

City of Bunbury Council

Notice of Special Meeting and Agenda 25 July 2023

To adopt the City of Bunbury:

- **Corporate Business Plan,**
- **Long Term Financial Plan, and**
- **2023/24 Annual Budget**

Advertised in City Focus on 18 and 25 July 2023.



CITY OF BUNBURY
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Western Australia

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Table of Contents

Item No	Subject	Page
1.	Declaration of Opening / Announcements of Visitors.....	5
2.	Disclaimer	5
3.	Record of Attendance, Apologies and Leave of Absence	5
	3.1 Apologies	5
	3.2 Approved Leave of Absence	5
4.	Declaration of Interest.....	5
5.	Public Question Time.....	6
6.	Questions on Notice from Council Members	6
7.	Purpose of the Meeting.....	6
	7.1 Adoption of the City of Bunbury Corporate Business Plan 2023/24 to 2026/27 and Long Term Financial Plan 2023/24 to 2034/35.....	7
	7.2 Adoption of the City of Bunbury 2023/24 Budget	10
	7.3 Appendices.....	24
	7.3.1 Appendix 1: Specified Area Rate – Pelican Point - Grand Canals	24
8.	Closure	26

Acknowledgement of Country

We acknowledge the Traditional Custodians of this land, the Wardandi Noongar people, and pay our respects to Elders past, present and future.

Vision

Bunbury: welcoming and full of opportunities.

Organisational Values

#WEARECOB

WE ARE COMMUNITY

We are one team
We keep each other safe
We display empathy and respect
We have fun and celebrate our successes
We work together to achieve great outcomes

WE ARE OPEN

We are open to opportunities
We actively listen and think things through
We are inclusive and treat everyone equally
We are honest and open in our communications
We are open to feedback to improve our performance

WE ARE BRAVE

We lead the change, we own it
We trust and empower each other
We have the difficult conversations early
We hold ourselves to the highest standard
We have the courage to improve and simplify

Bunbury City Council Notice of Special Meeting

TO: Elected Members

A Special Meeting of the City of Bunbury Council will be held in the Council Chambers, City of Bunbury Administration Building, 4 Stephen Street, Bunbury on Tuesday **25 July 2023** at 6.30pm, to adopt the City of Bunbury Corporate Business Plan, Long Term Financial Plan, and the 2023/24 Annual Budget.



MJ (Mal) Osborne
Chief Executive Officer
(Date of Issue: 18 July 2023)

Agenda 25 July 2023

Note: The recommendations contained in this document are not final and are subject to adoption, amendment (or otherwise) at the meeting.

Council Members:

Mayor Jaysen de San Miguel
Councillor Ben Andrew
Councillor Gabi Ghasseb
Councillor Wendy Giles
Councillor Michelle Steck
Councillor Cheryl Kozisek
Councillor Betty McCleary
Councillor Marina Quain
Councillor Tresslyn Smith
Councillor Karen Steele
Councillor Karen Turner
Councillor Amanda Yip

1. Declaration of Opening / Announcements of Visitors

2. Disclaimer

All persons present are advised that the proceedings of this meeting will be recorded for record keeping purposes and to ensure accuracy in the minute taking process, and will also be streamed live via the internet to the public.

3. Record of Attendance, Apologies and Leave of Absence

3.1 Apologies

3.2 Approved Leave of Absence

4. Declaration of Interest

Members should fill in <i>Disclosure of Interest</i> forms for items in which they have a financial, proximity or impartiality interest and forward these to the Mayor <u>before</u> the meeting commences.

5. Public Question Time

In accordance with Reg. 7(4)(a) of the Local Government (Administration) Regulations 1996, members of the public in attendance at the meeting may stand, state aloud their name and address, and ask a question in relation to any matter relating to the purpose of the Special Council Meeting.

6. Questions on Notice from Council Members

7. Purpose of the Meeting

The purpose of the Meeting is:

- To adopt the Corporate Business Plan 2023/24 to 2026/27
- To adopt the Long Term Financial Plan 2023/24 to 2034/35
- To adopt the City of Bunbury 2023/24 Budget.
- To adopt the 'Rate in the Dollar' and Minimum Rate for the General and Specified Area Rate that Council will levy on property Gross Rental Valuations.
- To adopt proposed charges for refuse collection and waste minimisation.

7.1 Adoption of the City of Bunbury Corporate Business Plan 2023/24 to 2026/27 and Long Term Financial Plan 2023/24 to 2034/35

Applicant/Proponent:	Internal Report
Author:	David Ransom, Manager Finance Jordan Hunt, A/Manager Strategy, Projects and Communications
Executive:	Karin Strachan, Director Strategy and Organisational Performance
Attachments:	Attached under separate cover

Summary

The Corporate Business Plan and Long Term Financial Plan form part of our comprehensive and fully integrated set of strategic financial planning documents, including our organisational Workforce Plan, and Annual Budget.

Information contained in our Asset Management Plan and Service & Facility Plans has informed the Workforce Plan and Long Term Financial Plan, which has formed the basis for the preparation of our Corporate Business Plan and Annual Budget. This is the first time this integration of the Long Term Financial Plan, Corporate Business Plan, and Workforce Plan has been achieved, and will enable the City to truly plan and report in an integrated manner. This has also been complemented by the City's 'Evolve' journey, which is a program of continuous improvement and optimisation.

The Corporate Business Plan 2023/24 to 2026/27 and Long Term Financial Plan 2023/24 to 2034/35 provides the Bunbury community with a plan to deliver the vision, goals and objectives of the Strategic Community Plan. The plans demonstrates the City's capacity to deliver services, provide facilities and manage assets that will sustain the Bunbury community in the future.

Following Councillor and Executive workshops the Corporate Business Plan and Long Term Financial Plan (both attached under separate cover) is now presented to Council for adoption.

Recommendation

That Council adopts:

1. The Corporate Business Plan 2023/24 to 2026/27 as presented and note that this meets the requirements of Regulation 19DA of the *Local Government (Administration) Regulations*.
2. The Long Term Financial Plan 2023/24 to 2034/35 as presented.

Note: Absolute Majority Vote Required for Recommendation 1.

Strategic Relevance

Pillar	Performance
Aspiration	Leading with purpose and robust governance
Objective 13	A leading local government
Objective 13.1	Provide strong, accountable leadership and governance

Regional Impact Statement

The Corporate Business Plan and Long Term Financial Plan impacts the actions undertaken by the City of Bunbury, and therefore has direct impact on the work of the City, including facility and service management.

As many of the City's services and facilities are accessed by residents from surrounding local areas, this plan will also has a substantial indirect regional impact.

Background

The Corporate Business Plan is updated each year and was last adopted on 26 July 2022. The Long Term Financial Plan was last adopted on 29 June 2021.

Both plans have been reviewed, updated and discussed at nine (9) Councillor workshops during 2022/23 to ensure the actions in both plans align with community priorities and outcomes as reflected in the Strategic Community Plan.

Council Policy Compliance

Not applicable.

Legislative Compliance

Regulation 19DA of the *Local Government (Administration) Regulations* outlines the requirements for a Corporate Business Plan including:

- That the plan is for at least 4 financial years,
- Is to set out, consistently with any relevant priorities set out in the strategic community plan for the district, a local government's priorities for dealing with the objectives and aspirations of the community in the district,
- Is to govern a local government's internal business planning by expressing a local government's priorities by reference to operations that are within the capacity of the local government's resources, and
- Is to develop and integrate matters relating to resources, including asset management, workforce planning and long-term financial planning.

Officer Comments

The Corporate Business Plan communicates the City's plan for the next four years for delivering the aspirations and objectives of the community as set out in the Community Strategic Plan within the resources available.

The Corporate Business Plan also notes the economic environment, challenges and influences affecting our community; and includes the City's internal business plans for risk management, workforce planning and asset management. It also identifies the services and projects to be provided to our community over the next four years based on the pillars, outcomes and objectives of the Strategic Community Plan.

The Long Term Financial Plan is also aligned to our Strategic Community Plan and details what the Council proposes to do over the next 12 years to ensure the City's financial ability to deliver services and facilities to our community.

Information contained in our Asset Management Plan and Workforce Plan has informed the Long Term Financial Plan, which has formed the basis for the preparation of the Corporate Business Plan and Annual Budget.

Analysis of Financial and Budget Implications

The forecasts contained in the Corporate Business Plan and Long Term Financial Plan for 2023/24 have been used as the basis for preparing the Annual Budget 2023/24.

Community Consultation

Community consultation will take place with the release of media statements, social media posts, advertising in the City Focus, and the Corporate Business Plan and Long Term Financial Plan documents will be available on the City's website.

Councillor/Officer Consultation

The draft Corporate Business Plan and draft Long Term Financial Plan have been developed in consultation with Councillors, Executives, Managers and Officers. A total of nine (9) Councillor workshops were held between September 2022 and July 2023.

7.2 Adoption of the City of Bunbury 2023/24 Budget

Applicant/Proponent:	Internal Report
Author:	David Ransom, Manager Finance
Executive:	Karin Strachan, Director Strategy and Organisational Performance
Attachments:	Attached under separate cover

1. Memorandum of Imposing General Rates, Minimum Rates and Specified Area Rate for 2023/24

As previously resolved by Council on 14 March 2023 (Council Decision 044/23) the draft 2023/24 Budget has been prepared based on a 7.0 percent increase in property rates yield.

In conjunction with the Corporate Business Plan and Long Term Financial Plan, Councillors have held nine budget workshops between September 2022 and July 2023 to consider the draft budget.

Recommendation

1. Council adopt the following Municipal Rate in the dollar on gross rental valuations for the 2023/24 financial year:

- 1.1 General Rate

- The General Rate on current Gross Rental Values for the 2023/24 financial year on all rateable land be **10.6900** cents in the dollar.

- 1.2 Minimum Rate

- The Minimum Rate for rateable properties within the City of Bunbury be **\$1,423.00**.

- 1.3 Specified Area Rate - Grand Canals, Pelican Point

- A Specified Area Rate of **1.3660** cents in the dollar on the Gross Rental Valuation for all properties within the Grand Canals Pelican Point for the provision of maintaining the waterways of the development as identified on the map and additional information **attached** at Appendix "1".

Note: Absolute Majority Vote Required

2. Refuse Collection and Waste Minimisation Charges 2023/24 Budget

The Refuse Collection and Waste Minimisation charges include:

- Kerbside collection of domestic refuse.
- Kerbside collection of recyclables.
- Kerbside collection of organic waste.
- Provision of two (2) annual kerbside collections each of green waste and hard waste to residential properties.

Recommendation

1. The following Refuse Collection and Waste Minimisation charges for the City of Bunbury (including two (2) hard waste and two (2) green waste collections for residential properties) be adopted for the 2023/24 financial year:

1.1 Residential General Refuse Services

- 1.1.1 Residential properties where fortnightly collections of general refuse includes provision of a **240 litre mobile garbage bin**:
\$134.00 per annum.
- 1.1.2 Residential properties where fortnightly collection of general refuse includes provision of a **140 litre mobile garbage bin**:
\$93.50 per annum.
- 1.1.3 Residential properties where weekly collection of general refuse includes provision of a **240 litre mobile garbage bin**:
\$301.50 per annum.

1.2 Residential Recycling Services

- 1.2.1 Residential properties where fortnightly collection of recycling refuse includes provision of a **240 litre mobile garbage bin**:
\$148.50 per annum.
- 1.2.2 Residential properties where fortnightly collection of recycling refuse includes provision of a **360 litre mobile garbage bin**:
\$168.50 per annum.
- 1.2.3 Residential properties where fortnightly collection of recycling refuse includes provision of a **140 litre mobile garbage bin**:
\$124.00 per annum.

1.3 Residential Organic Waste Services

- 1.3.1 Residential properties where weekly collection of organic waste includes provision of a **240 litre mobile garbage bin**:
\$151.00 per annum
- 1.3.2 Residential properties where weekly collection of organic waste includes provision of a **140 litre mobile garbage bin**:
\$117.50 per annum.

1.4 Non-Residential General Refuse Services

1.4.1 All non-residential properties (excluding commercial and industrial properties) where refuse collection includes provision of a **240 litre mobile garbage bin**:
\$295.50 per annum for each service per week.

1.4.2 All non-residential properties (excluding commercial and industrial properties) where refuse collection includes provision of a **140 litre mobile garbage bin**:
\$228.50 per annum for each service per week.

1.5 Non-Residential Recycling Services

All non-residential properties (excluding commercial and industrial properties) where recycling collection includes provision of a **240 litre mobile garbage bin**:
\$151.50 per annum for each service per fortnight.

1.6 Non-Residential Organic Waste Service

1.6.1 All non-residential properties (excluding commercial and industrial properties) where weekly organic waste collection includes provision of a **240 litre mobile garbage bin**:
\$145.50 per annum for each service per week.

1.6.2 All non-residential properties (excluding commercial and industrial properties) where weekly organic waste collection includes provision of a **140 litre mobile garbage bin**:
\$117.50 per annum for each service per week.

1.7 Commercial and Industrial Properties Refuse Collection

All commercial and industrial properties where collection of refuse includes provision of a **240 litre mobile garbage bin**:
\$273.00 per annum for each service per week.

1.8 Commercial and Industrial Properties Recycling Services

All commercial and industrial properties where collection of recycling includes provision of a **240 litre mobile garbage bin service** will have the following recycling collection charges:

Fortnightly service	\$160.00 per annum
Weekly service	\$316.50 per annum

1.9 Commercial and Industrial Properties Organic Services

1.9.1 All commercial and industrial properties where collection of organic includes provision of a **240 litre mobile garbage bin**:
\$151.00 per annum for each service per week.

1.9.2 All commercial and industrial properties where collection of organic includes provision of a **140 litre mobile garbage bin**:
\$117.50 per annum for each service per week.

- 1.9.3 All commercial and industrial properties where collection of organic includes provision of a **660 litre mobile garbage bin**:
\$537.00 per annum for each service per week.
- 1.10 Commercial and Industrial Properties Bulk Refuse Services
- 1.10.1 All commercial and industrial properties where refuse collection includes provision of a **1,100 litre mobile garbage bin**:
\$1,197.50 per annum for each service per week.
- 1.10.2 All commercial and industrial properties where collection of recycling includes provision of a **660 litre mobile garbage bin**:
\$601.50 per annum for each service per week.
- 1.11 Commercial and Industrial Properties Bulk Recycling Services
- 1.11.1 All commercial and industrial properties where collection of recycling includes provision of a **1,100 litre mobile garbage bin** will have the following recycling collection charges:
- | | |
|---------------------------------|-----------------------------|
| Fortnightly service | \$681.50 per annum |
| Weekly service | \$1,363.00 per annum |
| Weekly service – Cardboard only | \$874.50 per annum |
- 1.11.2 All commercial and industrial properties where collection of recycling includes provision of a **660 litre mobile garbage bin** will have the following recycling collection charges:
- | | |
|---------------------------------|---------------------------|
| Fortnightly service | \$450.50 per annum |
| Weekly service | \$648.00 per annum |
| Weekly service – Cardboard only | \$498.00 per annum |

Note: Absolute Majority Vote Required

3. Proposed Loan Borrowings and Financing Arrangements 2023/24

Details of the purpose and financial arrangements are included in the Draft Budget circulated under separate cover:

a) Loan Borrowings

Loan No.	Purpose	Amount (\$)
392	Forrest Park Pavilion	\$2,470,000
393	Hands Oval Upgrade	\$4,712,000
394	Road and Path Construction	\$1,000,000
Total Loan Borrowings:		\$8,182,000

b) Municipal Fund Overdraft Limit or Short Term Lending Facility - \$2,500,000

An overdraft provision or short-term lending facility of \$2,500,000 to provide working capital if required.

Recommendation

1. Council borrow Loan Funds of \$8,182,000 during the 2023/24 financial year as detailed in the Draft Budget 2023/24 for loan numbers 392, 393 and 394.
2. Council endorse an overdraft limit or a short term lending facility of \$2,500,000.

Note: Absolute Majority Vote Required

4. Adoption of the City of Bunbury 2023/24 Budget

The budget document has been prepared in accordance with the Local Government Act 1995, Local Government (Financial Management) Regulations 1996 and Australian Accounting Standards. A copy of the Draft 2023/24 Budget has been circulated **under separate cover**.

Councillors have held nine budget workshops between September 2022 and July 2023 to consider the draft budget.

A Budget and Rates Information brochure will be included with every rate notice.

Recommendation

Budgets for the following funds for the year ending 30 June 2024, be adopted:

1. Municipal Fund and the following Reserve Funds:
 - 1.1 Airport
 - 1.2 Asset Management and Renewal
 - 1.3 Bunbury Museum and Heritage Centre
 - 1.4 Canal Management
 - 1.5 City Arts Collection
 - 1.6 City Growth and Major Development
 - 1.7 City of Bunbury General Parking
 - 1.8 College Grove Subdivision Amended Joint Venture
 - 1.9 Disaster Relief Fund
 - 1.10 Employee Entitlements and Insurance
 - 1.11 Environmental
 - 1.12 Hay Park Regional Athletics Track
 - 1.13 Heritage Building Maintenance
 - 1.14 Infrastructure Development
 - 1.15 Land Subdivision and Development
 - 1.16 Local Planning Policy Framework
 - 1.17 Meat Inspection
 - 1.18 Planning and Development Act Developer Contributions
 - 1.19 Public Art
 - 1.20 Refuse Collection and Waste Minimisation
 - 1.21 Road Upgrade Contributions
 - 1.22 Town Planning Scheme Land Acquisition and Compensation
 - 1.23 Withers

2. Trust Funds

Note: Absolute Majority Vote Required

5. Due Dates for Payment of Rates and Rubbish Collection Charges 2023/24

The adoption of the Budget must record the due dates for payment of Rates and Rubbish Collection charges for the four-payment instalment plan. These dates are now referred to Council for endorsement.

Rate Notices will be issued on 14 August 2023. Under the Local Government Act 1995, the City is required to provide at least 35 days' notice to ratepayers of the 1st instalment date for payment of rates and not less than two (2) months between subsequent instalment dates.

Recommendation

The due dates for payment of Rates and Rubbish Collection Charges for 2023/24 be as follows:

1. First Instalment or Payment in Full: 18 September 2023
2. Second Instalment: 20 November 2023
3. Third Instalment: 22 January 2024
4. Fourth Instalment: 25 March 2024

6. Administration and Interest Fees on Rates, Rubbish, Waste Minimisation and General Debtor Collection Charges 2023/24

The Rates and Charges proposed are as outlined in the recommendation below:

Recommendation

The following Rates and Charges are proposed as allowed under the Local Government Act 1995, to provide for Administration and Interest Charges on Rating, Rubbish, Waste Minimisation and General Debtor Collection charges during the 2023/24 financial year:

1. Instalment Plan Administration Fee

An Instalment Plan Administration fee of **\$7.00** for the second and each subsequent instalment notice issued will apply for rates and rubbish collection charges.

2. “Ad hoc” Payment Plan Fee

The recommended **\$32.00** Administration Charge per assessment applies on approved payment plans for rates and rubbish accounts which fall outside the standard four instalments program.

3. Late Payment Interest Charge

A charge on outstanding rates and rubbish collection accounts (including amounts owed on ad-hoc Payment Plans) of **11%** will be calculated daily at **0.0301%** on a simple interest basis for the number of days from the account due date until the day prior to the day on which the payment is received.

4. Instalment Plan Interest Charge

An interest rate of **5.5%** will be calculated on a daily basis at **0.0151%** by simple interest basis from the due date of the first instalment as shown on the rate notice to the due date of each respective instalment.

5. Late Payment Interest Charge (Excluding Rates and Charges)

An interest charge of **11%** per annum, calculated on a simple interest basis for the number of days outstanding, may apply on unpaid debts (other than rates and rubbish collection charges) outstanding 35 days from the date of invoices raised after 1 July 2023.

Note: Absolute Majority Vote Required

7. **Waivers and Concessions**

The waivers and concessions proposed are as outlined in the recommendation.

Recommendation

The following waivers and concessions are proposed by the City of Bunbury as allowed under the Local Government Act 1995 during the 2023/24 financial year:

1. **Waivers**

In respect to the Late Payment Interest Charge on rates and charges, the method of calculating the interest charge is on the daily balance outstanding.

There are instances where a small balance remains on the property assessment. This may have occurred due to a delay in the receipt of mail payments or monies from property settlements etc., and additional daily interest has accumulated.

Amounts outstanding of **\$5.00** and under will be waived, as it is not considered cost effective or equitable to recover from the new property owner. Estimated loss of revenue from this waiver is **\$2,500**.

2. **Concessions**

a) Storage Units

A concession of **\$607.30** per strata titled storage unit, totalling **\$78,949**, will be granted to strata titled storage units. This concession is to be applied to 130 storage units.

The City of Bunbury Local Planning Scheme No. 8 defines “Storage” (including warehouse) in the following terms:

Warehouse / storage means premises including indoor or outdoor facilities used for –

- The storage of goods, equipment, plant or materials; or
- The display or sale by wholesale of goods.

Further to this definition, the following criteria must be met:

- Strata titled;
- Zoned “Industrial” under Town Planning Scheme No. 8;
- Have no ablutions (wastewater system) connected;
- Maximum area of 75m²

b) TPS Heritage Rates

Following application, a concession of 30% (up to a maximum of \$1,000) on the general rates payable will be provided to eligible properties for a period of five years. This is where works relating to the conservation of the cultural heritage significance of the property has been undertaken in accordance with the City’s Local Planning Policy – Rate Concession for Heritage Places. Estimated concession in 2023/24 is **\$2,143**.

c) Sporting and Community Leases and Licenses

The City acknowledges the societal and economic value sporting and community groups provide to the city. Council is committed to supporting sporting and community groups that enter into lease or license arrangements with the City, to

ensure they are affordable. To achieve this objective Council resolved in 2017/18 to change the methodology for charging property leases and licences to sporting and community groups.

From the 2018/19 financial year any sporting or community groups that have a lease or license arrangement with the City will not be charged a rental fee, and if they are required to pay rates, the City will reduce the amount of rates equal to the minimum rates in lieu of any rental fee.

The City will provide a rate concession being the difference between the Gross Rental Valuation calculated rates for the leased property and the minimum rate imposed by Council each year.

In 2023/24 this will apply to 24 properties and will result in a rate concession totalling **\$62,778**.

Note: Absolute Majority Vote Required

8. Elected Members Meeting Attendance Fees and Allowances

The Mayor, Deputy Mayor and Councillors are entitled to receive the prescribed allowances, meeting attendance fees and communication allowance in accordance with the *Local Government Act 1995* and Council Policy Elected Member Entitlements as below:

The City's current policy position relating to these matters is as follows:

- The Mayor shall be entitled to an annual local government allowance that is the maximum as determined annually by the Salaries and Allowances Tribunal;
- The Deputy Mayor shall be entitled to an annual local government allowance equivalent to 25% of the Mayoral Allowance;
- The Mayor and Councillors shall be entitled to an annual Meeting Attendance Allowance that is the maximum as determined annually by the Salaries and Allowances Tribunal;
- The Mayor and Councillors to be paid the maximum Communications and Information Technology Allowance each year as determined by the Tribunal.

Recommendation

Council adopts the maximum Elected Member Sitting Fees and Allowances prescribed by the Salaries and Allowance Tribunal being:

1. Councillor Meeting Attendance Fee: **\$32,960** per annum.
2. Mayoral Meeting Attendance Fee: **\$49,435** per annum.
3. Councillor and Mayoral Communications and Information Technology Allowance: **\$3,500** per annum.
4. Mayoral Allowance: **\$93,380** per annum.
5. Deputy Mayoral Allowance: **\$23,345** per annum being 25% of the Mayoral Allowance.
6. Provision of a Mayoral vehicle
 - 6.1 The position of Mayor shall for the purpose of carrying out the functions of the Mayor's office be entitled to receive the provision of a fully maintained Local Government owned vehicle.
 - 6.2 In accordance with the provisions of the Local Government (Administration) Regulations 1996, Regulation 34AD all private use of the Council vehicle is to be recorded and reimbursed to Council.

Note: Absolute Majority Vote Required

9. Schedule of Fees and Charges 2023/24 Budget

The Schedule of proposed Fees and Charges for the 2023/24 financial year forms part of the 2023/24 Budget which has been circulated to Council **under separate cover**.

Council previously adopted the 2023/24 Fees and Charges on 6 June 2023 (Council Decision 094/23). Since this time a number of minor amendments are required to both Council and Regulatory fees and charges. These changes have been identified on Page 21 in the Fees and Charges document and are summarised below:

Vehicle Parking and Operations

Infringement Notice Final Demand	Changed from \$27.30	to \$26.10
Preparation of Enforcement Certificate	Changed from \$23.20	to \$22.20
Registration of Infringement Notice with Enforcement Agency	Changed from \$87.40	to \$83.50

Long Term Parking Permit (12 months) for Cobblestone, Foreshore, Ommaney, Wellington Steet, Wittenoon Street - charged \$546.00, should be 'per annum' not 'per month'.

Recommendation

The Schedule of Fees and Charges (which forms part of the 2023/24 Budget) be adopted effective from 26 July 2023.

Note: Absolute Majority Vote Required

10. Reporting of Material Variances in the Monthly Statement of Financial Activity for 2023/24

The Local Government (Financial Management) Regulations require the Council to adopt (each year) a percentage or value to be used for reporting material variances in the Statement of Financial Activity. Any variance meeting these criteria will be required to have a supporting explanation in the monthly financial report to Council.

Council last adopted the reporting variances criteria at the Special Council Meeting for the adoption of the 2022/23 Budget on 26 July 2022.

Information is considered "material" if its omission, misstatement or non-disclosure has the potential to adversely affect decisions by users of the financial report or affect the discharge of accountability by management or Council.

Recommendation

A variance between actual and budget-to-date of greater than or equal to **10%** and **\$25,000** is considered to be a material variance for reporting purposes in the Statement of Financial Activity for 2023/24.

7.3 Appendices

7.3.1 Appendix 1: Specified Area Rate – Pelican Point - Grand Canals

Section 6.37(1) of the Local Government Act states the following:

Specified area rates

- (1) A local government may impose a specified area rate on rateable land within a portion of its district for the purpose of meeting the cost of the provision by it of a specific work, service or facility if the local government considers that the ratepayers or residents within that area —
- (a) have benefited or will benefit from;
 - (b) have access to or will have access to; or
 - (c) have contributed or will contribute to the need for, that work, service or facility.

The need for the Specified Area Rate is considered by Council each year to determine that the specific works will benefit the ratepayers within the Pelican Point - Grand Canals; that they will have access to these works; and contribute to the need for these works.

Council outlines the following reasons for imposing a specified area rate on the Pelican Point precinct within the City of Bunbury:

A rate in the dollar of 1.3660 cents on the current Gross Rental Values for the 2023/24 financial year for all properties within the Grand Canals Pelican Point Development for the purpose of maintaining the waterways development will apply and generate \$56,081 in income.

What is the purpose of the rate?

The purpose of the rate is to raise funds over a given period of time to allow for the periodic dredging, clearing and maintenance of the canal waterways.

How much is the rate yield?

These rates will raise approximately \$56,081 for the 2023/24 financial year.

How are the rates calculated?

A rate of 1.3660 cents in the dollar will apply on the Gross Rental Values for all properties located in the Grand Canals Specified Area (refer to the map over the page.)

Will the rate change?

The need for the Specified Area Rate is considered by Council each year to determine that the specific works will benefit the ratepayers within the Pelican Point Grand Canals Area; that they will have access to these works; and will need to contribute to these works.

The rate at present is only indicative and is heavily dependent on the amount of sand build-up that is in a direct relationship to river flows. Direct costs are anticipated to be in the order of \$600,000 per dredging which could be required every 5-7 years. The Canal Management Reserve (including 2023/24 Rates) has a balance of \$714,623.

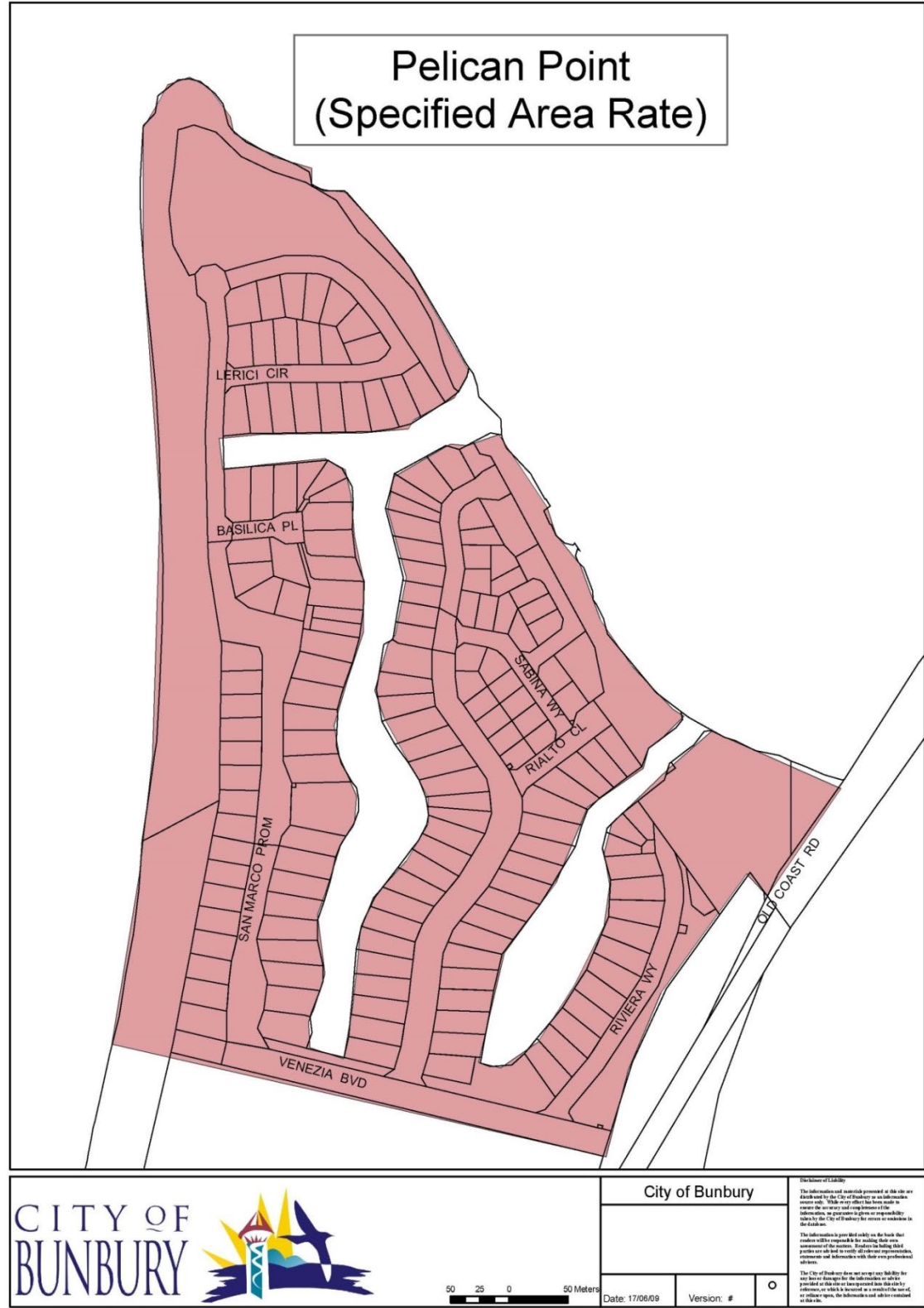
How was the cost calculated?

Costs for maintenance and repair work are based on estimates obtained from companies who will be contracted to perform the necessary work on the canals.

Has this approach been used elsewhere?

Canal developments have now occurred in a number of Council’s around Australia. Many Councils use such standard options as specified area rates to ensure that the ongoing costs of repairs and maintenance are met.

Pelican Point – Grand Canals – Specified Area Map



8. Closure