REPORTING OFFICER:	Strategic Financial Plan Accountant - Stuart Wells
AUTHORISING OFFICER:	Director, Finance and Corporate Services - Cliff Frewing
VOTING REQUIREMENT:	Simple Majority
ATTACHMENTS:	Attachment A List of Payments - October 2016 ⇒

PRÉCIS

This report provides details of payments made from the City's bank accounts for the month of October 2016, for noting by the Council and recording in the Council Minutes.

BACKGROUND

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

STATUTORY ENVIRONMENT

Section 6.10 of the Local Government Act and more specifically, Regulation 13 of the Local Government (Financial Management) Regulations; refer to the requirement for a listing of payments made each month to be presented to the Council.

RELEVANT PLANS AND POLICIES

NA.

FINANCIAL IMPLICATIONS

NA.

Long-term Financial Plan Implications

NA.

STRATEGIC COMMUNITY OBJECTIVES

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

RISK ASSESSMENT

NA.

CONSULTATION

NA.

OFFICER COMMENT

NA.

CONCLUSION

NA.

OPTIONS

NA.

TIMELINE FOR IMPLEMENTATION OF OFFICER RECOMMENDATION

NA.

Committee Recommendation and Officer Recommendation

F1612/064 Moved Councillor C Tarbotton, seconded Councillor T Best

That the Council notes payment of voucher numbers M113521 – M113615, EF048675 – EF049139, T007288 – T007291, and DD002894 – DD002921; together totaling \$7,555,507.44.

CARRIED 5/0

- 9.37am At this time the Chief Executive Officer left the meeting.
- 9.41am At this time Councillor Grant Henley left the meeting.

6.3 FINANCIAL ACTIVITY STATEMENTS - PERIOD ENDING 31 OCTOBER 2016

SUBJECT INDEX:	Budget Planning and Reporting
STRATEGIC OBJECTIVE:	An organisation that is managed effectively and achieves positive outcomes for the community.
BUSINESS UNIT:	Financial Services
ACTIVITY UNIT:	Financial Services
REPORTING OFFICER:	Strategic Financial Plan Accountant - Stuart Wells
AUTHORISING OFFICER:	Director, Finance and Corporate Services - Cliff Frewing
VOTING REQUIREMENT:	Simple Majority
ATTACHMENTS:	Attachment A Financial Activity Statements - October 2016⇒ Attachment B Investment Report - October 2016⇒

PRÉCIS

Pursuant to Section 6.4 of the Local Government Act ('the Act') and Regulation 34(4) of the Local Government (Financial Management) Regulations ('the Regulations'), a local government is to prepare, on a monthly basis, a statement of financial activity that reports on the City's financial performance in relation to its adopted/ amended budget.

This report has been compiled to fulfil the statutory reporting requirements of the Act and associated Regulations, whilst also providing the Council with an overview of the City's financial performance on a year to date basis for the period ending 31 October 2016.

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 21 July 2016, the Council adopted (C1607/160) the following material variance reporting threshold for the 2016/17 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 2016/17 financial year to comprise 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.

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

As above.

STRATEGIC COMMUNITY OBJECTIVES

This matter principally aligns with Key Goal Area 6 – ‘Open and Collaborative Leadership’ and more specifically Community Objective 6.3 - ‘An organisation that is managed effectively and achieves positive outcomes for the community’. 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 31 OCTOBER 2016

Operating Activity

- Operating Revenue

As at 31 October 2016, there is a variance of -0.62% (-\$350K) in total operating revenue, with the following categories exceeding the 10% material variance threshold:

Description	Variance %	Variance \$000's
Operating Grants, Subsidies and Contributions	+69%	+\$666
Other Revenue	+41%	+\$51
Interest Earnings	+45%	+\$475
Non-Operating Grants Subsidies and Contributions	-43%	-\$1,470
Profit on Asset Disposals	+90%	+\$6

Operating Grants, Subsidies and Contribution (+\$666K)

- BJECA contributions are ahead of year to date budget by +\$367k. A half yearly Busselton Jetty (BJECA) contribution was recorded in October, whilst the budget has the first amount being received in December 2016. This variance is timing in nature only and will correct in December.
- Fire prevention DFES receipts are ahead of budget by +\$154k. +\$70k of this total is a permanent difference caused by a refund from DFES for 2015/16 over expenditure incurred by the City of Busselton. This amount is included in a separate budget amendment report being submitted to Council. +\$65k is due to a timing difference relating to early receipt of 2016/17 funds in 2015/16. This will correct in June 2017. The remaining \$19k is a timing adjustment relating to quarterly contributions with two quarterly payments having been received against a budget of only one. The will correct in December month end.
- Airport Operations is ahead of year to date budget by +\$45k. This is a timing variance and will correct in December.
- Meelup Regional Park is ahead of budget by +\$27k. This is a permanent difference where 2015/16 funds received in 2016/17 from Coastwest will incur offsetting expenditure. This variance is subject to a separate budget amendment report being submitted to Council.
- Environmental Implement Management Plans is ahead of budget by +\$19k. +\$14k of this variance is a permanent difference where 2015/16 funds were received in 2016/17 from South West catchment council and will result in a corresponding increase in expenditure. This variance is subject to a separate budget amendment report being prepared for Council. The remaining +\$5k difference is timing related due to the total budget being divided by twelve months and

actual receipts not being received in equal monthly amounts. This timing variance will correct itself by June 2017.

- Civic and Administration Centre Construction has recorded revenue of \$19k against a full year budget of nil, resulting in a +\$19k variance for the year. This revenue is a charge to MCG Architects for additional re-engineering costs over and above what was included in the initial tender from BGC for the same, with additional costs expected to be split equally between BGC, MCG Architects and the City of Busselton. The amount is offset by additional costs relating to the construction cost of the Civic and Administration Centre building.
- Operation Services Works is ahead of budget by +\$16k. This is due to workers compensation receipts currently tracking ahead of budget. Usually this is offset by increased salaries and wages as the person on compensation is generally replaced.
- Community Assistance Fund is ahead of budget by +\$15k. This is due to an unbudgeted amount being received from Perron Developments for construction of an acoustic wall associated with Vasse Newtown and will be offset by an equivalent expenditure amount.
- Property and Business Development is ahead of budget by +\$15k. \$20k has been received against a budget of \$5k year to date. This is due to the receipt of monies from Regional Centres Development Fund relating to preparatory work. The adjustment is timing in nature only.
- Railway House is ahead of budget by +\$10k. \$10k has been invoiced to Margaret River/Busselton Tourist Association for Railway House variations requested. This will be offset by a corresponding increase in expenditure, with no impact to municipal funds.
- Miscellaneous Bridge Maintenance receipts are behind budget by -\$55k. This is timing in nature only and will correct by June 30, 2017.

Other Revenue (+\$51K)

- Parking Control is ahead of year to date budget by +11k. Based on current trends it is likely collection of fines will be ahead of budget for the full year.
- Animal Control is favourable against budget by +\$6k. Based on current trends it is likely collection of fines will be ahead of budget for the full year.
- Busselton Transfer Station and Dunsborough Waste Facility are favourable against budget by +\$15k. This is due to sales of scrap and recyclable materials currently trending ahead of budget. Any variance is transferred to waste reserve at the end of the year with no impact to overall municipal surplus/(deficit) position.
- Busselton and Dunsborough Cemetery's currently +\$4k ahead of budget due to sale of memorialisation stock. Unknown as to whether this trend will continue for the year.
- Receipts of unbudgeted long service leave amounting to +\$16k. The amount will be offset by a corresponding expenditure amount at the time the leave is taken, therefore no impact to the overall surplus/(deficit) position.
- Sale of Artworks +\$3k. These amounts result in a liability and expense being paid at a later date to the artist concerned. Therefore timing difference only
- Mayoral breakfast registration fees were +\$1k ahead of budget. Any excess funds resulting from the hosting of the breakfast are donated to charity and subsequently offset by an increase in expenditure.
- Public Relations sale of number plates are +\$2k ahead of budget. Based on the current trend it is likely this will exceed budget for the full year.
- Bush Fire Acts fines and costs are +\$2k ahead of budget. Budget for the full year is \$45k against actual receipts to date of \$2k, so likely only timing in nature.
- Building Services is +\$2k ahead of budget due to sale of building lists to external third parties exceeding budget by the same amount. Based on current trends this will exceed budget for the full year.
- NCC Standpipe is -\$7k behind budget due to sale of water because of a timing difference. The budget assumed monthly receipts however they will be received bi-annually.
- Other Law, Order and Public Safety, local government act fines and costs is trending below budget by -\$5k. Likely to not meet full year budget targets based on actuals to date.

Interest Earnings (+\$475K)

- Interest on municipal funds +\$37k.
- Interest on reserve funds +\$34k.
- Interest on restricted funds +\$416k.
- Late payment interest on rates -\$13k.

Non-Operating Grants, Subsidies and Contributions (-\$1,470K)

- There are a number of items that make up the current year to date variance. All variances are timing related except:
 - Foreshore East Youth Precinct (Skate Park & Adv.Playground). An accrual was raised for a Lotterywest grant in the 2015/16 financial year equal to \$613k. In the 2016/17 financial year only \$480k has been received. This leaves a current budget shortfall of \$133k. The shortfall is subject to ongoing discussions between the City of Busselton and Lotterywest.

Profit on Asset Disposals (+\$6K)

- Sales of the CEO's Toyota Prado +\$12k. It was budgeted the vehicle would be sold at its book value but +\$12k more than budget was received.
- Offset against this is the sale of two items (Massey Ferguson Tractor and Holden Captiva) which are yet to occur amounting to -\$6k. These were expected to be sold in October and the sales have not yet occurred. The adjustments are timing in nature only.

- Operating Expenditure

As at 31 October 2016, there is a variance of +4% (+\$794K) in total operating expenditure, with the following categories exceeding the 10% material variance threshold:

Description	Variance %	Variance \$000's
Materials and Contracts	+27%	+\$1,289
Utilities	+17%	+\$130
Allocations	-52%	-\$378
Loss on Asset Disposals	-100%	-\$47

Materials and Contracts (+\$1,289K)

- By directorate, materials and contracts is showing the following variances at 31 October 2016;
 - Engineering and Works Services +\$559k
 - Community and Commercial Services +\$362k
 - Finance and Corporate Services +\$264K
 - Planning and Development Services +\$19k
 - Executive Services +\$35K
- From a natural account perspective the variances are predominantly attributable to contractors +\$626k, Consultants +\$310k, Information Technology related +\$188k and Fuels, Oils and Grease +\$64k. Of those variances it is only Fuel, Oils and Grease that is likely to result in a permanent difference for the full year at this stage if fuel prices remain stable at current levels.

Utilities (+\$130K)

- The predominant variance for utilities relates to water +\$135k. This variance is a timing variance related to the irregular way in which water invoices are received.

Allocations (-\$378K)

- This activity incorporates numerous internal accounting allocations. The first component is Activity Based Costing (ABC) allocations where allocations are based on actual costs. The second

component is the overhead allocations whereby the monthly charges are based on budget. The -\$404k variance is a timing variance that reflects an under allocation at 30 September. It is expected this will correct by end of the financial year.

Loss on Asset Disposals (-\$47K)

- The loss on asset disposals relates to numerous items of plant and equipment sold in the first four months of the financial year. The loss represents the difference between the book value of the assets and the amounts received in cash for those assets sold. The variance of -\$47k between actual and budget is considered to be timing related at this stage due to no loss on sale being budgeted in the first four months of the year.

Capital Activity

▪ Capital Revenue

As at 31 October 2016, there is a variance of -7% (-\$1,558K) in total capital revenue, with the following categories exceeding the 10% material variance threshold:

Description	Variance %	Variance \$000's
Transfer from Reserves	-23%	-\$2,900
Transfer from Restricted Assets	-16%	-\$1,635
Proceeds from Sale of Assets	-19%	-\$18
Self-Supporting Loans	-24%	-\$5

Transfer from Reserves (-\$2,900K)

- Timing difference relating to use of the Civic and Administration Centre Construction Reserve. Offset by an equivalent amount under capital expenditure. No impact to net current position.

Transfer from Restricted Assets (-\$1,635K)

- Timing difference relating to use of Airport and Foreshore grants -\$10,500k. Offset by an equivalent under expenditure in capital. No impact to net current position.
- Movement of Community and Rec Facilities +\$7,323k, Vasse Diversion Drain +\$383k, Drainage held in Restricted Assets +\$211k, Aged Housing +\$846k from restricted assets into reserves. These movements were budgeted to occur in June 2017 but have occurred in October and are timing in nature only. No impact to net current position.

Proceeds from Sale of Assets (-\$18K)

- Proceeds from sale of assets, includes timing differences of -\$39k and permanent differences of +\$21k. Of the permanent differences, +\$12k relates to additional funds received for sale of Toyota Prado with the remainder being a number of smaller plant items, the sale of which is unbudgeted.

▪ Capital Expenditure

As at 31 October 2016, there is a variance of 41% (+\$20,520K) in total capital expenditure, with the following categories exceeding the 10% material variance threshold:

Description	Variance %	Variance \$000's
Land and Buildings	+41%	+\$3,867
Plant and Equipment	+45%	+\$260
Furniture and Equipment	+49%	+\$135

Infrastructure	+82%	+\$17,377
Transfers to Restricted Assets	-158%	-\$766

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

- Land and Buildings
- Plant and Equipment
- Furniture and Equipment
- Infrastructure

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

Transfers to Restricted Assets (-\$766K)

The transfers to restricted assets budget comprises an estimation of funds that could potentially be received during the financial year, primarily from developer contributions. Due to the nature of the category, the annual budget allocation is spread evenly throughout the financial year. The performance in this activity does not have any direct impact on the surplus/deficit position, as whilst recognised as operating revenue upon receipt, these funds are subsequently quarantined to restricted assets, essentially offsetting the initial transaction. Furthermore, the transfers to restricted assets category also include the payment of bonds and deposits, where no specific budget allocation is made for these funds.

The favourable financial year to date variance of +\$766k is primarily attributable to the receipt of Cash in Lieu – Parking +\$126k, Bonds and Deposit +\$81k, and receipt of interest in excess of budget attributable to the airport grant +\$416k.

Investment Report

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

As at 31st October 2016, the value of the City's invested funds totalled \$126.3M, increasing from \$125.9M as at 1st October.

During the month of October \$11.0M in term deposit funds matured. All deposits were renegotiated, for an average of 122 days at an average rate of 2.60% (up from 2.56% in September).

Additionally, two term deposits totalling \$36.8M held at the WA Treasury matured. These deposits are entirely Airport Redevelopment funds and must be maintained at the WATC until able to be drawn down under the terms of the contract. As the next milestone should soon be achieved, the funds (plus interest) were reorganised to match the contracted future draw down amounts. Accordingly, \$31m will be available on 30 November and is earning 1.56%, while the remainder will mature on 27 April 2017 and is earning 1.88%.

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) remained steady during the month.

The RBA left official rates on hold during October and November. Future rate movements are unclear at this point in time, however further cuts are not expected at this point in time.

Please refer to Attachment B for further information.

CONCLUSION

As at 31 October 2016, the City's financial performance is considered satisfactory. Whilst current variances exist in some operational areas, these are primarily due to timing differences, and if not timing are not material in nature or are transactions that have no direct impact on the Net Current Position. Trends identified that could lead to permanent differences will continue to be monitored in future periods to ensure corrective action is taken in a timely manner if required.

Whilst acknowledging capital is presently tracking below year to date budget estimates, this is also seen to be attributable to timing differences at this time. There is no indication at this time of any material cost overruns on any capital items in this years budget.

OPTIONS

The Council may determine not to receive the statutory financial activity statement reports.

TIMELINE FOR IMPLEMENTATION OF OFFICER RECOMMENDATION

Reports are received as at the date of the relevant Council meeting

Committee Recommendation and Officer Recommendation

F1612/065

Moved Councillor C Tarbotton, seconded Councillor T Best

That the Council receives the statutory financial activity statement reports for the period ending 31 October 2016, pursuant to Regulation 34(4) of the Local Government (Financial Management) Regulations.

CARRIED 4/0

- 9.44am At this time Councillor Grant Henley returned to the meeting.
9.46am At this time the Chief Executive Officer returned to the meeting.

6.4 BUDGET PLANNING AND REPORTING

SUBJECT INDEX:	Budget Planning and Reporting
STRATEGIC OBJECTIVE:	An organisation that is managed effectively and achieves positive outcomes for the community.
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:	Absolute Majority
ATTACHMENTS:	Attachment A Appendix A Schedule of Requested Budget Amendments⇒

PRÉCIS

This report seeks recommendation of the Finance Committee to Council for the approval of budget amendments as detailed in the attached "Appendix A Schedule of Requested Budget Amendments". Adoption of the Officers recommendation will result in an Amended Budgeted Surplus Position of \$70,892.

BACKGROUND

Council adopted its 2016/2017 Municipal Budget on Thursday 21 July 2016.

Since the adoption of the Municipal Budget Council Officers have successfully applied for Grant funding and contributions to enhance the activities and infrastructure opportunities for Council and its Community.

In all 20 grants and contributions at a total value of \$10,828,185.70 have been successfully applied for as follows:

Business Activity Unit	Funding Organisation	Grant / Project Title / Details	Grant
Busselton Airport	Tourism Western Australia - Perth - TWA1617007	BMRRA Airline Engagement Working Group - Airline Engagement Consultant	177,100
Busselton Airport	Federal Grant – Community Development Grants Program	Upgrade of Busselton-Margaret River Regional Airport	9,779,765
Community Services	The Good Guys Discount Warehouse Busselton	Sponsorship Package for Battle of the Bands 2017	1,000
Community Services	Government of WA - Deputy Premier of WA, Minister for Police, Road Safety, Training & Workforce Development, Women's Interests & Cabinet	Road Safety Community Grant - Battle of the Bands 2017 - 45-43743	1,000

Community Services	Government of Western Australia - Local Government Community Services, Seniors & Volunteering, Youth	Youth Activities Grants Program - Battle of the Bands 2017 - 57-00204	5,000
Community Services	Government of Western Australia - Local Government Community Services, Seniors & Volunteering, Youth	Country Local Government Fund - Youth Development Scholarship - Senior Customer Information Officer	10,000
Community Services	Government of Western Australia - Local Government Community Services, Seniors & Volunteering, Youth	Country Local Government Fund - Youth Development Traineeship Program	19,610
Cultural Planning	Department of Infrastructure & Regional Development - Stronger Communities Programme - SCP2001230	Railway House Interpretive Display cabinets, lights and research for Ballarat Engine, Timber industry & Rails to Trails network	13,825
Engineering & Works	Keep Australia Beautiful National Assoc Ltd	Public Place Recycling Bin Project - Beverage Container	13,001.70
Geographe Leisure Centre	The Pod Education & Care Services Activity Grant	GLC - Implement Marketing Strategies & Purchase Program Support Software	4,000
Geographe Leisure Centre	Government of Western Australia - Department of Sport & Recreation	Geographe Leisure Centre - Pool Revitalisation Program (CPRP) 2016/17 Funding Round	32,000
Health Department	Shire of Capel	CLAG Funding - EPBC Referral Fee 2016/7780	7,352
Environmental Services	South West Catchment Council	Weed control, feral animal control, installation of interpretive signage and limestone sheeting of a section of dieback infected firebreak track in the south west corner of the Carburnup Reserve	13,500
Environmental Services	Coastwest grant	Implementing dieback management measures along the Meelup coast.	26,540
Ranger Services – Fire Protection	Local Government Grants Scheme - DFES	Vasse Bushfire Brigade 3.4 Urban Tanker	518,200
Ranger Services	Local Government Grants Scheme - DFES	SES vehicle	70,600

Ranger Services – Fire Protection	Local Government Grants Scheme - DFES	Building Improvements Vasse Bushfire Brigade	45,500
Ranger Services – Fire Protection	Local Government Grants Scheme - DFES	Reimbursement ESL Levy Brigades – increased funding from \$160,790 to \$180,000	19,210
Ranger Services – Fire Protection	Local Government Grants Scheme - DFES	Bushfire Brigade Reimbursement Prior Period Adjustments	69,820
Ranger Services	Local Government Grants Scheme - DFES	Busselton Branch SES Reimbursement Prior Period Adjustments	1,162
Total			10,828,185.70

STATUTORY ENVIRONMENT

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

RELEVANT PLANS AND POLICIES

There are multiple Plans and Policies that support the proposed Budget Amendments.

FINANCIAL IMPLICATIONS

Budget amendments being sought will result in an increase of Budget Surplus from \$0.00 to \$70,982, this is due to the reimbursement by DFES of over expenditure items which occurred in the 2015/2016 Financial year that at the time were funded by Councils Municipal Budget.

The two items are Ranger Services- Fire Protection Bushfire Brigade Reimbursement Prior Period Adjustments \$69,820 and Ranger Services - Branch SES Reimbursement Prior Period Adjustments \$1,162.

Long-term Financial Plan Implications

A small number of the grants and contributions may not be fully expended in the current financial year and any unspent funding and matching expenditure may need to be incorporated in to the 2017/2018 Municipal Budget.

STRATEGIC COMMUNITY OBJECTIVES

Caring and Inclusive Community

- 1.1 A community where people feel safe, empowered, included and enjoy a sense of good health and wellbeing.
- 1.2 A community that provides opportunities for our youth to learn, grow, work and become healthy adults.

Well Planned, Vibrant and Active Places

- 2.1 A City where the community has access to quality cultural, recreation, and leisure facilities and services.
- 2.3 Infrastructure assets that are well maintained and responsibly managed to provide for future generations.

Connected City

- 4.2 A community that is well connected to its neighbours and the broader world.

Cared for and Enhanced Environment

- 5.1 Our natural environment is cared for and enhanced for the enjoyment of the community and visitors

Open and Collaborative Leadership

- 6.2 Governance systems that deliver responsible, ethical and accountable decision making.
- 6.3 An organisation that is managed effectively and achieves positive outcomes for the community.

RISK ASSESSMENT

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

CONSULTATION

The Author has consulted with effected Coordinators, Managers and Senior Executive regarding the attached Requested Budget amendments.

OFFICER COMMENT

The Budget Amendments being sought are the result of successful applications for grants and contributions that enhance the activities and infrastructure opportunities for Council and its Community. The Officer commends these requested Budget Amendments to the Finance Committee for consideration.

The following summary is provided with respect to each of individual grants/contributions for the above items:

Business Activity Unit	Funding Organisation	Grant / Project Title / Details	Grant
Busselton Airport	Tourism Western Australia - Perth - TWA1617007	BMRRR Airline Engagement Working Group - Airline Engagement Consultant	177,100

BACKGROUND

The City was successful in receiving \$177,100 in grant funding from Tourism WA to engage an Airline Engagement Consultant over a three year period. In 2016/17 the City will receive two instalments of \$45,950, \$91,900 in total with the balance of grant to be included in future Budgets. To date one instalment has been received.

PLANNED EXPENDITURE ITEMS

\$45,950 has been expended and the remaining \$45,950 is to be expended in March 2017. Funding over the next two financial years will be included in future budget preparations.

PROPOSED OUTCOME

The City has engaged a three Consulting through a formal RFT process to provide airline engagement services, including the preparation of business cases and pitch proposals to airlines, as part of the Busselton Margaret River Airport Development Project. The RFT term is for 2 years plus 1 year option commencing 1st September 2016.

Business Activity Unit	Funding Organisation	Grant / Project Title / Details	Grant
Busselton Airport	Federal Grant – Community Development Grants Program	Upgrade of Busselton-Margaret River Regional Airport	9,779,765

BACKGROUND

The above grant builds onto a commitment of \$59.95 million project budget which is comprised of contributions of \$45.9 million from the WA State Government Royalties for Regions fund; \$10 million from the Department of Transport's Regional Airport Development Scheme; \$3.5 million City of Busselton; \$300,000 South West Development Commission and \$250,000 Tourism Western Australia towards interstate passenger flights.

PLANNED EXPENDITURE ITEMS

Expansion of the Busselton-Margaret River Regional Airport to support international air freight export opportunities.

PROPOSED OUTCOME

This project will provide regional business with access to markets. It will achieve the creation of a facility that supports the agribusiness sector, enabling a supply chain hub that will service the whole South West of Western Australia. Raising the standard of the runway and taxiways will facilitate air freight services, adding significant value to the overall airport capacity upgrade that will see the expansion of passenger services.

Business Activity Unit	Funding Organisation	Grant / Project Title / Details	Grant
Community Services	The Good Guys Discount Warehouse Busselton	Sponsorship Package for Battle of the Bands 2017	1,000
Community Services	Government of WA - Deputy Premier of WA, Minister for Police, Road Safety, Training & Workforce Development, Women's Interests & Cabinet	Road Safety Community Grant - Battle of the Bands 2017 - 45-43743	1,000

Community Services	Government of Western Australia - Local Government Community Services, Seniors & Volunteering, Youth	Youth Activities Grants Program - Battle of the Bands 2017 - 57-00204	5,000
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BACKGROUND

The Busselton YAC (Youth Advisory Council) and the City's Youth Services will conduct the 2017 Battle of Bands community event over a three (3) day period in mid-January 2017.

An additional \$7,000 (as per the table above) has been secured in direct cash grants from the Department of Local Government and the Communities, a Road Safety community grant and corporate sponsorship from the Good Guys Busselton. Other key project partners include Sonup Studios, the Esplanade Hotel, the Cancer Council and Headspace Bunbury.

PLANNED EXPENDITURE ITEMS

Expenditure for the project will be centred on hiring of equipment and personnel to ensure the staging of a professional event. Items such additional Public Amplifier, sound, staging, seating and lighting equipment is required to make this a reality. In addition key personnel will be hired such as Videographers, photographers and security to ensure all event elements are covered.

PROPOSED OUTCOME

Young local musicians will be given the opportunity to show case their musical talents at this free community event, in an encouraging open atmosphere for families and youth to embrace youth culture and community participation. The event will also opportunities for young people to learn and develop life skills to help them get to where they want to be.

Business Activity Unit	Funding Organisation	Grant / Project Title / Details	Grant
Community Services	Government of Western Australia - Local Government Community Services, Seniors & Volunteering, Youth	Country Local Government Fund - Youth Development Scholarship - Senior Customer Information Officer	10,000

BACKGROUND

The purpose of the grant is for the City of Busselton to provide a Youth Development Traineeship through our Building Services business unit that enables a young person under the age of 30 to develop long-term employment skills and to expose them to future employment opportunities and networks within local government.

The City of Busselton Workforce Plan identifies attracting and retaining skilled workforce as critical to ensuring the service quality and achieving long term sustainability.

The total cost of the Traineeship is estimated at \$14,431.45 of which the City of Busselton will use the \$10,000 grant to support payment of course fees and the participant will contribute the balance of cost.

PLANNED EXPENDITURE ITEMS

The City of Busselton will in effect auspice this grant by providing payment up to the grant value for course fees to the approved training body being the Institute of Building Technology Western Australia Trading as Builders Training of WA.

PROPOSED OUTCOME

The participant, whom currently works for the City of Busselton, will achieve an Advanced Diploma of Building Surveying.

Business Activity Unit	Funding Organisation	Grant / Project Title / Details	Grant
Community Services	Government of Western Australia - Local Government Community Services, Seniors & Volunteering, Youth	Country Local Government Fund - Youth Development Traineeship Program	19,610

BACKGROUND

The purpose of the grant is for the City of Busselton to provide a Youth Development Traineeship through our Community Services business unit that enables a young person under the age of 30 to develop long-term employment skills and to expose them to future employment opportunities and networks within local government. Funding of \$19,610 has been secured through the Department of Local Government and Communities for wages and training courses fees.

PLANNED EXPENDITURE ITEMS

Subject to a successful recruitment and employment process, the goal of staff within the Community Services business unit is to commence employment of the Trainee for a 12 month period from 1st February 2017 – 31st January 2018. Subsequent to the starting date, City Officers will be in direct contact with a local training provider to enrol in a Certificate level traineeship course that as a minimum will include a Certificate III in Community Services.

The project Budget is Wages – (Community Services) \$15,000 and Training Course Fees \$4,610.

PROPOSED OUTCOME

Trainee's role - to assist the Community Development team;

- Identify community needs using a variety of methods including community consultation and then contribute to the development of strategies to meet those needs.
- Contribute to the development of community development and social planning policy, programs and action plans commensurate with and which give effect to Council's strategic objectives.
- Assist in facilitating Council sanctioned community events and functions.

Business Activity Unit	Funding Organisation	Grant / Project Title / Details	Grant
Cultural Planning	Department of Infrastructure & Regional Development - Stronger Communities Programme - SCP2001230	Railway House Interpretive Display cabinets, lights and research for Ballarat Engine, Timber industry & Rails to Trails network	13,825

BACKGROUND

City received funding for Railway House Interpretive Display cabinets, lights for tracking and restoration and moving of the Ballarat Engine.

The City of Busselton has allocated \$100,000 to total interpretation works.

Total: \$113,825

PLANNED EXPENDITURE ITEMS (FIGURES INC GST)

Railway House fit out:

- Southern Restoration / sandblasting and painting (\$4,500 expended)
- RCM Rigging Pty / moving the engine and re-installing (\$3,250 expended)
- South West Machining Centre / final works to engine in-situ (\$1,200 – December 2016)
- Aura Lighting / lights for track lighting (\$7,000 December 2016 - January 2017)
- Cabinet maker (not selected as yet) / 4 display cabinets (\$10,000 December 2016-January 2017)

PROPOSED OUTCOME

Completion of Ballarat engine works, lighting for interpretation installed, display cabinets for interpretation items for timber industry at Railway House.

Business Activity Unit	Funding Organisation	Grant / Project Title / Details	Grant
Engineering & Works	Keep Australia Beautiful National Assoc Ltd	Public Place Recycling Bin Project - Beverage Container	13,001.70

BACKGROUND

There are currently no recycling bins installed in public areas. While the City had previously installed recycling bins at the foreshore and in some restricted areas within the Central Business District, the outcome was not satisfactory in respect to the quality of the materials collected because of the amounts of contamination found therein.

The City has therefore decided to trial a new model of recycling in some high profile public places, where properly enclosed bins would be placed, with clear, graphic communication to convey instructions about what materials shall be recycled. Hence, part of this trial involves the design, development, supply and installation of public bin enclosures and the City has successfully applied for a grant from Keep Australia Beautiful.

PLANNED EXPENDITURE ITEMS

The design stage of the project is already being undertaken and we expect the supply and installation of the bins to occur in December this year.

PROPOSED OUTCOME

The City intends to have up to 10 recycling bin enclosures and bins installed in various public places at the Busselton foreshore. The exact number, specifications and location of the bins and bin enclosures is still to be finalised prior to final installation and servicing.

The benefit to the Community will be the possibility of extending recycling activities to public areas, as a means of providing recycling education to the public and thus contributing to better waste management practices. These ties in with the objective of diverting waste from landfill and improving recycling rates, in line with State waste management policy and Community expectations.

Business Activity Unit	Funding Organisation	Grant / Project Title / Details	Grant
Geographe Leisure Centre	The Pod Education & Care Services Activity Grant	GLC - Implement Marketing Strategies & Purchase Program Support Software	4,000

BACKGROUND

The grant funding will be used for operational purposes and marketing support for the GLC and NCC vacation care services.

PLANNED EXPENDITURE ITEMS

Expenditure will be on manufacture of calendar fridge magnets, roadside banners and some specific vacation care software IT.

PROPOSED OUTCOME

The expected outcomes are sustainability of the programs and increased communication with parents through an applicable vacation care software program.

Business Activity Unit	Funding Organisation	Grant / Project Title / Details	Grant
Geographe Leisure Centre	Government of Western Australia - Department of Sport & Recreation	Geographe Leisure Centre - Pool Revitalisation Program (CPRP) 2016/17 Funding Round	32,000

BACKGROUND

\$32,000 received Ex GST which is part of a 3 year forward planning grant from the Department of Sport and Recreation Community Pools Revitalisation Program. (\$32,000 is held over from last year's grant in a restricted assets account)

PLANNED EXPENDITURE ITEMS

Expenditure is likely to be on part payment of resurfacing of the pools at GLC. This will be subject to an engineer's report currently underway as well as a master plan which will be completed 2017.

PROPOSED OUTCOME

Expected outcome is a contribution towards the refurbishment of the pools at GLC which are currently in need of repair /maintenance /possible replacement dependant on the recommendations of the engineers report and master plan.

Business Unit	Activity	Funding Organisation	Grant / Project Title / Details	Grant
Health Department		Shire of Capel	CLAG Funding - EPBC Referral Fee 2016/7780	7,352

BACKGROUND

The City of Busselton belongs to a Contiguous Local Authority Group (CLAG) together with the Shire of Capel and the Department of Health for the purpose of mosquito management. An MOU exists between the members of the CLAG and each year the City applies for funding support from the Department of Health to implement portions of the City's mosquito management strategy. Traditionally this funding includes the provision of the helicopter to conduct aerial larviciding, purchase of mosquito control chemicals and communications. Additionally, within 2016 the City has been required to renew the federal licence for mosquito treatments to occur within the Vasse-Wonnerup wetlands. This application resulted in a \$7,352 application fee which was subsequently made available to the City through the Department of Health grant process. Currently all grant funded expenditure is made through a centralised account held by the Shire of Capel but as the federal Department of Environment required the payment of the application to come from the local government from which the application was submitted, this budget amendment reflects the transfer of grant money from the Shire of Capel to the City of Busselton to support this process

PLANNED EXPENDITURE ITEMS

The City has been required to renew the federal licence for mosquito treatments to occur within the Vasse-Wonnerup wetlands. This application resulted in a \$7,352 application fee which was subsequently made available to the City through the Department of Health grant process.

PROPOSED OUTCOME

The application to the federal Department of Environment allows for the consideration of whether the actions employed to treat the internationally recognised RAMSAR classified Vasse-Wonnerup wetlands for mosquito control are to be deemed controlled or non-controlled actions as defined within the Environment Protection and Biodiversity Conservation Act 1999. The City has applied for the assessment to be completed on a non-controlled basis which if supported will remove the complexity surrounding the treatment of this wetland going forward. Should this application not be supported, further information will be submitted to the Department of Environment for assessment as a controlled action as defined.

Business Activity Unit	Funding Organisation	Grant / Project Title / Details	Grant
Environmental Services	South West Catchment Council	Weed control, feral animal control, installation of interpretive signage and limestone sheeting of a section of dieback infected firebreak track in the south west corner of the Caribunup Reserve	13,500

BACKGROUND

The Caribunup Reserve 38583 is a vegetated bushland with high regional conservation values and the Caribunup *Reserve Management Plan 2002*, was developed specifically to protect the Reserves conservation values for the benefit of future generations.

The reserve comprises 31 Ha, located near the Caribunup town site and is a 'C' class Reserve vested with the City for the purpose of 'Parkland'. The Caribunup Reserve Management Plan guides the community based 'Friends of Caribunup Reserve Group' to undertake activities and to care for the reserve.

PLANNED EXPENDITURE ITEMS

Grant to be utilised for weed control, feral animal control, installation of interpretive signage and limestone sheeting of a section of dieback infected firebreak track in the south west corner of the Caribunup Reserve.

PROPOSED OUTCOME

The City has received a South West Catchment Council grant of \$13,500, to assist the implementation of weed control, feral animal control, installation of interpretive signage and limestone sheeting of a section of dieback infected firebreak track in the south west corner of the Caribunup Reserve.

Business Activity Unit	Funding Organisation	Grant / Project Title / Details	Grant
Environmental Services	Coastwest grant	Implementing dieback management measures along the Meelup coast.	26,540

BACKGROUND

Meelup regional Park was initially surveyed for Phytophthora Dieback in 1994, and a subsequent dieback interpretation report in 2013, indicated that 25.5% of the Park was infected with Phytophthora cinnamomi, 61% is uninfested with the remainder Park is identified as unprotectable. Consequently, a major component of the strategy to constrain this disease involves managing access and soil-disturbance activities within native vegetation. Knowledge of the occurrence of the disease in the landscape is also an essential prerequisite to formulating suitable hygiene management practices.

PLANNED EXPENDITURE ITEMS

The City has received approval for a Coastwest grant of \$29,488 for the purpose of implementing dieback management measures along the Meelup coast, \$26,540, will be received during the current 2016/17 Budget period, to assist the efforts to manage the spread of dieback within Meelup Regional Park. The balance of this grant, \$2,949, will be received during the 2017/18 financial year.

PROPOSED OUTCOME

The Coastwest grant will assist the Meelup regional Park Management Committee to build on current dieback knowledge and enhance dieback control activities.

This project includes the installation of dieback hygiene stations for walkers at key locations, dieback signage and markers, limestone sheeting of tracks to prevent the spread of dieback and phosphite treatment for the protection of vulnerable species.

Business Activity Unit	Funding Organisation	Grant / Project Title / Details	Grant
Ranger Services – Fire Protection	Local Government Grants Scheme - DFES	Vasse Bushfire Brigade 3.4 Urban Tanker	518,200
Ranger Services	Local Government Grants Scheme - DFES	SES vehicle	70,600
Ranger Services – Fire Protection	Local Government Grants Scheme - DFES	Building Improvements Vasse Bushfire Brigade	45,500
Ranger Services – Fire Protection	Local Government Grants Scheme - DFES	Reimbursement ESL Levy Brigades – increased funding from \$160,790 to \$180,000	19,210
Ranger Services – Fire Protection	Local Government Grants Scheme - DFES	Bushfire Brigade Reimbursement Prior Period Adjustments	69,820
Ranger Services	Local Government Grants Scheme - DFES	Busselton Branch SES Reimbursement Prior Period Adjustments	1,162

BACKGROUND

The Emergency Services Levy provides funds through the Local Government Grants Scheme (LGGs) to local government by way of grants to fund operating and Capital/plant expenditure incurred as part of the provision of bushfire brigade service for the community and also for the provision of the State Emergency Service in Busselton.

The release of the LGGs capital and operating grants grant acquittal deadlines do not align with Council's budget preparation timelines, therefore a combination of historical and current data used to estimate the likely Volunteer Bush Fire Brigade (VBFB) and State Emergency Services (SES) operating revenue and expenditure for consideration in the preparation of Council's 2016/17 Budget. Should there be a variation between the final LGGs 2016/17 allocation and Councils adopted budget, then it is necessary to report these variations to the Council.

The 2016/17 LGGs allocation which are discussed further in this report includes the allocation and reimbursement of operational funding for the VBFB and SES, the provision of funds for upgrading to the Vasse VBFB buildings and for the purchase of vehicles.

PLANNED EXPENDITURE ITEMS

Ranger Services- Fire Protection DFES	
Description	Amount
Brigade allocation (multiple cost codes)	19,210
Vasse Bush Fire Brigade Appliance Bay	45,500
Vasse Bushfire Brigade 3.4 Urban Tanker	518,200
SES Vehicle replacement	70,600

PROPOSED OUTCOME

The operating reimbursement funding provided to the City under the LGGs ensures the City's approximately 550 volunteer bushfire brigade members are provided with essential equipment and all the necessary protective clothing to enable fire fighters to perform their duties during a fire incident.

The capital component of the LGGs grant offer, will enable the construction of a new appliance bay for the Vasse VBFB is part of the ongoing improvement of bushfire brigade facilities and these works can be completed in the current financial year.

Council's approval is sought to accept this funding and document it within the City's financial management system via a budget adjustment.

CONCLUSION

Council's approval is sought to amend the budget as per the details contained in this report. Upon approval the proposed works will be planned, organized and completed, where works are unable to be completed in the current financial year appropriate carryovers will be included in the Draft 2017/2018 Municipal Budget.

OPTIONS

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

TIMELINE FOR IMPLEMENTATION OF OFFICER RECOMMENDATION

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

Committee Recommendation and Officer Recommendation**F1612/066**

Moved Councillor P Carter, seconded Councillor T Best

ABSOLUTE MAJORITY DECISION OF COUNCIL REQUIRED

That the Finance Committee recommends to Council endorsement of Appendix A Schedule of Requested Budget Amendments, resulting in an Amended Budgeted Surplus Position of \$70,892.

CARRIED 5/0**BY ABSOLUTE MAJORITY**

7. GENERAL DISCUSSION ITEMS

The Committee received to endorse the below meeting schedule for 2017.

MEETING DATE	TIME
Thursday, 2 February	9.30am
Thursday, 2 March	9.30am
Thursday, 6 April	9.30am
Thursday, 4 May	9.30am
Thursday, 1 June	9.30am
Thursday, 20 July	9.30am
Thursday, 3 August	9.30am
Thursday, 7 September	9.30am
Thursday, 5 October	9.30am
Thursday, 2 November	9.30am
Thursday, 7 December	9.30am

8. NEXT MEETING DATE

Thursday, 2 February 2017

9. CLOSURE

The meeting closed at 9.58am.

NOTE: After the conclusion of the meeting the Chief Executive Officer, Finance Committee Members, Director of Engineering and Works, Director Finance and Corporate Services and Manager Financial Services, informally discussed the following business activities of the City:

- Collection of liquid waste
- Kerbing supply and installation
- Green waste mulching

THESE MINUTES CONSISTING OF PAGES 1 TO 29 WERE CONFIRMED AS A TRUE AND CORRECT RECORD ON

DATE: _____

PRESIDING MEMBER: _____