

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

CITY OF BUSSELTON

MINUTES FOR THE FINANCE COMMITTEE MEETING HELD ON 4 FEBRUARY 2016

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MINUTES

MINUTES OF FINANCE COMMITTEE HELD IN MEETING ROOM ONE, COMMUNITY RESOURCE CENTRE, 21 CAMMILLERI STREET, BUSSELTON, ON 4 FEBRUARY 2016 AT 9.30AM.

1. DECLARATION OF OPENING AND ANNOUNCEMENT OF VISITORS

The Presiding Member opened the meeting at 9.31am.

2. ATTENDANCE

Presiding Member:

Cr John McCallum

Members:

Cr Grant Henley
Cr Gordon Bleechmore
Cr Terry Best
Cr Paul Carter

Officers:

Mr Mike Archer, Chief Executive Officer
Mr Oliver Darby, Director, Engineering and Works Services (from 10.01am to 11.33am)
Mr Matthew Smith, Director, Finance and Corporate Services
Mr Ehab Gowegati, Financial Accountant (until 10.22am)
Mr Daniel Hall, Asset Coordinator (until 9.53am)
Mr Jeffrey Corker, Financial Compliance Officer (until 10.22am)
Mr Stephen Wesley, Engineering Management Accountant (until 10.22am)
Mrs Maxine Palmer, Manager Community Services (from 11.35am)
Mr Dave Goodwin, Recreation Facilities Coordinator (from 11.35am)
Miss Hayley Barge, Administration Officer, Governance

Apologies

Nil

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 held on 3 December 2015

Committee Decision

F1602/001 Moved Councillor G Bleechmore, seconded Councillor P Carter

That the Minutes of the Finance Committee Meeting held 3 December 2015 be confirmed as a true and correct record.

CARRIED 5/0

6. REPORTS

6.1 LIST OF PAYMENTS MADE - NOVEMBER 2015

| | |
|-----------------------------|---|
| SUBJECT INDEX: | Financial Operations |
| STRATEGIC OBJECTIVE: | An organisation that is managed effectively and achieves positive outcomes for the community. |
| BUSINESS UNIT: | Finance and Information Technology |
| ACTIVITY UNIT: | Finance |
| REPORTING OFFICER: | Financial Accountant - Ehab Gowegati |
| AUTHORISING OFFICER: | Director, Finance and Corporate Services - Matthew Smith |
| VOTING REQUIREMENT: | Simple Majority |
| ATTACHMENTS: | Attachment A List of Payments Made - November 2015 |

PRÉCIS

This report provides details of payments made from the City's bank accounts for the month of November 2015, 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.

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

F1602/002 Moved Councillor T Best, seconded Councillor G Henley

That the Council notes payment of voucher numbers M112267 – M112399, EF043224 – EF043710, T007172 – T007185, and DD002605 – DD002629; together totaling \$10,652,677.36.

CARRIED 5/0

6.2 LIST OF PAYMENTS MADE - DECEMBER 2015

| | |
|-----------------------------|---|
| SUBJECT INDEX: | Financial Operations |
| STRATEGIC OBJECTIVE: | An organisation that is managed effectively and achieves positive outcomes for the community. |
| BUSINESS UNIT: | Finance and Information Technology |
| ACTIVITY UNIT: | Finance |
| REPORTING OFFICER: | Financial Accountant - Ehab Gowegati |
| AUTHORISING OFFICER: | Director, Finance and Corporate Services - Matthew Smith |
| VOTING REQUIREMENT: | Simple Majority |
| ATTACHMENTS: | Attachment A List of Payments Made - December 2015 |

PRÉCIS

This report provides details of payments made from the City's bank accounts for the month of December 2015, 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.

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

F1602/003 Moved Councillor G Henley, seconded Councillor P Carter

That the Council notes payment of voucher numbers M112400 – M112501, EF043711 – EF044295, T007186 – T007217, and DD002630 – DD002653; together totaling \$8,170,532.76.

CARRIED 5/0

6.3 FINANCIAL ACTIVITY STATEMENTS – PERIOD ENDING 31 DECEMBER 2015

| | |
|-----------------------------|---|
| 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 Information Technology |
| ACTIVITY UNIT: | Financial Services |
| REPORTING OFFICER: | Financial Accountant - Ehab Gowegati |
| AUTHORISING OFFICER: | Director, Finance and Corporate Services - Matthew Smith |
| VOTING REQUIREMENT: | Simple Majority |
| ATTACHMENTS: | Attachment A Financial Activity Statements - December |

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 31st December 2015.

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 23 July 2015, the Council adopted (C1507/208) the following material variance reporting threshold for the 2015/16 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 2015/16 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

NA.

FINANCIAL 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 6.3 - ‘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 treatment/ control that assists in addressing this risk.

CONSULTATION

Coordinators, Managers and Directors.

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 year to date 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 year to date basis, and reconciles with the net current position as per the Statement of Financial Activity.

- Capital Acquisition Report

This report provides year to date 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 year to date 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 31st DECEMBER 2015

Operating Activity

- Operating Revenue

As at 31st December 2015, there is a variance of +3% in total operating revenue, with the following categories exceeding the 10% material variance threshold:

| Description | Variance % | Variance \$000's |
|---|------------|------------------|
| Interest Earnings | +22% | +\$237 |
| Non-Operating Grants, Subsidies and Contributions | +33% | +\$935 |
| Profit on Asset Disposals | -14% | -\$1 |

A summary of the above variances is provided as follows:

Interest Earnings (+237K)

The current variance is primarily attributable to:

- Late Payment Interest +\$21k;
- Instalment Plan Interest +14k;
- Interest on Municipal Funds +\$2k;
- Interest on Reserve Funds +\$80k. The reserves balance currently include the full \$18m loan funds for the Administration building redevelopment and is yet to be utilised to offset any expenditure. Due to the higher than anticipated balance at this time, interest earned has exceeded budget projections. This trend is unlikely to continue as Administration building works has now commenced;
- Interest on Restricted Funds +\$120k (Relates to airport funds – this is not budgeted for but it should be noted that the Airport grant agreement requires these funds be applied towards the Airport project);

Non-Operating Grants, Subsidies and Contributions (+935k)

The variances are primarily attributable to:

- Busselton Foreshore, provision of services and auxiliary works -\$740k. This is due to the \$4.5M Royalties for Regions grant remaining pending. Likely notification June/ July;
- Foreshore east youth precinct (skate park and adventure playground) +\$615k. This is due timing difference at this time;
- Busselton Shark Net non-operating grant +\$100k. Timing variance, the Government grant was received earlier than was anticipated;
- Tuart bridge (0239A) +\$645k. Timing variance only, the project was completed and invoiced earlier than anticipated. A budget amendment report is pending as this project came in under budget by \$360k, approval has been given to use these unspent federal grant monies on other bridge maintenance undertakings as will be explained in the report;

- Roads to recovery road construction works (23 road works) is net +\$239k. Timing variance only, the City claimed more of the Federal grant funds in the second quarter (Oct-Dec) based on predicted schedule of works than we had originally budgeted for;
- Strelly Street (Main roads) -\$60k. Timing variance only, it was envisaged that the City would claim more of these road design works earlier in the year. Claims are based on expenditure to date a second claim will be made in February;

Profit on Asset Disposals (-\$1K)

The current variance is primarily attributable to:

- Minor timing difference associated with book Profits due to disposal of assets. It should be noted that this is an accounting entry only, and has no direct impact on the Net Current Position.

▪ Operating Expenditure

As at 31st December 2015, there is a variance of -9% in total operating expenditure, with the following categories exceeding the 10% material variance threshold:

| Description | Variance % | Variance \$000's |
|-------------------------|------------|------------------|
| Materials and Contracts | -25% | -\$2,007 |
| Utilities | -17% | -\$192 |
| Other Expenses | -16% | -\$249 |
| Allocations | -18% | -\$186 |

A summary of the above variances is provided as follows:

Materials and Contracts (-\$2,007K)

- Variances associated with material and contracts are predominately attributable to timing differences at this stage of the analysis. Materials and contract nature and type comprises of some 547 cost codes with the main areas of significant variances (over \$50k) as follows;
 - Information technology -\$133k. Timing variance only that predominately relate to Lease of Equipment -\$42k, Consultancy -\$33k, GIS Costs -\$30k, and Computer Software Licences -\$21k;
 - Community recreation centres (for all business units) is -\$107k below budget. This is attributable to -41k for the Naturaliste Community Centre and -\$66k for the Geographe Leisure Centre. To maintain the net operating positions forecast, expenditure at both the GLC and NCC is being strictly prioritised and delayed wherever possible;
 - Within the environmental planning business unit, management plan implementation works is under budget -\$45k. This is attributable to timing differences associated with the utilisation of contractors and the seasonality of the work that is required;
 - Port Geographe Emergency funds for works in association with Department of Transport -\$300k, funds are to be utilised as required;
 - Busselton Jetty maintenance expenditure -\$370k. Timing variance associated with the Busselton jetty, the interpretive centre and the underwater observatory. This is primarily due to corrosion protection assessment and repairs are yet to begin, handrails will be painted in the warmer months of the year and alternative LED light globes are now being tested and trialed;
 - Meelup Regional Park -\$88k. This variance is mainly due to a staff vacancy and the reorganisation of the Meelup Regional Park Environment Officer support role.
 - Refuse site material and contract costs are -\$210k. This relates to the Busselton transfer station, Dunsborough waste facility, rubbish site developments and green

waste. Timing variance only, the budget is spread evenly over the financial year and at the half way point total contractor outgoings are less than half the total contractor budget. This budget is for a myriad of services including fencing, batter repairs, plant hire, surveying, pond maintenance amongst other things. The majority of this budget will be utilised by 30 June 2016

- Parks and gardens within the Provence area is on the whole -\$116k. At this stage, the Provence Estate Landscaped areas have not been handed over to the City for maintenance even though the 5 year maintenance agreement ceased some time ago. There are a number of unresolved issues to be rectified prior to hand over taking place;
- Parks and gardens within the Vasse Newtown area is on the whole -\$92k. Mostly associated with a timing variance only, it is envisaged that the horticultural Contractors will be required more extensively in Vasse Newtown in the second half of the year as the City's garden teams focus on other areas;

Utilities (-\$192k)

- Variances associated with utilities are attributable to timing differences which in turn relates to utility billing cycles. The breakdown is as follows;
 - Telephones (-\$7k);
 - Electricity (-\$42k);
 - Water (-\$143);

Other Expenditure (-\$249k)

- Variances associated with other expenditure are predominately attributable to timing differences. The main areas involved are as follows;
 - Members of Council expenses -\$61k (main variances are for Elected members sitting fees -\$17k, allowances - Mayor & Deputy -\$17k, conference expenses -\$9k, international relationships -\$6k, election & poll expenses -\$5k, communication allowance -\$3k, presentations on termination policy -\$3k, travelling allowance (Councillors meetings) -\$2k);
 - Rates administration -\$9k. Timing difference associated with rating revaluations.
 - Community services administration, events marketing and promotions -\$98k. MERG Marketing funds which have not been expended as MRBTA recharge campaign halted due to amalgamation of GBTA/AMRTA and regional branding. Council has resolved to transfer \$150k from the commercial and industrial differential marketing funds into new Airport Reserve specifically for marketing/ support of Airport development project, and this \$98k, along with further savings in the remainder of the financial year, will be used for this purpose.
 - Property and Business Development -\$15k (main variance is a timing difference associated with marketing and promotion -\$11k and valuation expense -\$4k);
 - Airport operations general advertising costs -\$5k. Most advertising costs have been associated with the Development Project and have been expended from the Airport Development project budget;

Allocations (-\$186k)

- This activity incorporates numerous internal accounting allocations. Whilst the majority of individual allocations are administration based (and clear each month), the activity also includes plant and overhead related allocations. Due to the nature of these line items, the activity reflects as a net offset against operating expenditure, in recognition of those expenses that are of a capital nature (and need to be recognised accordingly). Variances, particularly early in the financial year, are not uncommon, as the activity is highly dependent

upon a range of works related factors. It should be noted however that as anticipated (and in line with historical trends) that the variance is gradually decreasing as the year progresses.

Capital Activity

▪ Capital Revenue

As at 31st December 2015, there is a variance of -71% in total capital revenue, with the following categories exceeding the 10% material variance threshold:

| Description | Variance % | Variance \$000's |
|---------------------------------|------------|------------------|
| Proceeds from Sale of Assets | -46% | -\$178 |
| Transfer from Restricted Assets | -89% | -\$1,335 |
| Transfer from Reserves | -80% | -\$4,595 |

- Variances associated with capital revenue are as follows;

Proceeds from Sales -\$178k

- Timing difference associated with the sale of plant. At this stage it is expected that the full plant acquisition/ disposal program will be achieved by 30th June 2016.

Transfer from Restricted Assets -\$1,335

- The 2015/16 budget includes a transfer from restricted assets of \$1.5m that is associated with expenditure to be incurred for the Busselton Regional Airport development. To date no transfer has been made as expenditure for the project has not yet reached this value (net -\$1.5m);
- The remaining +\$165k is attributable to bonds and deposits refunded to the end of December as all obligations have been fulfilled to authorise the return of funds. As the City does not budget for these transactions, any material variance will be reported accordingly.

Transfer from Reserves -\$4,595k

- The 2015/16 budget includes a transfer from reserves of \$4,590k that is associated with the building of the new Civic and Administration Centre. As this is expenditure has not been realised as at 31st December, no transfer has been made.

▪ Capital Expenditure

As at 31st December 2015, there is a variance of -36% in total capital expenditure, with the following categories exceeding the 10% material variance threshold:

| Description | Variance % | Variance \$000's |
|--------------------------------|------------|------------------|
| Land and Buildings | -83% | -\$7,286 |
| Plant & Equipment | -48% | -\$600 |
| Furniture and Equipment | -19% | -\$60 |
| Infrastructure | -24% | -\$2,998 |
| Transfers to Restricted Assets | +65% | +\$591 |

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

An overview of the collective year to date financial performance in each of the above classifications is also provided as follows:

Land & Buildings (YTD Variance: -\$7,286K)

This classification comprises the following sub-groups,

Land (YTD Variance: -\$55K)

This variance is associated with the general annual allocation for land purchases within the property services area for land matters -\$50k. Funds are not required to be spent at this stage as no land dealings have been identified at this time and in any case this expenditure is backed by reserve funds, therefore this transaction will have no impact on the City's net current position.

Buildings- Major Projects (YTD Variance: -\$6,995k)

The current variance is primarily attributable to;

- Foreshore east youth precinct Community Youth Building (incorporating BSLSC) -\$1,450k. Due to policy changes, and a change in timing, with the Lottery West funding system, the outcome of the grant application which has been submitted to Lottery West and worked through with the stakeholders will not be known until February 2016. The majority of these funds will not be expended in the 2015/16 financial year;
- Railway House -\$1,000k. Tender awarded with construction likely to commence February/March 2016, and to be completed in the 2016/17 financial year;
- Multi-purpose community sporting clubhouse -\$406k. This project should commence construction in May 2016, City Staff are currently working with relevant stakeholders and user groups of the Barnard Park Ovals to come up with a suitable concept which meets their requirements (change room, toilet and kiosk facilities);
- Civic and administration centre -\$4,162k. This is due to a timing difference in that construction has commenced later than reflected in the 2015/16 budget. However given the tight schedule for construction and the anticipated practical completion date of February 2017, it is still anticipated that all of the funds on the 15/16 budget will be spent;
- Steel frame shed +\$23k. This project was an extension to scope of the promenade works to be paid for utilising savings in these works;

Buildings - Other (YTD Variance: -236\$K)

The current variance is primarily attributable to;

- GLC sports stadium floor -\$29.3k. This project is on hold as it may be necessary to utilise these funds for the change room refurbishment in case the cost of this project exceeds budget (see comment below);
- GLC Change room Refurbishment -\$54.3k. The Tender response has come back over budget. Individual RFQ's are being sought which has delayed the works until May 2016. It is desirable that the work will be done this financial year because there is a risk that DSR funding of \$33k will be lost;
- Performing arts centre -\$50k. This project has been put back a year due to other priority projects and this will be a saving to the community facilities contributions account;
- Kookaburra caravan park ablutions refurbishment -\$52k. This relates to the refurbishment of park 1 ablution block. This is a timing difference only with work to commence after Easter;
- Kookaburra park home -\$40k. again this is a timing difference with delivery and installation proposed in April 2016;

Plant & Equipment (YTD Variance: -\$600K)

The current variance is primarily attributable to;

- Building Services -\$35k. Replacement for light vehicle is due in February 2016. Waiting delivery of 2016 model to local dealer;
- Law, Order and public safety -\$53k. Replacement for ranger's ute is due on in April 2016. Waiting on clarification of specification from ranger department as the City is looking at a new 'pod' system for the ranger Ute. Expect to order in February 2016 with delivery late April 2016;
- Parks and gardens plant purchases -\$50k. Timing difference relating to delivery of trucks. All expected to be delivered by 30th June 2016 at this stage;
- Construction plant purchases -\$340k. Replacement for this road maintenance truck has previously been identified as a carryover into 2016/17. This is due to the build time for these bodies which is only carried out in the Eastern States & the significant lag between ordering & delivery. All other construction plant is expected to be delivered by 30th June 2016.

In summary, actual expenditure on Plant and Equipment replacement is \$600,000 under the year to date forecast position, this is attributable to timing only. Many of the heavy vehicles up for replacement are historically delivered and paid for in the second half of the year, with much of the quotation and tendering process having already been finalised in the first 6 months. Almost all light fleet vehicles due for change-over have been replaced in the first half of the financial year.

Furniture & Office Equipment (YTD Variance: - \$60K)

The current variance remains primarily attributable to budget timing differences, and particularly in the Information Technology area, where the annual budget allocation is generally apportioned throughout the year. This budget includes numerous projects, all of which are progressing within projected timeframes. There is presently nothing to indicate that the annual budget allocation for this classification will not be achieved by financial year end.

Infrastructure (YTD Variance: - \$2,998K)

This classification is reported by three main groups being major projects, general infrastructure works and those classified as Airport development projects. Comments on each component are as follows:

Infrastructure – Major Projects (YTD Variance: +\$100K)

Although the current overall difference is immaterial from a dollar value perspective, an analysis is nonetheless required due to some significant variances that exist on individual projects within the Busselton Foreshore Project. The main variances are attributable to;

- Foreshore east youth precinct (skate park and adventure playground – C3103) +\$499k. This is due to timing difference however all funds are expected to be spent on this project by the end of the financial year;
- Foreshore Promenade (Jetty to Geographe Bay Road – C3107) +\$357k. These works were slightly delayed but are nearing completion with some "tidying up" works now taking place. Expectation that this project will be completed on budget by the end of the financial year;
- Foreshore provision of services and auxiliary works (C3132) -\$790k. These works have not commenced because the \$4.5M Royalties for Regions through the SWDC grant remains pending. The City is not likely to be notified as to whether or not the grant is successful until June/ July hence these works are unlikely to commence this financial year;
- Foreshore ancillary works (C3133) -\$160k. These works have been delayed until later in 2016;
- Foreshore water supply and services (C3140) +\$207. This overspend is due to an addition to the scope of these works which will be funded by an equivalent underspend in the foreshore Promenade works budget;

Infrastructure – Other (YTD Variance: -\$2,470K)

Excluding the Busselton Regional Airport, Foreshore and Administration Building developments the majority of the remaining Infrastructure projects are administered by the Engineering and Works Services Directorate. In respect of year to date financial performance, the Engineering and Works Service Directorate advises that these projects are presently \$2.4m below year to date (YTD) budget estimates, with much of this variance attributable to timing only. Council should be mindful that there were a further \$1.1m in committed orders against these projects as at 31 December, which if taken into account reduces the year to date for infrastructure projects to \$1.3m. The following major items are contributing to the variance;

- Busselton Jetty Refurbishment (C3500) -\$625K, The Busselton Jetty accounts for 20% of the year-to-date variance. All of the cruise ship landing facility had been budgeted to be fully expended by the end of December. The East platform has now been built and the smaller West platform is currently under construction with construction due to be completed by mid-February 2016;
- Parks and Gardens project, of which there are 18 this financial year are under budget to the tune of \$1.197m. 90% of this variance is attributable to the new Vasse Oval Development where preliminary works had been scheduled to begin in the first half of the financial year. Due to planning and design related matters and other commitments these works will now commence in March 2016;
- The Transfer Station and New cell Development budgets were evenly spread across the financial year. Works on the Transfer Station are yet to commence and as such there is a \$588k variance to the year to date budget. Although the New Cell is underway, expenditure to date is \$531k under the predicted year to date budgeted amount. Both these variances are due to timing.
- Within the roads construction program, Main roads projects are overall -\$182k, Roads to Recovery projects are overall +\$331k, Council road initiatives projects are overall -\$481k. A large number of Road Capital projects are scheduled to commence in the warmer and dryer second half of the year. To this end total Road related capital expenditure is \$332k under budget at this time. The designated Bus Bays project on College Avenue has been delayed due to ongoing vegetation clearing permit matters with these issues soon to be resolved. All projects are programmed to be completed by 30 June 2016.

Infrastructure – Airport Development (YTD Variance: -\$247K)

In relation to the progress of the Busselton Regional Airport development projects, the Community and Commercial Services Directorate report the following:

- Airport project expenses -\$247k as compared to year to date budget. This is attributable to unconfirmed costs associated with the establishment and operations of the Project Office during budget preparation, the appointment of staff during the year rather than the start of financial year, and the delayed payment of building construction insurance. Further, the Airport Development capital budget was prepared based on the total project budget (\$55.9m) rather than being allocated to specific years reflecting the project progress, as this information was unknown at the point of budget development for 2015/16;

Transfers to Restricted Assets (+\$591k)

The annual budget in this category is spread evenly across the financial year. The favourable year to date variance is partly due to the receipt of additional developer contributions in excess of budget totalling approximately \$336k. The additional funds received were predominately for contributions attributable to Provence, Vasse, and Peppermint Park. These funds have been receipted into the Community and Recreation Facilities account and are subsequently transferred to the Restricted Assets account.

Transfers to Restricted Assets has no direct impact on the surplus/ deficit position, as associated transactions represent equity transfers to quarantine funds received in the form of, amongst others, developer contributions (via the 'Non-Operating Grants, Subsidies and Contributions' operating revenue category) and borrowings.

BUDGET VARIATIONS AND OTHER 'KNOWN'S'

The financial report for the period ending 31st December 2015 is inclusive of all budget amendments endorsed by Council with the exception of the 9th December Resolution C1512/361 "old butter factory upper floor" works. This resolution will be processed in January 2016.

Taking into account all budget amendments for this financial year, the projected net current position for 2015/16 (based on the amended budget ledger) still remains at \$0.

CONCLUSION

The overall operating performance as at 31st December 2015 is in general alignment with year to date budget estimates, and collectively the operating performance is considered satisfactory for the first half of 2015/16.

With respect to capital activities, it is presently projected that, with the exception of the Busselton Airport development and specific Foreshore works projects (being Foreshore East – Youth Precinct Community Youth Building, Railway House, Multi-Purpose Community Sporting Clubhouse – Active Playing Fields Stage 1A, and Civic Administration Building), that all other capital projects will be achieved by financial year end. The anticipated projects not completed are predominantly funded from grants, contributions, and reserves, and to this end they will have no impact on the City's net current position. A full analysis will be included within the impending budget review.

The Annual Budget Review is to be completed based on the City's financial performance as at the end of February 2016, by which time any emerging financial trends (should there be any), will be more clearly evident.

OPTIONS

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

TIMELINE FOR IMPLEMENTATION OF OFFICER RECOMMENDATION

NA.

Committee Recommendation and Officer Recommendation

F1602/004

Moved Councillor G Bleechmore, seconded Councillor P Carter

That the Council receives the statutory financial activity statement reports for the period ending 31st December 2015, pursuant to Regulation 34(4) of the Local Government (Financial Management) Regulations.

CARRIED 5/0

6.4 FINANCE COMMITTEE INFORMATION BULLETIN - NOVEMBER / DECEMBER 2015

| | |
|-----------------------------|--|
| SUBJECT INDEX: | Councillor's Information |
| STRATEGIC OBJECTIVE: | Governance systems that deliver responsible, ethical and accountable decision-making. |
| BUSINESS UNIT: | Engineering and Facilities Services |
| ACTIVITY UNIT: | Executive Services |
| REPORTING OFFICER: | Asset Coordinator - Dan Hall Civic Relations Officer - Deborah Holden Financial Compliance Officer - Jeffrey Corker |
| AUTHORISING OFFICER: | Director, Finance and Corporate Services - Matthew Smith |
| VOTING REQUIREMENT: | Simple Majority |
| ATTACHMENTS: | Attachment A Investment Performance Report - Period Ending 30 November 2015 Attachment B Investment Performance Report - Period Ending 31 December 2015 |

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. Investment Performance 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 November 2015, the value of the City's invested funds totalled \$126.55mn. There was no significant change from 31 October 2015.

During the month of November \$11.0mn in term deposit funds matured. All were renegotiated, for an average of 128 days and at an average interest rate of 2.80%.

During the month of November a term deposit held with the WA Treasury Corp in the amount of \$6.0mn for the Airport Redevelopment matured and was closed as per the first instalment of the funding contract. An amount of \$5.0mn was deposited with the Westpac bank for a period of 92 days at a rate of 2.90%. The balance of \$1.0mn was placed into an interest bearing cash account with the ANZ bank so as to provide funds to meet operational expenditure as the project develops.

As at 31 December 2015, the value of the City's invested funds totalled \$123.55mn. The \$3mn reduction was due to the funds being withdrawn from the 11am account to meet operational requirements.

During the month of December \$11.5mn in term deposit funds matured. All were renegotiated, for an average of 127 days at an average rate of 3.02%.

For the first month in many rates in excess of 3.00% were achieved, although the increase may be short lived. While official cash rates remain steady, concerns continue within financial markets. Available rates remain volatile, and vary significantly from bank to bank and day to day. Markets softened significantly early in January.

2. 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 |
|-------------|---------------|------------------------------------|--|
| 26-Oct-15 | 200.00 | Tourism Council of WA | 2015 Perth Airport Tourism Awards Dinner (Jon Berry) |
| 26-Oct-15 | 200.00 | Tourism Council of WA | 2015 Perth Airport Tourism Awards Dinner (Mayor Henley) |
| 27-Oct-15 | 295.00 | Harvey Norman | 1 Birko 10L Commercial Urn (Deb Holden) |
| 30-Oct-15 | 280.14 | Esplanade Fremantle | Accom. & Parking LGMA Annual State Conference (Mike Archer) |
| 06-Nov-15 | 254.13 | Crown Promenade Perth | Accom. & Parking Tourism Awards Dinner (Mayor Henley) |
| 08-Nov-15 | 1988.00 | Qantas Airways | Flights Local Govt CEO Conference New Zealand – 50% to be reimbursed by CEO (Mike Archer) |
| 17-Nov-15 | 185.00 | Tourism Council of WA | 2015 Perth Airport Tourism Awards Dinner (Mayors Guest) |
| 18-Nov-15 | 185.00 | Tourism Council of WA | 2015 Perth Airport Tourism Awards Dinner (Mayor Henley) – Duplicate payment to be refunded |
| 20-Nov-15 | 261.38 | Novotel Auckland | Accom. Local Govt CEO Conference New Zealand (Mike Archer) |
| 01-Dec-15 | 1025.00 | LGMA WA | Registration for LGMA Annual State Conference (Mike Archer) |
| 10-Dec-15 | 89.00 | 3 Oceans Wine Company | Cape ROC End of Year Lunch (CEO, Cr's Henley, Best & McCallum) |
| 09-Dec-15 | 458.00 | Geographe Camping and Outdoors | Marquees for Skate Park Opening (Deb Holden) |
| 09-Dec-15 | 485.00 | Knee Deep Wines | Councilor's Christmas Dinner Beverages (Mike Archer) |
| 18-Dec-15 | 1277.45 | Australian Coastal Councils Assoc. | Registration Fees 2016 ACC Conference (Cr John McCallum) |
| | | | |

3. 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.

4. 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:

- 53 applications for sponsorship have been received during this financial year.
- The average donation approved for the financial year is \$405.33
- There were 17 applications for sponsorship received or assessed during November and December 2015.
- Expenditure from the Donations, Contributions and Subsidies Fund (Sponsorship Fund) for the financial year totals \$21,483.
- Total budget for the Donations, Contributions and Subsidies Fund (Sponsorship Fund) is \$36,830.00.

| App. No. | Recipient | Purpose | Amount |
|----------|---|---|-------------------|
| 37/1516 | Busselton Art Society | 56th Annual Art in the Park event. Funds to assist with event and website advertising | \$500 |
| 38/1516 | South West Indonesian Community | Indonesian Cultural Day - bringing the local community together to educate them on Indonesian culture - 22 November | \$500 |
| 39/1516 | Forrest Personnel Inc. | Access and Inclusion Awareness event being held in conjunction with the City of Busselton at the GLC. Part of Disability Awareness Week | \$500 |
| 40/1516 | Our Lady of the Cape Primary School Dunsborough | End of Year 6 graduation and awards night | \$100 |
| 41/1516 | Nicholas Antonio | Special Circumstances - Representing WA at School Sports Pacific Games in Adelaide (Swimming) | \$200 |
| 42/1516 | Jasmine Hopkins | Special Circumstances - Representing WA at School Sports Pacific Games in Adelaide (Swimming) | \$200 |
| 43/1516 | Zoe Butler | Special Circumstances - Representing WA at School Sports Pacific Games in Adelaide (Swimming) | \$200 |
| 44/1516 | Boomerang Bags | Funds requested for materials to make reusable bags and NCC room hire - unsuccessful | \$0 |
| 45/1516 | Jaylen Colegate | Special Circumstances - Representing WA in U 15s men's country team in Vic (basketball) | \$200 |
| 46/1516 | Caelin Winchcombe | Special Circumstances - Representing WA at State Sailing Club in Melbourne and Sydney | \$200 |
| 47/1516 | Vasse Art Award | Funds to assist with advertising of the Vasse Art Award | \$400 |
| 48/1516 | Dunsborough Lions Club | Summer Lions Fair being held at the NCC on 23 January 2016. Funds transferred to the NCC to waive the cost of the room hire | \$190.91 (ex GST) |
| 49/1516 | Dunsborough Bay Yacht Club | State Flying Ants Title Jan 2016. Funds to pay for competitors t-shirts | \$500 |
| 50/1516 | Dunsborough Bay Yacht Club | State Minnows Title March 2016. Funds for competitors t-shirts | \$500 |

| App. No. | Recipient | Purpose | Amount |
|----------|---|--|---------|
| 51/1516 | Busselton Volunteer Fire and Rescue Service | Replacement of fire hydrants at the running track to competition standard | \$850 |
| 52/1516 | Shire of Esperance | Donation to assist with Bushfire relief as directed by Council | \$1,000 |
| 53/1516 | Acting Up! Drama School | Courtyard Cinema - assistance with movie fee. Due to recent Community Bids success, this application was unsuccessful. | \$0 |

Asset Management Report

The Long Term Financial Plan (LTFP) Review and update was completed in December 2015. This included a review and update of existing forward planning within asset management plans.

Infrastructure assets covered within this review and update included Buildings, Roads, Parks and Gardens, Drainage, Footpaths and Cycle ways, Boat Ramps and Coastal Protection and Bridges.

The projects listed within the LTFP are a mix of new and renewal projects, the renewal projects were generated through the asset management plans and the new projects are generated by other sources such as strategic documents, community requests and officer recommendations.

The updated figures aim to best reflect the current strategic directions of the Council with regards to infrastructure assets expenditure, this includes the inclusion of figures from the current Draft Asset Management Plan for the GLC, Renewal / New Split for expenditure of footpaths and cycle ways and increased expenditure for narrow seal (3.5m wide) rural roads.

Committee Recommendation and Officer Recommendation

F1602/005 Moved Councillor T Best, seconded Councillor P Carter

That the Finance Committee notes the Finance Committee Information Bulletin for the month of November / December 2015.

CARRIED 5/0

9.53am At this time the Asset Coordinator left the meeting and did not return.

10.01am At this time the Director, Engineering and Works entered the meeting.

6.5 BUDGET AMENDMENT - VEGETATION CLEARING AROUND BRIDGES TO PROTECT FROM FIRE

| | |
|-----------------------------|---|
| SUBJECT INDEX: | Budget Planning and Reporting |
| STRATEGIC OBJECTIVE: | Infrastructure assets are well maintained and responsibly managed to provide for future generations. |
| BUSINESS UNIT: | Engineering and Facilities Services; Operations Se |
| ACTIVITY UNIT: | Engineering and Works Services |
| REPORTING OFFICER: | Engineering Management Accountant - Stephen Wesley |
| AUTHORISING OFFICER: | Director, Engineering and Works Services - Oliver Darby |
| VOTING REQUIREMENT: | Absolute Majority |
| ATTACHMENTS: | Attachment A Main Roads Tuart Drive Bridge Works Complete Letter Attachment B Email from Roads to Recovery stating that the City can use the left over money |

PRÉCIS

This report seeks to amend the City's Bridge Maintenance Budget by applying unspent Federal Government grant monies for the purpose of vegetation clearing to mitigate risk of damage to bridges due to fire.

BACKGROUND

The "Keelty Report" stemming from the February 2011 WA bushfires made a number of recommendations to mitigate bushfire risk. In accordance with Recommendation 30, MRWA inspected all known timber bridges in WA and assessed the risk posed by fire. MRWA recommended that vegetation be cleared to a radius of 10 meters either side of all bridges especially those in rural areas, constructed from timber.

Based on this recommendation City Officers reviewed its stock of bridges and priorities them based on the risk posed to road users should the bridge be destroyed or access be impeded by fire. A staged plan was then devised for the clearing of vegetation surrounding all City bridges over a number of years. To this end, a request was in the process of being prepared to seek an increase to the current Bridge Maintenance budget over the five years to facilitate these works.

The City has 31 bridges that require vegetation clearing with 24 of these constructed out of timber, 9 of which have been identified by MRWA and City technical staff as requiring priority vegetation clearing. Vegetation clearing was subsequently carried out of seven of these bridges last financial year with the remaining three having been cleared this year. To this end, there remain 22 bridges that are yet to be cleared of vegetation around their perimeter. The estimated cost of these works is within the range of \$210,000 to \$230,000 based on existing tendered rates.

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

Bridge Asset Management Plan

FINANCIAL IMPLICATIONS

The City budgets in the order of \$ \$190,000 per annum for the preventative maintenance of its bridges. These maintenance responsibilities are tied to the receipt of external funding from both the State and Federal Governments for major bridge renewal and improvement works.

One of these major projects carried out earlier in the year was on the Tuart Drive Bridge. These works were undertaken by the Main Roads Bridge Repair team and were fully funded by the Federal Government from a Special Bridge Grant totaling \$645,000. This program is a special arm under the widen Roads to Recovery Program.

These works were recently completed at a final cost of \$284,679. Upon removing the bridge deck it was found that the bridge was not in need of the extensive maintenance first thought, from initial inspections. To this end, the bridge works came in under budget by \$360,321. These monies now remain in the City's Roads to Recovery 5 year funding pool.

Advice has been sought from the Roads to Recovery Program Administrator, who has formally advised that the City can use the left-over money for the sole purpose of Bridge Maintenance activities. A condition of the funding is that it must be fully spent by 2019, representing the completion of the current 5 year funding pool.

They also advised strongly that this money should not be used to replace any existing bridge maintenance funded by the City from its own source. This would have the potential to jeopardise future funding from the State and Federal Governments under their 10 year bridge renewal program conditions. As mentioned previously there is a requirement for Local Governments to expend a certain level of its own source funds to qualify for external bridge funding.

It is recommended that a budget adjustment be made to assign a further \$360,321 to the City's Bridge Maintenance Budget, with a corresponding revenue budget for the same amount, with a large portion of these monies to be used to complete vegetation clearing around the remaining 22 bridges at an estimated cost of \$210,000 - \$230,000.

It is further recommended that any unspent maintenance monies as at 30 June 2016 be carried forward into 2016/17. These remaining funds will complement next year's bridge maintenance budget and will be used for other bride related works, namely the installation of guard rails on various yet to be determined bridges. These works will be guided by the City's Bridge Asset Management Plan.

This budget adjustment will have no financial implications on the City's overall financial position, and have no impact on net municipal funds.

STRATEGIC COMMUNITY OBJECTIVES

Nil

RISK ASSESSMENT

A per the recommendations made in the Keelty Report, if vegetation clearing is not conducted within the recommended radius of a bridge than that bridge is susceptible to damage or destruction in the event of fire.

CONSULTATION

City Officers have liaised with the Federal Governments Roads to Recovery Program Administrator and the Main Roads Bridge Coordinator.

OFFICER COMMENT

Nil

CONCLUSION

City Officers seek Councils approval to use the left over money from the Tuart Drive Bridge Project to undertake various Bridge Maintenance activities, primarily the clearing of vegetation around bridges to mitigate the risk of damage from bushfires. To this end, a budget amendment is sought to record this change in resourcing.

OPTIONS

The Council could allow the money to be returned to the Federal Government via the funding pool when it ceases in 2019 and not utilise it in bridge maintenance works as recommended.

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**F1602/006**

Moved Councillor T Best, seconded Councillor P Carter

That the Council:

1. Endorses an amendment to the 2015/16 budget to enable a transfer of \$360,321 of unspent capital funds from Bridge Construction Accounts, namely:
 - Credit account string grant revenue (541.A9999.1241.0000);
 - Debit account string grant revenue (541.A0017.1221.0000);to Bridge Maintenance Accounts, namely:
 - Debit account string expenditure (541.A9999.3280.0000);
 - Credit account string expenditure (541.A0017.3280.0000)to mitigate fire risk to Council Bridges; and
2. Approves any unspent funds being carried over in the 2016/17 financial year for Bridge Maintenance Asset Management purposes.

CARRIED 5/0**BY ABSOLUTE MAJORITY**

6.6 MEELUP REGIONAL PARK 2015-16 BUDGET AMENDMENT

| | |
|-----------------------------|--|
| SUBJECT INDEX: | Environmental Mngement Plans, Impact Studies and Reports |
| STRATEGIC OBJECTIVE: | Our natural environment is cared for and enhanced for the enjoyment of the community and visitors. |
| BUSINESS UNIT: | Environmental Services |
| ACTIVITY UNIT: | Environmental Services |
| REPORTING OFFICER: | Manager, Environmental Services - Greg Simpson |
| AUTHORISING OFFICER: | Director, Planning and Development Services - Paul Needham |
| VOTING REQUIREMENT: | Absolute Majority |
| ATTACHMENTS: | Attachment A Bike Trails and Rehab Units A2 |

PRÉCIS

An assessment of Meelup Regional Park Management Zone 6, has identified the need to prepare an Asbestos Management Plan and to carry out an investigation of other contaminants of potential concern that may be present on the site. This report recommends the transfer of \$30,000 from the Waste Management Facility and Plant Reserve to the Meetup Consultancy account 425-11170-3260, to facilitate the preparation of an asbestos management plan and to develop a detailed site investigation plan.

BACKGROUND

In January 2014, Council resolved (resolution C1401/013) to support in principle the establishment of a mountain bike trail network within Meelup Regional Park Management Zone 6 (the Site), with the approach to the management of the network amongst other requirements, being that a working group is formed to complete detailed design, implementation plans and costing for the development of the first stage of a mountain bike trail network , including the ongoing maintenance and management of the network, identifying and secure funding, securing necessary environmental approvals, and to brief, inform or consult the Meelup Regional Park Management Committee and Council regarding the outcomes of that work before the commencement of on ground works.

In April 2015, Council amended its 2014 -2015 Budget and allocated \$20,000 for the purpose of undertaking a Preliminary Site Investigation of the former waste disposal site within Management Zone 6 and to prepare applications to the relevant government agencies and consult with the adjoining land manager Water Corporation for approval to establish a mountain bike trail network in Meelup Regional Park.

An application to clear vegetation for construction of some sections of the mountain bike trails has been submitted to the Department of Environmental Regulation (DER) and advice from the DER indicates that the City's application is in the final stages of assessment.

The Preliminary Site Investigation was also carried out to assess potential contamination within Management Zone 6, resulting from former waste disposal landfill activities and to identify/recommend an approach which is discussed later in this report, to manage potential contamination at the Site, and allow for the development of a mountain bike trail facility within the impacted area.

STATUTORY ENVIRONMENT

Section 6.8 of the Local Government Act 1995 refers to expenditure from the municipal fund not included in the annual budget.

Meelup Regional Park is Reserve 21629, and is Crown Land over which the City has a management order. The reserve purpose is 'Conservation and Recreation'.

Contaminated Sites Act 2003 provides for the identification, recording, management and remediation of contaminated sites.

Health Act 1911 and the relevant guidelines developed thereunder and administered through the Department of Health (WA) provide guidance for the investigation, remediation and management of asbestos-contaminated sites, based on Australian and international best practise tailored to Western Australian conditions.

RELEVANT PLANS AND POLICIES

The park is managed by City of Busselton in accordance with the Meelup Regional Park Management Plan (2010); approved by both the Council and the Minister for Lands. The Plan emphasizes the importance of conservation values in managing the Park, but also clearly supports a range of recreational uses of the Park;

In January 2014, Council resolved (resolution C1401/013) to note the Meelup Regional Park Mountain Bike Facility Trails Master Plan and Zone 6 Mountain Bike Management Plan prepared by the Cape Mountain Bikers Inc as guiding and background documents for the development of a mountain bike trail facility.

The Council has a policy relating to Waste Management Facility and Plant Reserve – Management of year end position adopted in March 2013. This policy seeks to ensure that any waste related surplus/deficit is transferred to or from the Waste Management Facility and Plant Reserve. The basis of this is to ensure that any surplus and/or associated fees and charges related to waste activities are used for future waste related purposes.

Waste management increasingly requires effective long-term financial planning and vision. While operating a waste site, long term planning considerations need to be given to the following:

- **The costs associated with post closure management;**
- Plant and equipment;
- The development of new airspace through the construction and/or expansion of new cells / cell areas;
- Securing a future site for a new waste facility once the landfill area has been exhausted;
- Investment in technology to reduce landfilling;
- Education.

Clearly, dealing with a former waste disposal landfill facility in this manner falls under post closure management of a waste site.

FINANCIAL IMPLICATIONS

The Preliminary Site Investigation recommends the preparation of an asbestos management plan and a more detailed site investigation to determine if there are other contaminants of potential concern that may require future remediation.

In order to maintain the integrity of Council's financial reporting, this report recommends an amendment to Council's 2015-16 Budget for the transfer of \$30,000 from the Waste Management Facility and Plant Reserve to the Meetup Consultancy account 425-11170-3260, to facilitate the preparation of an asbestos management plan and to conduct a detailed site investigation.

The purpose of the Waste Management Facility and Plant Reserve is –

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

The proposed expenditure is associated with post-closure management of a former waste facility.

The City is currently seeking requests for quote (RFQ) to undertake the work, and anticipate the costs will be in the vicinity of \$30,000. Amendment of the budget ahead of the finalisation of the RFQ process will allow work to commence as soon as possible after quotes have been assessed, rather than having to await a subsequent budget amendment process.

Long-term Financial Plan Implications

The future works that may need to be undertaken within Management Zone 6 are expected to be identified as part of the preparation of an asbestos management plan and by conducting further site investigation. This process will identify the long term financial implications associated with the remediation of the former waste disposal landfill.

STRATEGIC COMMUNITY OBJECTIVES

The proposal is considered as relating to Key Goal Area 5 – Cared for and Enhanced Environment and Community Objective 5.1 - Our natural environment is cared for and enhanced for the enjoyment of the community and visitors.

RISK ASSESSMENT

An assessment of the potential implication 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 risks are only identified in this report where the risk, following implementation of controls has been identified, is medium or greater.

| <i>Risk</i> | <i>Controls</i> | <i>Consequence</i> | <i>Likelihood</i> | <i>Risk Level</i> |
|---|--|--------------------|-------------------|-------------------|
| Public inadequately protected from exposure to waste materials. | Develop and implement site remediation to ensure barriers are in place to intercept human exposure pathways. | Major | Rare | Medium |

The key risk identified without some form of remediation or management, is activity within the former waste disposal areas, that causes disturbance of asbestos containing materials (ACM) and increased release of airborne asbestos fibres, with potential to effect on site and off site human health receptors.

CONSULTATION

As required by the January 2014 Council decision, a Meelup Mountain Bike Trails Working Group formed and met regularly throughout 2014 to progress the establishment of a mountain bike trail network within Meelup Regional Park management zone 6. The Working Group consist of the Meelup Regional Park Environment Officer, a City Officer and a nominee of the Meelup Regional Park Management Committee all representing the City of Busselton, two representatives from Cape Mountain Bikers Incorporated, and a representative from the Dunsborough and Districts Country

Club Inc, who incidentally has not been able to attend meetings on a regular basis but is kept informed of the working groups progress.

The Cape Mountain Bikers Inc representatives on the working group are keen to progress the development of the mountain bike trail network within Meelup Regional Park, however further progress is dependent on securing the necessary DER approvals and the development of a plan to manage ACM and other contaminants of potential concern (COPC) within Management Zone 6.

OFFICER COMMENT

The Preliminary Site Investigation has confirmed the Site should be considered to be a potentially contaminated site, based on the presence of historic community waste landfill areas and the identification of ACM within the landfill areas.

As an interim response to the identification of ACM, an emu bob/hand picking of ACM has been undertaken in Management Zone 6 Site and further hand picking will be undertaken should ACM be identified.

To facilitate the development of the mountain bike trails network, management of ACM is required to reduce the possibility of ACM being disturbed and potentially affecting human health. Given the nature and potential volume of waste material deposited in the landfill areas, it is likely that in-situ treatments (i.e. coverage of ACM impacted soils at the current surface with clean fill) will be the primary approach to achieve the end land use, being revegetation of the impacted areas in a manner that also accommodates the development of a mountain bike trail facility.

This approach would require the preparation of an Asbestos Management Plan for the management of soil disturbance activities to protect the health and safety of site workers, site users, off-site residents and the general environment from adverse impacts resulting from disturbance of ACM material at the Site.

It is also recommended that a more detailed site investigation be undertaken to assess the risk posed to site users or environmental receptors in relation to other COPC associated with waste disposal in Management Zone 6. At present no empirical data is available to assess this risk. The objectives of further investigations would include confirming the presence or absence of chemicals of potential concern, the lateral and vertical extent of contamination (if present), assess potential risks to human health and environmental receptors and determine whether additional management actions are required to manage the site soils.

Council endorsement of the officer recommendation will enable the preparation of an asbestos management plan and the development of a more detailed site investigation of other COPC. However, it should be acknowledged that parts of the detailed site investigation such as the implementation of a sampling analysis quality plan which may involve seasonal sampling of ground water to establish the presence or absence of other COPC.

While the more detailed site investigations may need to be conducted over one or more years, it is intended that the Asbestos Management Plan will demonstrate to both the Department of Health and DER that the potential risks to human health and environmental receptors can be adequately addressed by remediation with the associated site works being undertaken during the 2016-2017 financial year.

The proposed Mountain Bike Trail alignment also traverses a section of Water Corporation managed Reserve which is effectively an easement for the future installation of a water supply line. This easement also crosses through the former waste landfill areas. The Water Corporation have indicated their support for the proposed mountain bike trail alignment to access Water Corporation land and

have indicated that they would like to formalize this support through a formal agreement between Water Corporation and the City. Further discussion with the Water Corporation will determine if the water supply easement can be realigned so that it does not cross through the former waste landfill area.

CONCLUSION

In order to manage potential contamination at the Site that will allow for the development of a mountain bike trail facility, this report recommends that Council endorse an amendment to the 2015-16 Budget by way of a transfer of funds from the City's Waste Management Facility and Plant Reserve for the post closure management of potential contamination within Management Zone 6, resulting from former waste disposal landfill activities.

OPTIONS

Council may resolve not to endorse the officer recommendation to amend the 2015-16 Budget to enable the preparation of an asbestos management plan and to undertake a detailed site investigation, however, the risk of release of airborne asbestos fibres, with potential to effect on site and off site human health receptors would remain.

TIMELINE FOR IMPLEMENTATION OF OFFICER RECOMMENDATION

The 2015-16 Budget will be amended immediately on endorsement of the officer recommendation. The preferred timeline for the drafting and lodgment of an asbestos management plan to the Departments of Health and Environmental Regulation in June 2016.

Committee Recommendation and Officer Recommendation

F1602/007 Moved Councillor T Best, seconded Councillor P Carter

That the Council amend the 2015-16 Meelup Consultancy budget (Account 425-11170-3260-9650) from \$15,180 to \$45,180 (i.e. +\$30,000) with this additional expenditure being funded from a transfer from the Waste Management Facility and Plant Reserve, to facilitate the preparation of an asbestos management plan and to develop a detailed site investigation plan.

CARRIED 5/0

BY ABSOLUTE MAJORITY

10.22am At this time the Financial Accountant, Financial Compliance Officer and the Engineering Management Accountant left the meeting and did not return.

7. GENERAL DISCUSSION ITEMS

The Director, Finance and Corporate Services discussed with Committee the possible allocation of monies that had recently been received by the City in relation to a number of Port Geographe bank guarantees.

The Committee was generally in support of the allocation of those monies to various existing City Financial Reserves and noted that this would be the subject of a future report to the Council via the Committee.

11.33am At this time the Director, Engineering and Works Services left the meeting and did not return.

11.35am At this time the Manager Community Services and the Recreation Facilities Coordinator entered the meeting.

The Manager Community Services and the Recreation Facilities Coordinator updated the Committee on the Geographe Leisure Centre Café leasing arrangements, interim service provisions and the estimated impacts on the 2015/16 budget.

8. NEXT MEETING DATE

Thursday, 3 March 2016

9. CLOSURE

The meeting closed at 11.55am.

THESE MINUTES CONSISTING OF PAGES 1 TO 30 WERE CONFIRMED AS A TRUE AND CORRECT RECORD ON THURSDAY, 3 MARCH 2016.

DATE: _____ PRESIDING MEMBER: _____