



TOWN OF

Bassendean

AGENDA

Ordinary Meeting of Council

Tuesday 27 June 2023 at 6:00 pm

Notice is hereby given of the Ordinary Council Meeting

to be held in the Council Chamber

Administration Building

48 Old Perth Road, Bassendean WA 6054

A handwritten signature in black ink that reads "C Woods". The signature is stylized, with a large loop for the letter 'C' and a cursive 'Woods'.

Cameron Woods
CHIEF EXECUTIVE OFFICER

23 June 2023

Meeting Information

Recording and Live-streaming

All participation in the meeting, except for confidential business, will be audio recorded and live-streamed on the Town's website. The live stream will be archived and made available on the Town's website after the meeting.

Conduct at meetings

The Town is committed to ensuring our Council Meetings are a safe work environment, free of risks to the health and wellbeing of Elected Members, Officers and our community. Any person attending is required to be respectful, courteous and have due regard for individual rights and differences. Individuals may be asked to leave should their conduct adversely affect the health and safety of others.

By attending this meeting, you agree to abide by these conditions.

For any questions regarding the Ordinary Council meeting or any item presented in the agenda, please contact the Town of Bassendean at:
mail@bassendean.wa.gov.au.

Tune in to live streaming from the comfort of your own home by going to:
Town of Bassendean Council - YouTube

or if you miss it live, go to:
<https://www.youtube.com/channel/UC46mMs3D7vmHuO0ePibihhg>

Council Seating Plan



Minute Secretary



Manager Governance and Strategy

Matthew Monkhouse



Chief Executive Officer

Cameron Woods



Mayor

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Director Community Planning

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Council Role

Each Report presented will identify what Council's Role is in the item

| | |
|----------------|---|
| Advocacy | When the Council advocates on its own behalf or on behalf of its community to another level of government/body/agency. |
| Executive | The substantial direction setting and oversight role of the Council. e.g. adopting plans and reports, accepting tenders, setting and amending budgets. |
| Legislative | Includes adopting local laws, local planning schemes and policies. |
| Review | When the Council operates as a review authority on decisions made by Officers for appeal purposes. |
| Quasi-Judicial | When the Council determines an application/matter that directly affects a person's rights and interests. The judicial character arises from the obligation to abide by the principles of natural justice. Examples of Quasi-Judicial authority include development applications, building permits, applications for other permits/licences (eg under Health Act, Dog Act or Local Laws) and other decisions that may be subject to review by the State Administrative Tribunal. |
| Information | For the Council/Committee to note. |

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1 Declaration Of Opening; Acknowledgment of Country; Acknowledgment of Visitors; Disclaimer

Acknowledgement of Traditional Owners

The Town of Bassendean acknowledges the past and present traditional owners of the land on which we gather to conduct this meeting, and pays its respects to their Elders, both past and present.

2 Announcements by The Presiding Person Without Discussion

3 Attendances, Apologies and Applications for Leave of Absence

4 Declarations of Interest

5 Presentations or Deputations

6 Statements by Members of the Public

Public statement time will be limited to two minutes per person.

Members of the public are encouraged to submit their statements in advance by completing the relevant form:

Online Form - Public Statement Time » Town of Bassendean

Please complete this form and submit it to the Town's Chief Executive Officer by no later than 12noon on the day of the meeting.

It should be noted that comments are recorded and live streamed via YouTube, and that there is no protection from legal action being taken against you, should it arise from your comments delivered at the meeting.

7 Questions from Members of the Public

15 minutes will be allocated for questions by members of the public any question that relates to the district.

Each member of the public with a question is entitled to ask up to two questions before other members of the public will be invited to ask their questions.

Questions can be submitted prior to the Council meeting to:
www.bassendean.wa.gov.au/forms/public-question-time/36

If a person asking a question is not present at the meeting, then the Mayor can choose to deal with it at the meeting or arrange a response by email.

8 Petitions

9 Confirmation of Minutes

9.1 Confirmation of Minutes - Ordinary Council Meeting held on 23 May 2023

| | |
|---------------------|--|
| Attachments: | 1. Ordinary- Council- Minutes-23- May-2023- Confirmed [9.1.1 - 30 pages] |
|---------------------|--|

Officer Recommendation – 9.1

That the minutes of the Ordinary Council Meeting held on 23 May 2023 be received and be confirmed as a true and correct record.

10 Business Deferred from Previous Meeting

Nil

11 External Committee Reports and Updates

| 11.1 External Committee Reports and Updates | |
|--|--|
| Property Address | NA |
| Landowner/Applicant | NA |
| File Reference | GOVN/CCLMEET/1 |
| Author | Office of the CEO |
| Department | CEO'S Office |
| Previous Reports | N/A |
| Authority/Discretion | Information For the Council/Committee to note. |
| Attachments | Nil |

Nil to report.

12 Officer Reports

Adoption of Recommendations En Bloc

The following information is provided to Councillors for guidance on the use of en bloc voting as is permissible under the Town's Council Meeting Procedures Local Law 2020.

Council Meeting Procedures Local Law 2020, Clause 5.4 states:

- (1) In this clause adoption by en bloc voting means a resolution of the Council that has the effect of adopting, for a number of specifically identified reports, the officer recommendation as the Council resolution.
- (2) Subject to subclause (3), Council may pass an adoption by en bloc voting.
- (3) An adoption by en bloc voting may not be used for a matter –
 - (a) that requires a 75% majority or a special majority;
 - (b) in which an interest has been disclosed;
 - (c) that has been the subject of a petition or deputation;
 - (d) that is a matter on which a member wishes to make a statement; or

that is a matter on which a member wishes to move a motion that is different to the Officer recommendation.

Councillors should be aware that should they wish to declare an interest in any of the items listed in the en bloc voting table, and have not done so under Item 4.0, Declarations of Interest, they should do so at this point of the agenda.

Officer Recommendation Item 12.1

That Council adopts en bloc the following Officer recommendations contained in the Ordinary Council Agenda:

| Item | Report |
|-------|--|
| 12.2 | Arts, Culture and Events Committee Meeting - 6 June 2023 |
| 12.9 | RFT 01/2023 Concrete Footpaths, Crossovers, Kerbing and Pram Ramps |
| 12.10 | Monthly Financial Report – May 2023 |
| 12.11 | Accounts Paid - May 2023 |
| 12.12 | End of Year Closure |

Council is now requested to consider the balance of the Officer recommendations independently.

| Item | Report |
|------|--|
| 12.3 | Policy 2.15 Single Use Plastics and Balloons |
| 12.4 | Review of Council Policies: Water Sensitive Urban Design and Water Conservation and Wetlands |
| 12.5 | Draft amended Local Planning Policy 4 - Heritage and Character |
| 12.6 | Draft amended Local Planning Policy 2 - Sustainable Development |
| 12.7 | Adoption of the 2023/24 Annual Budget |
| 12.8 | Audit and Governance Committee Meeting of 12 June 2023 |

| 12.2 Arts, Culture and Events Committee Meeting - 6 June 2023 | |
|--|---|
| File Reference | GOVN/CCLMEET/.41 |
| Directorate | Community Planning |
| Previous Reports | N/A |
| Authority/Discretion | Executive The substantial direction setting and oversight role of the Council. |
| Attachments | <ol style="list-style-type: none"> 1. Agenda - Arts, Culture and Events Committee Meeting of 6 June 2023 [12.2.1 - 16 pages] 2. Minutes - Arts, Culture and Events Committee Meeting of 6 June 2023 [12.2.2 - 9 pages] 3. Letter from Bassendean Primary School - The Bilya Project (9 March 2023) [12.2.3 - 2 pages] 4. Letter from Bassendean Primary School - The Bilya Project (22 June 2023) [12.2.4 - 1 page] |

Purpose

The purpose of this report is for Council to receive the minutes of the meeting of the Arts, Culture and Events (ACE) Committee held on 6 June 2023.

Background

The ACE Committee meets at least four times each year in carrying out its functions, with the scope of the Committee being to undertake the following:

- Provide high-level strategic direction regarding matters relating to the community arts, culture and/or events that assist fostering strong community expression, identity and pride;
- Provide advice on the formulation and adoption of the annual budget, as it relates to matters of arts, culture and/or events;
- Review and provide feedback on any proposed strategies, plans or policies that relate to matters of arts, culture and/or events;
- Provide advice on the acquisition and decommissioning of art works under Council's Art Acquisition, Management and Decommissioning Policy; and
- Review and provide feedback on the procurement of public art, either under Local Planning Policy 15 – Public Art or via municipal funding.

Strategic Implications

Priority Area 1: Strengthening and Connecting our Community

1.2 Establishing partnerships with the community that build capacity, connection and sense of belonging

Priority Area 4: Driving Financial Suitability

4.1 Ensure there is sufficient, effective and sustainable use of assets

Priority Area 6: Providing Visionary Leadership and Making Great Decisions

6.2 Ensure major decision making is informed by community feedback

6.3 Ensure operational activities reflect the strategic focus of Council

6.4 Reinforce a culture of collaboration, trust and demarcation between Council, administration and the community

Priority Area 7: Building Community Identity by Celebrating Culture and Heritage

7.2 Create a community closely connected to its history and heritage

7.3 Engage the community in arts and culture

Comment

The minutes of the meeting are attached to this report. In summary, the Committee considered the following items:

- Telethon Community Cinemas
- Commemorative Services
- Bassendean Primary School - Request for Funding - The Bilya Project
- Celebrating Birak

Statutory Requirements

Council's *Meeting Procedures Local Law 2020* states that a committee is to report on its activities when, and to the extent, required by the Council.

Financial Considerations

Committee recommendations 2, 3 and 4 have financial implications for Council, as discussed in the reports presented to the Committee on 6 June 2023.

Risk Management Implications

There may be reputational risks associated with not funding various arts, cultural and events initiatives.

Declaration of Conflicts of Interest

All officers involved in the preparation of this report have considered and determined that they do not have a conflict of interest in the matter.

Committee Recommendation – Item 12.2

That Council:

1. Receives the minutes of the meeting of the Arts, Culture and Events Committee held on 6 June 2023.
2. Subject to the Minister for Lands granting consent to the Agreement, authorises the Town enter into a new licence Agreement for Movies by Burswood Bassendean, based on the previous licence, to be for a one-year period commencing 1 November 2024 and expiring 30 April 2025 with a mutual option for a further 12 months expiring 30 April 2026.
3. Subject to the establishment of a Memorandum of Understanding with the Eastern Regional RSL to outline roles, responsibilities, and cost-sharing in the staging of various commemorative services throughout the year, provides in 2023-2024, \$6,000 for the staging of Anzac Day and \$2,000 for the staging of Remembrance Day.
4. Supports the request for community funding of \$5,000 towards the implementation of The Bilya Project.
5. Authorises the CEO to execute a funding agreement with the Bassendean Primary School regarding the implementation of the project.
6. Agrees to the staging of Celebrating Birak in early December (incorporating recognition of International Volunteer Day) and notes that a Citizenship Ceremony will be hosted in late January.

Voting requirements: Simple Majority

| 12.3 Policy 2.15 Single Use Plastics and Balloons | |
|--|---|
| Property Address | N/A |
| Landowner/Applicant | N/A |
| File Reference | ENVM/POLCY/1 |
| Directorate | Sustainability and Environment |
| Previous Reports | 31 March 2020 |
| Authority/Discretion | Legislative Includes adopting local laws, town planning schemes & policies. |
| Attachments | 1. Single- Use- Plastics-and- Balloons [12.3.1 - 3 pages] |

Purpose

The purpose of this report is for Council to consider revoking the Single Use Plastics and Balloons Council Policy.

Background

The Town's Single Use Plastics and Balloons Council Policy (the Policy) was adopted at the 31 March 2020 Ordinary Council Meeting. The policy applies to:

- All operations conducted by the Town.
- Traders (excluding alfresco dining) operating with a permit issued by the Town.
- Public functions and/or events held in thoroughfares, public places and on local government property where approval is required from the Town.

The Policy outlines that several products that are not to be used, sold, distributed or released in the above applicable areas including:

- balloons
- single use plastic or polystyrene serving materials and packaging
- single use plastic items, including but not limited to:
 - bags;
 - disposable cups;
 - cutlery and straws;
 - plates and bowls; and
 - takeaway containers.

The introduction of the Policy was in response to an earlier Resolution of Council (ROC) from March 2018. This resolution is detailed below.

1. *The Town of Bassendean recognise the scourge that single use plastics has on our environment and is committed to reducing the amount of single use plastics created in the Town;*
2. *The Town of Bassendean ban all use of single use plastics at events organised or sponsored by the Town of Bassendean including but not limited to straws, plastics cups, including plastic lined cups and plastic bags;*
3. *The ban would take effect immediately however vendors would be given a six months grace period to source alternatives to single use plastic. If they used single use plastics, an officer from the Town would advise them of our ban and provide them with a list of alternatives;*
4. *The Mayor of the Town of Bassendean write to all businesses in the Town outlining our ban on single use plastics and encourage them to reduce single use plastics, particularly straws and plastic cups where possible;*
5. *The Mayor write to Hawaiian Shopping Centre about installing a communal drop off point for cloth shopping bags for shoppers who forget their re-usable bags;*
6. *The Mayor write to Coles informing them of our ban and request they audit and cease their use of plastic wrapping, particularly on fruit and vegetables;*
7. *That the Town organise an education campaign about single use plastics, including a list of suppliers for vendors and businesses on where to source alternatives to single use plastics such as reusable and washable items, paper, cardboard, wooden or compostable single use items;*
8. *The scheme to be monitored by the Sustainability Committee.*

Since the ROC detailed above and the adoption of the Town's Single Use Plastics and Balloons Council Policy, the State Government has announced Western Australia's Plan for Plastics (the Plan). The plan includes introducing regulations to ban single-use plastic items in a two-stage approach. Stage 1 regulations are complete. Regulations for Stage 2 items took effect on 27 February 2023. Stage 2 items are in the process of being phased out, with different transition periods for enforcement, depending on the item.

The Stage 1 bans included:

- plates
- unlidded bowls
- cutlery
- drink stirrers
- drinking straws
- unlidded cups for cold beverages
- thick plastic shopping bags
- expanded polystyrene (EPS) takeaway food containers
- helium balloon releases
- unlidded takeaway food containers.

Single-use or disposable plastic items being phased out in Stage 2 include:

- loose and moulded expanded polystyrene packaging

- degradable plastics (plastics designed to break up more rapidly into fragments under certain conditions)
- produce bags
- expanded polystyrene cups and food trays for raw meat and seafood
- coffee cups and lids
- lids for cups, trays, bowls, plates and takeaway food containers
- trays for takeaway food not covered in the Stage 1 ban
- cotton buds with plastic stems
- microbeads.

The timing of the ban of Stage 2 items relevant to the scope/ activities associated with the Council Policy are listed below. Please note that suitable alternative lids are not currently available for all types of bowls, trays, plates and takeaway food containers (particularly liquids).

| Stage 2 item | Ban in effect |
|---|------------------|
| Degradable plastics | 1 September 2023 |
| Coffee cups and all disposable plastic cup lids | 1 March 2024 |
| Trays for food not covered in the Stage 1 ban | 1 March 2024 |
| Lids for bowls, trays, plates and takeaway food containers. | 1 September 2024 |

Communication and Engagement

Nil

Strategic Implications

Priority Area 2: Leading Environmental Sustainability

2.1 Demonstrate strong leadership in waste reduction and carbon neutrality

Comment

With the introduction of the State Government's Plan for Plastics, many of the items covered in the Town's Policy are now banned or are soon to be banned at the State level.

The only item included in the Council Policy that is not covered in the State Government ban is the use of balloons. The release of helium balloons has been prohibited since 1 January 2022, however their use is permitted.

The Council Policy is statement of Council's intent, and is reliant on persons to which the policy applies agreeing to the requirements, prior to being issued approval to lease or a book a place.

Regulations introduced at a State level through the Plan for Plastics will result in a greater level of buy in and compliance from all organisations and individuals throughout Western Australia, achieving the intent of the Council Policy. As a result, the Town's Single Use Plastics and Balloons Council Policy is no longer required. **Considering the timing of the Stage 2 item bans, it is recommended that the Council Policy is revoked as of 1 March 2024, to coincide with the ban on disposable plastic and plastic-lined coffee cups and all disposable plastic coffee cup lids.**

In terms of general sustainability, a sustainable events guide will be developed to assist those booking Town facilities to plan a sustainable event. This will include recommendations relating to transport, energy and water use in addition to waste minimisation options such as utilising the ShareShed. This will be included in the Town's Community Event Guide.

For the Town of Bassendean's activities, since the introduction of the Council Policy the Town's Purchasing Council Policy has been updated to include requirements for sustainable procurement. This requires officers to consider more sustainable options when purchasing goods and services.

Statutory Requirements

The *Local Government Act 1995* allows Council to determine its policies.

Financial Considerations

Nil

Risk Management Implications

Low. It is open to Council to retain the Policy, but it may represent a reputational risk associated with Council's policy suite containing unnecessary / redundant policies.

Declaration of Conflicts of Interest

All officers involved in the preparation of this report have considered and determined that they do not have a conflict of interest in the matter.

Officer Recommendation – Item 12.3

That Council pursuant to the *Local Government Act 1995* revokes the Single Use Plastics and Balloons Council Policy **to take effect from 1 March 2024.**

Voting requirements: Absolute Majority

| 12.4 Review of Council Policies: Water Sensitive Urban Design and Water Conservation and Wetlands | |
|--|--|
| Property Address | N/A |
| Landowner/Applicant | N/A |
| File Reference | GOVR/POLCY/1 |
| Directorate | Sustainability and Environment |
| Previous Reports | March 2014 22 March 2022 |
| Authority/Discretion | Legislative Includes adopting local laws, local planning schemes & policies. |
| Attachments | 1. 2.9 Water Sensitive Urban Design and Water Conservation [12.4.1 - 3 pages] 2. 2.11 Wetlands [12.4.2 - 2 pages] |

Purpose

The purpose of this report is for Council to consider revocation of the following Council Policies (as attached):

- 2.9 Water Sensitive Urban Design and Water Conservation
- 2.11 Wetlands

Background

At the 22 March 2022 Ordinary Council Meeting, Council considered several Council Policies under 'Section 2 - Environmental Sustainability and Adaptation to Climate Change' that were overdue for review.

Council resolved to revoke seven of these policies, noting that the remaining two would be reconsidered upon development of a Waterwise Bassendean Strategy in 2022/23.

With regards to development of a Waterwise Bassendean Strategy, an alternative approach has been taken to incorporate relevant actions into the Town's Waterwise Council Action Plan at the time of annual reporting in **October 2023**.

This approach was taken due to the time that had passed since the Water Sensitive Cities (WSC) Index Benchmarking Assessment was completed, that was to form the basis of the Waterwise Bassendean Strategy. Since the time of the assessment, the Water Corporation have changed their reporting framework for the Waterwise Council Program, of which the Town is a participant. The new framework is based on

a Waterwise Council Action Plan, including a section on the WSC Index goal areas. The Town’s Waterwise Council Action Plan was created in 2021 and is valid for a five year period, and the Water Corporation have confirmed it can be amended if required. **The Town is currently a Gold Waterwise Council and is required to report annually to the Water Corporation outlining progress against the Waterwise Council Action Plan.**

A review has subsequently been undertaken of the two remaining policies, as below.

| | |
|---|--|
| 2.9 Water Sensitive Urban Design and Water Conservation | Responsible Officer: Director Operational Services First Adopted: June 2011 Last Reviewed: March 2014 Version Next Review due by: December 2016 |
| 2.11 Wetlands | |

Communication and Engagement

Nil

Strategic Implications

Priority Area 2: Leading Environmental Sustainability

2.5 Value and conserve and protect our water resources and waterways.

2.5.1 Implement Waterwise initiatives and policies for residents, businesses and other organisations.

Priority Area 6: Providing Visionary Leadership and Making Great Decisions

6.4 Reinforce a culture of collaboration, trust and demarcation between Council, administration and the community.

Comment

As noted in the previous report to Council, the two remaining policies from ‘Section 2 - Environmental Sustainability and Adaptation to Climate Change’ are outdated and it was recommended that a more effective method of communicating the Town’s commitments was through a Natural Environment, Sustainability and Climate Action Statement.

This statement was published on the Town’s website in March 2022 ([see link here](#)), and includes the following sections of relevance to the policies under review, aligned with the One Planet Living principles and the Town’s Strategic Community Plan (SCP):

- **SUSTAINABLE WATER:** Protection and enhancement of water resources and waterways (SCP Direction 5).
- **LAND AND NATURE:** Protection and enhancement of natural areas and biodiversity values and the urban forest (SCP Directions 4 & 6).

- Land use planning and development control (SCP Directions 2,4,5,6).
- Community engagement (SCP Direction 3).

The objectives of the two policies are met through alternative documents/ mechanisms, as outlined below, with the Strategic Community Plan including a key direction 'to value and conserve and protect our water resources and waterways'.

For this reason, **and to avoid duplication and ensure the focus remains on the key documents informing Water Sensitive Urban Design, water conservation and wetland management**, it is recommended that the policies are revoked.

2.9 Water Sensitive Urban Design and Water Conservation

- Development considerations occur under Local Planning Policy 2. Sustainable Development, including requirements for rain gardens, rainwater tanks and greywater reuse systems.
- Actions relating to water quality and conservation are outlined in the Waterwise Council Action Plan 2021- 2026.
- The establishment of living streams is an action in the Town's Corporate Business Plan 2022- 2026. However, as outlined in item 12.2 to the 26 April 2023 Ordinary Council Meeting, this project will be discontinued unless issues associated with Water Corporation's design requirements and licence conditions are resolved.

2.11 Wetlands

- Development considerations occur at the time of subdivision by the State Development Control Policy 2.3 - Public open space in residential areas, State Planning Policy 2.9 - Water Resources and draft State Planning Policy 2.9 – Planning for Water.
- Protection of wetlands and waterways under Town of Bassendean management is achieved through implementation of 10 and 1 Year Management Plans for natural areas.
- Community involvement in the management of wetlands occurs as outlined in the Bushcare Volunteer Manual.

Statutory Requirements

The *Local Government Act 1995* allows Council to determine its policies.

Financial Considerations

Nil

Risk Management Implications

Low. It is open to Council to retain the Policies, but it may represent a reputational risk associated with Council's policy suite containing unnecessary / outdated policies.

Declaration of Conflicts of Interest

All officers involved in the preparation of this report have considered and determined that they do not have a conflict of interest in the matter.

Officer Recommendation – Item 12.4

That Council, pursuant to the *Local Government Act 1995*, revokes the following Council Policies:

- 2.9 Water Sensitive Urban Design and Water Conservation
- 2.11 Wetlands

Voting requirements: Absolute Majority

| 12.5 Draft amended Local Planning Policy 4 - Heritage and Character | |
|--|--|
| Property Address | N/A |
| Landowner/Applicant | N/A |
| File Reference | LUAP/POLCY/24 |
| Department | Community Planning |
| Previous Reports | 24 May 2022 |
| Authority/Discretion | Legislative Includes adopting local laws, local planning schemes & policies. |
| Attachments | <ol style="list-style-type: none"> 1. Local Planning Policy 10 - Earlsferry House Design Guidelines [12.5.1 - 2 pages] 2. Draft amended Local Planning Policy 4 - Heritage and Character [12.5.2 - 16 pages] |

Purpose

The purpose of this report is for Council to consider a draft amended Local Planning Policy 4 – Heritage and Character (LPP 4).

Background

In May 2022, Council resolved to adopt LPP 4 which seeks to conserve and protect places and areas of heritage and/or character significance, ensure that subdivision and development does not adversely affect the significance of a heritage place and/or character areas and that new development is sympathetic to the existing character of the heritage place and designate Heritage Areas, for the purpose of Regulation 9 of the *Planning and Development (Local Planning Schemes) Regulations 2015*.

The Policy did not include any reference to the Earlsferry Precinct as the matter was addressed via Local Planning Policy 10 – Earlsferry House Design Guidelines (attached), however, it is now considered appropriate for the provisions to be incorporated into LPP 4, allowing for the revocation of LPP 10.

Communication and Engagement

Nil.

Strategic Implications

Priority Area 6: Providing Visionary Leadership and Making Great Decisions
6.3 Ensure operational activities reflect the strategic focus of Council

Priority Area 7: Building Community Identity by Celebrating Culture and Heritage

7.2 Create a community closely connected to its history and heritage Council

Priority Area 7: Building Community Identity by Celebrating Culture and Heritage
7.2 Create a community closely connected to its history and heritage operational activities reflect the strategic focus of Council

Comment

Heritage Areas

The Regulations provide that if, in the opinion of the local government, special planning control is needed to conserve and enhance the cultural heritage significance and character of an area within the district, the local government may, by resolution, designate that area as a Heritage Area, following public consultation.

The effect of such a resolution is that development that would generally not require development approval would thereafter require such an approval, thereby allowing the application of any provisions with an associated local planning policy.

In accordance with the Regulations, if the local government designates an area as a Heritage Area, the local government must adopt for the area, a local planning policy that sets out the following:

- a map showing the boundaries of the heritage area;
- a statement about the heritage significance of the area; and
- a record of places of heritage significance in the heritage area.

Draft amended Local Planning Policy

The draft amended Policy is provided as an attachment to this report. The proposed amendments to the Policy, whilst appearing material, are essentially a replication of the existing provisions in LPP 10.

Statutory Requirements

Before designating a heritage area, the Regulations require the local government to give public notice of the proposal for a minimum of 21 days by way of the following:

- Giving each owner of land affected by the proposal notice of the proposed designation and details of how the proposed local planning policy can be inspected;
- Publishing a notice of the proposed designation on its website;
- Making the documents publicly available for inspection at the offices of the local government; and

- Erecting signs giving notice of the proposed designation in a prominent location in the affected area.

The Regulations also require public advertising of the draft local planning policy, which can be undertaken concurrently.

Financial Considerations

The cost of advertising can be met through the Town's adopted budget.

Risk Management Implications

No Risks Identified

Declaration of Conflicts of Interest

All officers involved in the preparation of this report have considered and determined that they do not have a conflict of interest in the matter.

Officer Recommendation – Item 12.5

That Council, pursuant to Clauses 4(1) and 9(3) of Schedule 2 of the *Planning and Development (Local Planning Schemes) Regulations 2015*, advertises the draft amended Local Planning Policy 4 - Heritage and Character (including the proposed designation of the Earlsferry Heritage Area), as attached to this report.

Voting requirements: Absolute Majority

| 12.6 Draft amended Local Planning Policy 2 - Sustainable Development | |
|---|---|
| File Reference | LPP 2 |
| Department | Community Planning |
| Previous Reports | 24 May 2022 |
| Authority/Discretion | Legislative Includes adopting local laws, town planning schemes & policies. |
| Attachments | <ol style="list-style-type: none"> Existing Local Planning Policy 2 - Sustainable Development [12.6.1 - 5 pages] Draft amended Local Planning Policy 2 - Sustainable Development [12.6.2 - 4 pages] |

Purpose

The purpose of this report is for Council to consider a draft amended Local Planning Policy 2 – Sustainable Development (LPP 2).

Background

In May 2022, Council resolved to adopt LPP 2; effectively replacing the previous Local Planning Policies 2 and 3. The replacement policy was intended to apply only to lots which had been applied a split residential coding under Local Planning Scheme No. 10 (LPS 10), however, Council resolved to apply the policy to all residential development, with the exception of (i) minor alterations and additions that do not impact the energy efficiency of an existing dwelling and (ii) proposals involving multiple dwellings at or above Residential R40.

Effective as of 1 September 2023, Volume 1 the R-Codes will be amended as follows.

- The introduction of Part C (Medium Density), which will apply to all single houses and grouped dwellings in areas coded R30 and above, and multiple dwellings in areas coded R30 to R60.
- Amendment of Part B (Low Density) so as to only apply to residential development in areas coded up to and including R25.

It is now necessary to review LPP 2 to ensure its application aligns with the R-Codes.

Communication and Engagement

Nil.

Strategic Implications

Priority Area 2: Leading Environmental Sustainability

2.2 Be innovative in responses to sustainability challenges

Priority Area 6: Providing Visionary Leadership and Making Great Decisions

6.3 Ensure operational activities reflect the strategic focus of Council

Comment

Proposed Amendments

The proposed amendments to the Policy are as follows:

- Removal of Attachment A (Credit Point Checklist) on the basis that the elements contained with the table are adequately covered by *State Planning Policy 7.3 – Residential Design Codes – Volume 1 (Part C) – Medium Density*. As such, the Policy simply requires relevant proposals to demonstrate an individual NatHERS star rating (or other comparable star rating measurement tool which is accredited by the National Construction Code / Building Code of Australia) which is one star in excess of the current energy efficiency requirement of the Building Code of Australia specified for a class 1A building.
- The addition of the requirement for a rain garden as part of any new dwelling, not only new dwellings in areas with a split residential density code.

Future Amendments

It should be noted that under draft Local Planning Scheme No. 11 (LPS 11), the proposed provision relating to lots applied with a split residential density code refers only to the “*character, heritage and amenity of existing streetscapes and how the development impacts the streetscape*”. As such, if draft LPS 11 is gazetted as advertised, a further amendment to the policy will be required to remove reference to lots applied with a split residential density code. This change will be offset by associated additions to Local Planning Policies 4 – Heritage and Character and/or 12 – Residential Development and Fences.

Statutory Requirements

Clause 5(2) of Schedule 2 (Deemed Provisions) of the *Planning and Development (Local Planning Schemes) Regulations 2015* states that the “*the local government may make an amendment to a local planning policy without advertising the amendment if, in the opinion of the local government, the amendment is a minor amendment.*”

Given the proposed changes to the Policy are relatively minor, it is recommended that the draft amended policy be adopted without undertaking any consultation.

Financial Considerations

Nil.

Risk Management Implications

No Risks Identified

Declaration of Conflicts of Interest

All officers involved in the preparation of this report have considered and determined that they do not have a conflict of interest in the matter.

Officer Recommendation – Item 12.6

That Council, pursuant to Clause 5(2) of Schedule 2 (Deemed Provisions) of the *Planning and Development (Local Planning Schemes) Regulations 2015*, provisionally adopts draft amended Local Planning Policy 2 – Sustainable Development, to be effective from 1 September 2023.

Voting requirements: Absolute Majority

| 12.7 Adoption of the 2023/24 Annual Budget | |
|---|--|
| Property Address | N/A |
| Landowner/Applicant | N/A |
| File Reference | FINM/BUGTG/1 |
| Directorate | Director Corporate Services |
| Previous Reports | |
| Authority/Discretion | Executive The substantial direction setting and oversight role of the Council. |
| Attachments | <ol style="list-style-type: none"> 1. Statutory Budget 2023-24 [12.7.1 - 26 pages] 2. Statement of Objects and Reasons for 2023-24 Differential Rates [12.7.2 - 4 pages] 3. Fees and Charges 2023-24 [12.7.3 - 23 pages] 4. Operational Projects Listing 2023-24 [12.7.4 - 2 pages] 5. CONFIDENTIAL REDACTED - Operational Projects 2023-24 - Confidential [12.7.5 - 3 pages] 6. Capital Projects Listing 2023-24 [12.7.6 - 4 pages] 7. CONFIDENTIAL REDACTED - Capital Projects 2023-24 - Confidential [12.7.7 - 9 pages] |

Purpose

The purpose of this report is to present the proposed 2023/24 Annual Budget for the Town of Bassendean to Council for adoption.

This report provides the strategic context for the Town's proposed 2023/24 Annual Budget together with supporting schedules, including proposed rates and minimum payments, fees and charges, and operational and capital projects.

The proposed 2023/24 Annual Budget is presented in its statutory form for Council adoption in accordance with the *Local Government Act 1995* (Act), the *Local Government (Financial Management) Regulations 1996* (Regulations) and Australian Accounting Standards (Standards) (**Attachment 1**).

Background

The proposed Annual Budget for 2023/24 was developed considering the Town's overall financial position, asset maintenance requirements resulting from ageing infrastructure across the district, continued supply chain challenges and inflationary pressure pushing up the cost of materials and contracts.

In April 2023, Council adopted a new Strategic Budget Policy, recognising that the Town must plan for the current and future needs of its community in a socially, culturally, environmentally, and financially sustainable manner. The Policy establishes clear principles and guidelines for Council and the administration for responsible stewardship of the Town's assets, and parameters for the development of the Town's Long-Term Financial Plan, Annual Budgets and the setting of Fees and Charges. Recognising the challenges posed by the Town's ageing infrastructure, the Policy provides for gradual improvement of the Town's asset reserves, and rates setting based on the Perth annualised CPI plus a minimum of two per cent.

The proposed budget meets the parameters of the Town's Strategic Budget Policy. The proposed budget is fiscally responsible, with the long-term financial sustainability of the Town paramount, while striving to balance the current and future needs of the community by funding current and future projects and continuing to provide quality services across the range of the Town's business activities.

The proposed budget is informed by the Town's 10-year Strategic Community Plan (**SCP**), supported by the Corporate Business Plan, with a range of initiatives (operational and capital projects) designed to deliver on the community's aspirations as set out in the SCP's seven priority areas.

The Town will continue to identify and implement initiatives to strengthen and connect our community by building community connection, creating safe and welcoming environments, and supporting healthy lifestyles (**SCP Priority Area 1**).

Work is continuing with the Swan Districts Football Club (SDFC) and the Western Australian Football Commission (WAFC) to install new floodlights and poles at Bassendean Oval, with funding provided by the Town, SDFC, WAFC, the Western Australian government's Club Night Lights Program, and an 'Investing in our Communities' grant from the Federal Department of Infrastructure, Transport, Regional Development, Communications and the Arts.

The Town will also undertake works to enhance the lighting at Ashfield Reserve, again with the assistance of a grant from the Western Australian government's Club Night Lights Program. The Town will also fund replacement of the bore and submersible pump used to irrigate Ashfield Reserve.

In a new initiative for the Town, a CCTV rebate program will provide a rebate of up to \$200 toward new CCTV installations in the Town, that include a public angle field of view overlooking the road, footpath, front verge, or any other applicable public area to encourage private residents to install an effective CCTV system to assist the detection, investigation, and prosecution of offenders.

Council continues to strive to be a leader in protecting our environment and achieving sustainability, with many projects proposed for 2023/24 designed to conserve, protect and enhance our natural environment including waterways, and support a greener and more shaded Town (**SCP Priority Area 2**).

The proposed budget provides funds for some important environmental planning initiatives to properly plan for the future protection and enhancement of some of our important environmental assets, including:

- Point Reserve Foreshore Plan detailed design and initial implementation;
- Continuing to develop the Sandy Beach Reserve Foreshore Restoration Plan;
- Completing the Success Hill Foreshore Stabilisation detailed design; and
- Developing the Ashfield Flats Masterplan.

In addition, a new drainage solution is expected to be implemented for the Success Hill Reserve catchment area to replace the current temporary solution, with the aim of improving water quality and environmental outcomes.

Unfortunately, the Town was unable to progress work with the Water Corporation for construction of a living stream, from Second Avenue to Fourth Avenue, Bassendean, primarily because the design requirements imposed by Water Corporation meant most of the desired program outcomes could not be achieved. Further, the license requirements imposed by the Water Corporation would have transferred significant risks to the Town, which were considered unacceptable.

The Town will continue its efforts to create a vibrant Town and precincts and support the town centre to thrive (**SCP Priority Area 3**). With Local Planning Scheme 11 (LPS 11) currently out for public consultation, a new local planning scheme is expected by early 2024. Work will then commence on a Bassendean Town Centre Precinct Structure Plan, which will guide future development and urban growth in and around the Old Perth Road precinct. This new local planning framework for the Town will provide the optimal environment to attract investment and promote development.

Council and the community value the Town's local heritage and recognise that our connection to history and heritage forms an important part of our local identity (**SCP Priority Area 7**). In recognition of this, Council created a new Arts and Culture Committee and developed a four-year Arts, Culture and Events Strategy, which will continue to be implemented during 2023/24, with various activities, events and programs to bring the community together to celebrate our history and culture.

Despite the initiatives and activities outlined above, the bulk of the Town's budget is spent on maintaining the community's assets, built infrastructure, including roads, paths, drainage, public open space, playgrounds, and sporting facilities, and in providing waste and recycling services including Food Organics Garden Organics (FOGO), on-demand skip bins, tip vouchers, recycling drop off points, and kitchen caddy liners.

Proposal

That Council adopts the proposed 2023/24 Annual Budget.

Communication and Engagement

The budget process commenced in January 2023, with the Finance Team and Business Unit Managers:

- Reviewing workforce plans;
- Reviewing budgeted expenditure/year to date expenditure;
- Forecasting 2023/24 operational requirements;
- Preparing plans for operational and capital projects and prioritising activities
- Reviewing fees and charges; and
- Developing rating models for the potential introduction of differential rates.

The administration and Council participated in seven budget-related workshops:

| Date | Themes |
|------------------|---|
| 7 February 2023 | Budget Process Overview, Rating Strategy |
| 14 February 2023 | Mid-year budget review and Long-Term Financial Plan |
| 7 March 2023 | Strategic Budget Policy and Long-Term Financial Plan |
| 14 March 2023 | Capital and Operational Projects |
| 4 April 2023 | Fees and Charges, Waste Modelling, Capital and Operational Projects |
| 9 May 2023 | Differential Rates Modelling, Fees and Charges, Capital Projects, Reserves, Draft Consolidated Position |
| 6 June 2023 | General Update, Draft Updated Consolidated Position |

The administration circulated updated project spreadsheets and other budget-related documentation to Councillors before and after workshops, via CEO Bulletins.

Strategic Implications

Priority Area 1: Strengthening and Connecting our Community

1.1 Fostering a culture of collaboration and trust between the organisation and community

1.5 Supporting healthy lifestyles throughout our Town

1.7 Facilitating community connection

Priority Area 2: Leading Environmental Sustainability

2.1 Demonstrate strong leadership in waste reduction and carbon neutrality

2.5 Value and conserve and protect our water resources and waterways

2.6 Support the creation of a more green and shaded Town

Priority Area 3: Creating a Vibrant Town and Precincts

3.1 Support the town centre to thrive

Priority Area 4: Driving Financial Sustainability

4.1 Ensure there is sufficient, effective and sustainable use of assets

4.2 Ensure community facilities are accessible to and well utilised by a diverse range of community members

Priority Area 5: Facilitating People-Centred Services

5.2 Deliver efficient and well-connected internet and computer technology systems

Priority Area 6: Providing Visionary Leadership and Making Great Decisions

6.1 Make brave decisions in line with a risk appetite

6.3 Ensure operational activities reflect the strategic focus of Council

6.4 Reinforce a culture of collaboration, trust and demarcation between Council, administration and the community

Priority Area 7: Building Community Identity by Celebrating Culture and Heritage

7.2 Create a community closely connected to its history and heritage

7.3 Engage the community in arts and culture

COMMENT

The proposed 2023/24 Annual Budget includes:

- Statutory Financial Statements, incorporating:
 - Statement of Comprehensive Income by Nature or Type and by Program;
 - Statement of Cash Flows by Nature or Type; and
 - Notes to and forming part of the Budget;
- Fees and Charges for 2023/24;
- Capital Projects for 2023/24; and
- Operational Projects for 2023/24.

Estimated Closing Surplus – 2022/23

The 2022/23 Annual Budget estimated a closing surplus of \$151,343 however, the 2022/23 forecast closing surplus is now expected to be \$2,474,922. The reasons for the forecast closing surplus being considerably higher than the expected surplus at the start of the financial year are set out below.

Revenue from Operating Activities

Revenue from operating activities is forecast to be slightly lower than budgeted, by \$243,554. This was mainly due to lower Rates Revenue by (\$101,860) mainly due to the Town accepting exemption applications from Community Housing Organisations as they are deemed to meet the requirements under the Act; lower revenue from fees and charges (\$206,478) arising from lower Early Childhood Education fees and hall hire income offset by higher Interest Income of \$140,000 from increased interest rates. Other revenue categories were also marginally lower than budgeted:

Expenditure from Operating Activities

Expenditure from operating activities is forecast to be \$367,141 lower than budgeted, which is attributable to the following:

- Materials and contracts expenditure was \$1,067,149 lower than budgeted, due to deferral of Operational Projects into 2023/24 such as the Precinct Structure Plan and Success Hill Foreshore Stabilisation, lower Sanitation costs and lower infrastructure maintenance costs;
- Higher depreciation of non-current assets of \$782,913, following a revaluation of assets across the Town's two main asset categories being Property and Infrastructure; and
- A slight reduction in other expenditure, of \$82,906, for Public Events and Weeding programs.

Investing Activities

The amount attributable to investing activities is forecast to be \$1,912,336 less than budgeted due to the carryover of projects originally included in the 2022/23 budget, including:

- Spillway Design and Construction, Success Hill;
- Wind in the Willows staff room and nature play;
- Two tip trucks awaiting delivery; and
- Lighting for Bassendean oval.

Financing Activities

The amount attributable to financing activities is forecast to be \$1,380,607 less than budgeted, due to lower capital expenditure, which resulted in reduced funding from reserves, in particular:

- Unspent Grants Reserve \$324,823;
- Fleet and Plant Reserve \$199,368;
- Wind in the Willows Childcare Reserve \$125,000;
- Land and Buildings Infrastructure Reserve \$200,000;
- Future Projects Reserve \$185,098;
- Waste Processing/Disposal Reserve \$94,000; and
- Waste Asset Reserve \$50,000.

Estimated Closing Surplus – 2023/24

The estimated closing surplus for 2023/24 is nil.

INCOME STATEMENT BY NATURE AND TYPE

The following are comments on the major changes to income and expenditure items presented in the Comprehensive Statement of Income – By Nature and Type.

Rates

At the Ordinary Council Meeting on 23 May 2023, Council resolved to approve the differential rates and minimum payment for 2023/24 for advertising by public notice, as follows:

| Rating Category | Rate in Dollar in Cents | Minimum Payment (\$) |
|--|--------------------------------|-----------------------------|
| Improved – Residential | 7.7400 | 1,183 |
| Improved – Commercial and Industrial (GRV) | 8.9010 | 1,183 |
| Vacant Land – Residential, Commercial and Industrial (GRV) | 11.6100 | 1,183 |

The proposed differential rates were calculated using the following parameters:

- An increase in the rate in the dollar from 2022/23 of 7%;
- A premium of 15% for Improved Commercial and Industrial land; and
- A premium of 50% for all vacant land.

The advertised minimum payment was \$1,183, an increase of 7% from last year.

The expected rates revenue for 2023/24 is \$15,469,341 from 7,390 rateable properties (an increase of \$966,010 from 2022/23 budgeted rates revenue), including \$104,576 budgeted for interim rates from new properties and changes to existing properties.

In 2023/24, it is expected that 1,116 (15.1%) properties will be liable for the minimum payment. In 2022/23, the Town budgeted for 1,605 (21.7%) properties being subject to the minimum payment. This continues the downward trend in the proportion of land liable for the minimum payment, resulting from a freeze in the amount of the minimum payment for the last four years, prior to 2023/24.

The proposed differential rates were advertised by public notice on 1 June 2023, placed on the Town's website, PerthNow newspaper and Facebook page, and displayed on notice boards at the Town's Customer Service Centre and Bassendean Memorial Public Library. Written submissions are required by 22 June 2023.

At the date of writing, one submission has been received:

I am supportive of the rates increase and the differential rates proposed in the attached notice; I would even be supportive of the vacant land rate being higher than the 50% proposed to encourage development.

Any further submissions received by the closing date will be presented to Council for consideration, prior to adoption of the budget.

The remainder of this budget paper was necessarily prepared on the assumption that Council will adopt the advertised differential rates for the purpose of the 2023/24 Proposed Annual Budget. Should Council resolve not to adopt the proposed differential rates, it will be necessary to review proposed reserve transfers and/or proposed capital and operational projects to identify projects that can be de-scoped, removed and/or deferred to a later budget period for rates revenue to be sufficient to fund the expected budget deficiency.

Instalment Payments

In accordance with Section 6.45 of the *Local Government Act 1995*, a local government is to offer instalment options for the payment of rates or service charges. Additional charges for the recovery of rates or service charges may be imposed (including an amount by way of interest) for payments made under an instalment option.

The Town plans to issue Rates Notices on 27 July 2023 and, on that basis, the following payment options are proposed:

| Payment Option | Instalment No. | Due Date |
|-----------------------|-----------------------|-----------------|
| Payment in full | 1 | 31 August 2023 |
| Two Instalments | 1 | 31 August 2023 |
| | 2 | 9 January 2024 |
| Four Instalments | 1 | 31 August 2023 |
| | 2 | 31 October 2023 |
| | 3 | 9 January 2024 |
| | 4 | 12 March 2024 |

The Town has introduced rates smoothing called “*Smarter Way to Pay*”, for 2023/24, allowing ratepayers to spread payment of rates across smaller, more manageable payments. Rates smoothing is paid by direct debit, from a cheque or savings account, on a weekly, fortnightly or monthly basis, ensuring the total is paid by the end of the financial year. Ratepayers may choose to continue with the payments with the aim of them being in credit ahead of the rates due date for the following year.

Council's Financial Hardship Policy enables a rates debtor or sundry debtor experiencing genuine financial hardship to make an application for assistance relating to outstanding rates or service charges or sundry debts.

eRates

The Town continues to promote eRates, allowing property owners to register to receive rates notices, final notices and instalment reminder notices by email, by completing a simple form on the Town's website. Implementation of eRates is environmentally friendly and cost-effective. Ratepayers registered for eRates by 30 June 2023 will go into a draw to win a \$500 credit against their 2023/24 rates. At the time of writing the report, 755 owners had signed up for eRates which represents 10.4% of total number of Rates Notices issued by the Town.

Instalment Administration Fee and Interest \$234,722

To offset the administrative costs of offering instalment options, Council may impose an administration fee and interest charge. The administration fee is intended to cover costs incurred and regulation 67 of the Regulations does not allow a profit to be made.

An Instalment Administration Fee of \$14 per instalment is proposed when an instalment payment option is used, for instalments after the first instalment, an increase of \$2 per instalment from 2022/23 reflecting increased administration costs. The Instalment Administration Fee for the four-instalment payment option is \$42.

Where payment of rates is not received in full or by one of the instalment options, the Town may enter into a special payment arrangement with a ratepayer and an administration fee of \$25 will apply.

Pursuant to section 6.45 of the Act, Council may adopt an interest rate for payment of rates by instalments up to a maximum rate of 5.5%. The maximum rate is set by regulation 68 of the Regulations. In line with other local governments, it is proposed to apply this rate in 2023/24. This is the same as the rate applied in 2022/23.

Pursuant to section 6.51(1) and subject to section 6.51(4) of the Act and Regulation 70 of the Regulations, local governments may charge late payment interest up to a maximum of 11% for rates and service charges that remain unpaid after becoming due and payable. The *Local Government (COVID-19 Response) Order 2020*, clause 8(3), capped the interest rate local governments may charge at 7% for 2022/23; however, this is no longer applicable, and it is proposed to return to a rate of 11% for 2023/24.

The Town's Financial Hardship Policy provides that where a debtor is assessed as experiencing genuine financial hardship, the Town may suspend administration fees

and interest charges while the debtor adheres to the terms and conditions of a payment agreement under that Policy.

Interest is not chargeable to eligible pensioners who have registered their entitlement in accordance with the *Rates and Charges (Rebates and Deferments) Act 1992*.

Budgeted revenue from the Instalment Administration Fee for 2023/24 is \$59,598 and is included in the budget for Fees and Charges. Budgeted revenue from Interest Charges for 2023/24 is \$175,124 (including interest on deferred rates) and is included in the budget for Interest Earnings.

Discounts, Incentives, Concessions and Write-offs

Section 6.47 of the Act provides Council with the power to grant a rate concession.

The Town's Rates Exemption Policy states that Council will accept written applications from not-for-profit community groups within the Town of Bassendean and may grant a concession or waiver for up to two years.

The Town received an application from Westcare for a rates concession of 50% for 2022/23 and 2023/24, on 9 June 2022. The application was made on the basis that:

Westcare is a registered charity and we employ over 70 people with disabilities at our Hanwell Way premises. A concession would greatly assist in maintaining our ability to fulfill our mission of "empowering, enriching and enhancing" the lives of people with disabilities.

According to its website, Westcare Incorporated (**Westcare**) is an Australian Disability Enterprise (not-for-profit), providing quality employment and training for West Australians with disabilities since 1947. Westcare is registered as a charity with the Australian Charities and not-for-profits Commission.

Westcare opened its factory premises at 28 Hanwell Way, Bassendean in 1996, and uses those premises for what it calls Westcare Industries:

- Westcare Box – Provides a range of covered, stapled, and die cut boxes
- Westcare Foodpak – Offers solutions to businesses looking to outsource and streamline their packing requirements
- Westcare Safety – Manufactures and supplies high visibility garments.

Council has traditionally granted a 50% rate concession to Westcare as part of the annual budget process. With the introduction of the Rates Exemption Policy in May 2020, Westcare was required to make an application in writing under that policy. Council approved a 50% rates concession for Westcare for 2020/21, 2021/22, and 2022/23.

In the absence of a concession, the estimated rates for Westcare's property at 28 Hanwell Way, Bassendean for 2023/24 are \$15,669.68.

Discounts and incentives for early payment of rates are not proposed for the 2023/24 Annual Budget, aside from the eRates promotion mentioned above.

Operating Grants and Subsidies

Revenue is expected to increase from \$554,442 as budgeted for 2022/23, to \$633,176 in 2023/24, due to a higher amount budgeted for Financial Assistance Grants (\$376,718). Other significant grants expected are for environmental projects (\$77,500), Bassendean Youth Service (\$98,000) and assistance with running the Bassendean SES (\$45,108).

Fees and Charges

The 2023/24 Annual Budget includes proposed fees and charges for the provision of services to the community.

The administration conducted a comprehensive review of all fees and charges for 2023/24. Noting minimal increases in many fees and charges over recent years, along with rising costs, most fees and charges are proposed to increase by 5% to 10%, for 2023/24.

Consequently, revenue is expected to increase from \$6,561,135 as forecast for 2022/23, to \$6,897,110 in 2023/24.

The proposed 2023/24 Fees and Charges are set out in **Attachment 3**.

The following changes to fees and charges are proposed:

Early Childhood Education

At the Ordinary Council Meeting on 23 May 2023, Council noted that a daily fee for the Town's Wind in the Willows Early Childhood Education Centres of \$136 was to be considered for the purpose of the draft 2023/24 Annual Budget, representing an increase of \$9 from 2022/23. The proposed increase of 7% is necessary to provide for increased employee costs and allow the Town to continue to provide quality activities and programs.

Community Development

Simplification of hall hire charges, to provide for a standard fee and a single discount of 50% for community groups, not-for-profit organisations, clubs, associations and local residents.

Hyde Retirement Village (HRV)

The maintenance fee is proposed to increase from \$237 to \$245 per fortnight for a single resident, and from \$272 to \$282 per fortnight for a resident couple, and the parking fee is proposed to increase from \$10 per fortnight to \$12 per fortnight. The Town has consulted with HRV residents as required under the Residents Deed. Feedback received from residents has indicated an understanding of the need for the increase to the maintenance and parking fees.

Waste Services

The Town imposes waste service charges to recoup the cost of waste services and the purchase of bins. Budgeted revenue from the waste service charge for 2023/24 is \$3,323,003 (2022/23 revenue was \$3,166,576).

The Town continues to provide an extensive range of waste services for the community, including:

- Weekly collection for Food Organics Garden Organics (FOGO);
- Fortnightly collection for general waste (landfill) and recycling;
- Two on-demand skip bins: one general waste bin and one green waste bin; or two green waste bins;
- On-demand collection for lounges, mattresses and fridges (up to three per year);
- Recycling drop off points, for e-waste, metal, cardboard, polystyrene, aerosol cans, engine oil and lead acid batteries;
- Two tip vouchers, redeemable at Red Hill (no charge with voucher) and Baywaste (for a small fee); and
- Kitchen caddy liners.

The 2023/24 tip passes will expire on 31 August 2024. Lost or misplaced tip passes will not be replaced.

The proposed waste charges for 2023/24 are set out in the following table:

| WASTE SERVICES | Fee 2023/24 GST Inclusive (If Applicable) |
|---|--|
| FOGO Standard Waste Service Charge | \$420.00 |
| FOGO General Waste bin - 240L option | \$560.00 |
| Waste Service Charge (Non-Rateable) | \$539.00 |
| Waste Service Charge (Non-Rateable) - General Waste bin - 240L | \$731.00 |
| Shared Bin Services for Multi Units | \$298.00 |
| Additional bin - 240L Recycling | \$47.00 |
| Upgrade bin - 240L Recycling to 360L Recycling | \$165.00 |
| Additional bin - 240L FOGO | \$181.00 |
| Additional bin – 140L (General Waste) *Separate Residential Dwellings only | \$175.00 |
| Additional bin – 240L General Waste | \$298.00 |
| Additional Fortnightly Collection General Waste per bin *Commercial Properties only | \$385.00 |
| Additional Skip Bin (3 cubic meter, up to two per property per financial year) | \$225.00 |

Interest Earnings

Revenue is expected to increase from \$317,345 as budgeted for 2022/23, to \$544,923 in 2023/24, due to increases in the Reserve Bank of Australia (RBA) Cash Rate. Early adoption of the budget will facilitate early levying of rates for improved cash flows to take advantage of the higher interest rates. The RBA cash rate at the time of writing the report was 4.1% as opposed to 0.85% in June 2022, last year.

Other Revenue

Revenue is expected to fall from \$267,981 as budgeted for 2022/23, to \$81,000 in 2023/24. This is due to no recognition of an EMRC dividend which was budgeted in 2022/23 at \$100,000 and didn't eventuate. Property enquiries are also budgeted at a lower amount, reflecting an anticipated reduction in property development applications.

Employee Costs

Employee costs are expected to increase from \$12,049,864 as budgeted for 2022/23, to \$12,635,110 in 2023/24 representing a 4.9% increase.

While an increase in dollar terms, this represents a reduction in employee costs in real terms, following a critical review of workforce requirements and decisions made not to fill vacant positions across the organisation. Without these changes, budgeted employee costs for 2023/24 would have totaled \$13,346,670 after accounting for increases in entitlements including salary increases and increases to compulsory superannuation contributions.

Materials and Contracts

Expenditure is expected to reduce from \$8,147,824 as budgeted for 2022/23, to \$7,604,673 in 2023/24, a net reduction in costs by 7%.

While the cost of materials and contracts continues to increase, the Town has critically examined its ability to deliver in terms of financial and human capacity and scaled back its operational program accordingly. Further service reviews are expected during 2023/24.

Utility Charges

Expenditure on utility charges is expected to increase slightly from \$698,795 as budgeted for 2022/23, to \$751,119 in 2023/24, reflecting rising utility costs in line with the 7.5% increase in tariffs in electricity.

Depreciation

Depreciation is a non-cash item and does not affect rates and charges. Depreciation is included in the statement of comprehensive income to reflect the reduction in value of assets for the ensuing 12 months.

Depreciation will increase from \$3,881,983 as budgeted for 2022/23, to \$4,875,818 in 2023/24, following revaluation of the Town's Land and Building and Infrastructure Assets.

Interest Expenses

Expenditure is expected to increase from \$28,787 as budgeted for 2022/23, to \$41,804 in 2023/24. This is due to an additional loan of \$750,000 to partly fund payments due to Western Power for the Eden Hill underground power project.

Insurance Expenses

Expenditure is expected to increase from \$489,297 as budgeted for 2022/23, to \$523,133 for 2023/24.

The Town's primary insurer LGIS has advised of continuing challenging market conditions, with all classes of insurance under significant pressure driven by increased risk and hardening re-insurance conditions.

Other Expenditure

Expenditure is expected to fall from \$2,043,622 as budgeted for 2022/23, to \$1,938,353 in 2023/24, mainly due to re-classification of Information Communication and Technology invoices as "materials and contracts" which were previously budgeted as "other expenses".

Councillor Meeting Fees and Allowances

Councillor allowances are consistent with the Determination of the Salaries and Allowances Tribunal for Local Government Chief Executive Officers and Elected Members, on 6 April 2023. The Tribunal determined that Elected Member attendance fees, and annual allowance ranges be increased by 1.5%, rounded to the nearest \$5. The increases are incorporated into the proposed budget.

Total expenditure is expected to fall slightly from \$251,783 as budgeted for 2022/23, to \$245,302 in 2023/24. The reduction is mainly due to a re-classification of WALGA subscriptions as a Governance cost and not a Council Members cost. Councillor meeting fees and allowances proposed for the 2023/24 Annual Budget are:

| Description | Amount |
|------------------------------------|---------------|
| Council meeting fees | \$128,550 |
| Mayoral & Deputy Mayoral allowance | \$ 48,062 |
| Conferences and training | \$ 26,500 |
| Donations | \$ 600 |
| IT and Communication allowance | \$ 24,500 |
| Stationery and subscriptions | \$ 3,300 |
| Functions | \$ 6,750 |
| | \$238,262 |

Councillor fees and allowances are included in the "Other Expenditure" category.

Non-Operating Grants

Revenue is expected to increase from \$1,770,730 as budgeted for 2022/23, to \$2,305,824 in 2023/24.

This is due to a carry over of projects to be finalised in 2023/24 which have significant grant income expected including new lighting at Bassendean Oval (grant funds totaling \$926,744) and Ashfield Reserve (grant funds totaling \$115,394). Federal and State Government grants for road infrastructure totaling \$1,083,586 is also expected.

OTHER BUDGET ITEMS

Operational Projects **\$619,822**

Operational projects proposed for 2023/24 are listed in **Attachment 4** and detailed in **Attachment 5 (Confidential)**. Operational projects include:

- Major review of the ten-year Strategic Community Plan;
- Point Reserve Foreshore Plan – detailed design and initial implementation;
- Success Hill Foreshore Stabilisation detailed design;
- CCTV Rebate Program;
- Arts, Culture and Events Strategy;
- Bassendean Town Centre Precinct Structure Plan; and
- Implementation of the Public Health Plan.

Capital Works Program **\$5,510,678**

Capital projects proposed for 2023/24 are listed in **Attachment 6** and detailed in **Attachment 7 (Confidential)**. Capital projects include:

- Bassendean Oval floodlights;
- Ashfield Reserve lighting;
- Bore and submersible pump for Ashfield Reserve;
- Success Hill Reserve fencing;
- Footpath and road upgrades;
- Sandy Beach Reserve foreshore restoration;
- Success Hill Reserve catchment area drainage;
- Nature play space at Wind in the Willows Bassendean;
- Structural repairs at Ashfield Community Centre;
- Electrical switchboard upgrades at the Town's administration offices; and
- Replacement of some Fleet and Plant.

Transfers to/from Reserves and Restricted Cash

Transfers to and from reserves proposed for the 2023/24 Annual Budget will be shown in the statutory budget at note 8. Given the statutory budget remains under preparation, a schedule of proposed reserve transfers is provided at **Attachment 1, page 6**.

Transfers to reserves in the proposed 2023/24 Annual Budget total \$1,915,097 and transfers from reserves total \$1,637,019, for a proposed increase in reserve funds of \$278,078, or 3.24%.

Asset Enhancement Reserve

The Community Facilities Reserve (\$156,803), Drainage Infrastructure Reserve (\$196,408) and Marine Assets Reserve (\$78,588) are proposed to be closed, with funds transferred to a new Asset Enhancement Reserve (\$431,799). This will provide Council with greater flexibility to channel funds to priority areas. The purpose of the reserve is proposed to be *“To accrue funds for upgrade and replacement of infrastructure assets”*.

Carry Forward Reserve

A new reserve called Carry Forward Reserve is proposed *“To accrue unspent funds from Operating and Capital Works Programs to enable continuation in future years”*. This will ensure any unspent funds allocated to projects that are to be carried forward at year-end will be retained for that purpose.

Proposed Loans

Section 6.20 of the Act provides local governments with the power to borrow money. The local government must give one month’s local public notice of the proposal, unless the proposal has been included in the Annual Budget.

Underground power – Eden Hill

Council has entered into a Network Renewal Underground Program Pilot (NRUPP) Co-Funding Agreement with Western Power to provide underground electricity distribution to Eden Hill and parts of Bassendean. Pursuant to the agreement (as amended), the Town has made, or is liable to make, the following cash call payments to Western Power:

| | |
|--------------|--------------------|
| 29 July 2022 | \$1,227,284 |
| 29 July 2023 | <u>\$1,227,284</u> |
| | \$2,454,568 |

While the Town has commenced to recoup this cost from property owners through a service charge over five years commencing 2022/23, it is necessary for the Town to borrow sufficient funds to allow it to meet its cash call obligations under the co-funding agreement with Western Power, in advance of recouping the cost from property owners. When adopting last year's budget, Council authorised the borrowing of sufficient funds from the Western Australian Treasury Corporation (WATC).

To minimise interest expense, the Town has kept the proposed borrowing as low as possible and has obtained a loan approval for \$750,000 from WATC to be executed in June 2023 and expects to make an additional application for a further loan of \$750,000 in May 2024.

Determination of material variance for reporting purposes

Each year, Council is required to adopt a percentage or value for the purposes of reporting material variances in the Monthly Financial Activity Statement. This value or percentage is then used throughout the financial year to identify potential areas in Council's actual revenue and expenditure that may not be in keeping with the budget.

The early identification of these potential issues can assist in better utilisation and allocation of scarce Council resources.

The values chosen should provide a good indication of variances that would not normally be able to be covered through Council's normal operations and should, therefore, be assessed to identify if a potential issue exists or not.

When adopting the 2022/23 Annual Budget, Council adopted a material variance threshold of \$15,000 or 10% of the appropriate base, whichever is higher, for the Financial Activity Statement.

The same thresholds are recommended for 2023/24.

Statutory Requirements

The *Local Government Act 1995*, section 6.2.

The *Local Government (Financial Management) Regulations 1996*, Part 3 and Regulation 34.

Section 6.2 of the Act requires that not later than 31 August in each financial year, or such extended time as the Minister allows, each local government is to prepare and adopt (by Absolute Majority) in the form and manner prescribed, a budget for its municipal fund for the financial year ending on the next following 30 June.

Divisions 5 and 6 of the Act refer to the setting of budgets and raising of rates and charges.

The Regulations detail the form and the content of the budget.

Council has several financial policies which have been taken into consideration in the budget process, including the Asset Management Policy, Strategic Budget Policy and Investment Policy.

Financial Considerations

Specific financial implications are as outlined in the Comments section of this report and as itemised in the 2023/24 Annual Budget, attached under separate cover for adoption.

Risk Management Implications

Financial Risk
Reputational Risk
High

The draft 2023/24 Annual Budget is a balanced budget prepared in consultation with Councillors within the parameters of the Town's Strategic Budget Policy.

The principal risk is adoption of the 2023/24 Annual Budget with material changes in revenue or expenses. Reduced overall funding or increased expenditure may result in a reduction in the quality of assets provided and services delivered. Material changes may result in a delay in finalising the statutory budget, which a consequential delay in levying rates which will impact interest revenue and project timing.

Declaration of Conflicts of Interest

All officers involved in the preparation of this report have considered and determined that they do not have a conflict of interest in the matter.

Officer Recommendation – Item 12.7

That Council:

1. 2023/24 Annual Budget

Adopts, pursuant to the provisions of section 6.2 of the *Local Government Act 1995* and part 3 of the *Local Government (Financial Management) Regulations 1996* the Budget for the Town of Bassendean for the 2023/24 financial year, as contained in **Attachment 1**, which includes the following:

- a) Statement of Comprehensive Income by Nature or Type showing a net deficit for the year of \$(1,958,201);
- b) Statement of Cash Flows showing cash at the end of the year of \$7,415,223;
- d) Rate Setting Statement showing the amount required to be raised from rates of \$15,469,341;
- e) Notes to and Forming Part of the Budget;
- f) Transfers to Reserve Accounts totaling \$1,915,097 and from Reserve Accounts totaling \$1,637,019; and
- g) Operational Projects - \$619,822, as detailed in **Attachment 5 (Confidential)**; and
- h) Capital Expenditure and New Initiatives - \$5,510,678, inclusive of Carried Forward Projects of \$1,938,320, as detailed in **Attachment 7 (Confidential)**.

Voting requirement: Absolute majority

2. Rates, Instalment Payment Arrangements, Administration Fees and Interest

- a. For the purpose of yielding the deficiency disclosed by the 2023/24 Annual Budget, pursuant to sections 6.32, 6.34 and 6.35 of the *Local Government Act 1995*, imposes the differential rates and minimum payment for 2023/24 that were advertised by public notice on 1 June 2023, as follows:

| Rating Category | Rate in Dollar in Cents | Minimum Payment (\$) |
|--|-------------------------|----------------------|
| Improved – Residential | 7.7400 | 1,183 |
| Improved – Commercial and Industrial (GRV) | 8.9010 | 1,183 |
| Vacant Land – Residential, Commercial and Industrial (GRV) | 11.6100 | 1,183 |

- b. Adopts the Objects and Reasons for the above Differential Rates for 2023/24, being **Attachment 2**.

- c. Imposes the following service charge for properties in the Eden Hill NRUPP Underground Power Program:
- i. NRUPP – Consumer Mains Connection, \$2,910; and
 - ii. NRUPP – Cut and Cap Connection, \$1,455;
- d. Determines that the amount of the service charge applicable for multi-unit developments within the NRUPP Underground Power Program for a ‘parent’ connection be shared equally among the property owners in the development according to the number of units owned;
- e. Pursuant to section 6.45 of the *Local Government Act 1995* and regulation 64(2) of the *Local Government (Financial Management) Regulations 1996*, nominates the following due dates for the payment of rates in full, and service charges by instalments:

| Payment Option | Instalment No. | Due Date |
|------------------|----------------|-----------------|
| Payment in full | 1 | 31 August 2023 |
| | | |
| Two Instalments | 1 | 31 August 2023 |
| | 2 | 9 January 2024 |
| | | |
| Four Instalments | 1 | 31 August 2023 |
| | 2 | 31 October 2023 |
| | 3 | 9 January 2024 |
| | 4 | 12 March 2024 |

- f. Imposes, in accordance with section 6.45 of the *Local Government Act 1995* and Regulation 67 of the *Local Government (Financial Management) Regulations 1996*, an instalment administration charge where the owner has elected to pay rates (or service charges) through an instalment option, of \$14 for each instalment after the initial instalment is paid;
- g. Imposes, in accordance with section 6.45(3) of the *Local Government Act 1995* and Regulation 68 of the *Local Government (Financial Management) Regulations 1996*, an additional interest rate of 5.5% applicable to rate and service charge instalment arrangements;
- h. Imposes, in accordance with section 6.51(1) of the *Local Government Act 1995*, an interest rate of 11% applicable to overdue and unpaid rates and service charges;

- i. Waives 50% of the rates for 2023/24 payable by Westcare Incorporated in respect of its factory premises at 28 Hanwell Way Bassendean, in accordance with section 6.47 of the *Local Government Act 1995*;
- j. Grants a concession of \$500 against rates payable for 2023/24 in respect of a property selected at random, where the property owner has registered for eRates by 30 June 2023, pursuant to section 6.47 of the *Local Government Act 1995*.

Voting requirement: Absolute majority

3. Fees and Charges

Pursuant to section 6.16 of the *Local Government Act 1995*, section 67 of the *Waste Avoidance and Resources Recovery Act 2007*, and regulation 53(2) of the *Building Regulations 2012*, adopts the Fees and Charges included in the 2023/24 Annual Budget (**Attachment 3**).

Voting requirement: Absolute majority

4. Elected Members' fees and allowances

- a) Pursuant to section 5.98 of the *Local Government Act 1995* and regulation 34 of the *Local Government (Administration) Regulations 1996*, adopts the following annual fees for payment of Elected Members in lieu of individual meeting attendance fees:
 - i) Mayor \$26,370; and
 - ii) Councillors \$17,030;
- b) Pursuant to section 5.99A of the *Local Government Act 1995* and regulations 34A and 34AA of the *Local Government (Administration) Regulations 1996*, adopts the Information and Communication Technology allowance of \$3,500 for Elected Members;
- c) Pursuant to section 5.98(5) of the *Local Government Act 1995* and regulation 33 of the *Local Government (Administration) Regulations 1996*, adopts the annual local government allowance of \$38,450 to be paid to the Mayor in addition to the annual meeting allowance; and
- d) Pursuant to section 5.98A of the *Local Government Act 1995* and regulation 33A of the *Local Government (Administration) Regulations 1996*, adopts the annual local government allowance of \$9,612 to be paid to the Deputy Mayor in addition to the annual meeting allowance.

Voting requirement: Absolute majority

5. Reserves – Change in Purpose, Change in use of funds

Pursuant to section 6.11 of the *Local Government Act 1995*, Council approves:

- a. Creation of an Asset Enhancement Reserve: “*To accrue funds for upgrade and replacement of infrastructure assets*”.
- b. Creation of a Carry Forward Reserve: “*To accrue unspent funds from Operating and Capital Works Programs to enable continuation in future years*”.

Voting requirement: Absolute majority

6. Loan – Underground Power

Pursuant to section 6.20 of the *Local Government Act 1995*, approves the CEO making application to the Western Australian Treasury Corporation for a loan of up to \$750,000 to cash call obligations under the co-funding agreement with Western Power, in advance of recouping the cost from property owners.

Voting requirement: Absolute majority

7. Materiality

Adopts a material variance of \$15,000 or 10% of the appropriate base, whichever is the higher, for the 2023/24 Financial Activity Statement, for the purpose of reporting under regulation 34(5) of the *Local Government (Financial Management) Regulations 1996* and AASB 1031 Materiality.

Voting requirement: Simple majority

| 12.8 Audit and Governance Committee Meeting of 12 June 2023 | |
|--|--|
| Property Address | N/A |
| Landowner/Applicant | N/A |
| File Reference | GOVN/CCLMEET/18 |
| Directorate | Corporate Services |
| Previous Reports | |
| Authority/Discretion | Executive The substantial direction setting and oversight role of the Council. |
| Attachments | <ol style="list-style-type: none"> 1. Audit and Governance Committee Minutes 12 June 2023 [12.8.1 - 10 pages] 2. Audit Planning Memorandum 2023 [12.8.2 - 27 pages] 3. General and Rates Debtors IA Report - FINAL [12.8.3 - 19 pages] 4. Internal Audit Plan 2022-23 [12.8.4 - 7 pages] 5. Draft Internal Audit Programme 2023-26 [12.8.5 - 1 page] 6. Recovery of Rates and Service Charges Policy [12.8.6 - 5 pages] 7. Recovery of Sundry Debts Policy [12.8.7 - 4 pages] 8. Financial Hardship Policy [12.8.8 - 8 pages] 9. Rates Exemption Policy [12.8.9 - 4 pages] 10. Councillor Allowances and Expenses Policy [12.8.10 - 5 pages] 11. Draft Amended Purchasing Policy - Marked up [12.8.11 - 8 pages] 12. Draft Amended Purchasing Policy - Clean [12.8.12 - 8 pages] 13. Purchasing Policy - LG Comparison [12.8.13 - 4 pages] 14. CONFIDENTIAL REDACTED - Audit Risk Register - June 2023 [12.8.14 - 9 pages] |

Purpose

The purpose of this report is for Council to receive the report on the meeting of the Audit and Governance Committee held on 12 June 2023.

Background

The Town's Audit and Governance Committee meets at least four times each year in carrying out its functions under the Instrument of Appointment and Delegation (the

Instrument). The Instrument specifies the authority, objectives and responsibilities of the Committee and governs its membership and meeting requirements.

Communication and Engagement

To ensure openness, accountability and integrity, Council has appointed two community representatives to be members of the Audit and Governance Committee and an independent advisor to the Committee.

Strategic Implications

Priority Area 5: Facilitating People-Centred Services

5.2 Deliver efficient and well-connected internet and computer technology systems

Priority Area 6: Providing Visionary Leadership and Making Great Decisions

6.1 Make brave decisions in line with a risk appetite

6.4 Reinforce a culture of collaboration, trust and demarcation between Council, administration and the community

Comment

The Committee considered the following items:

Annual Audit of the Financial Report 2022/23 - Audit Planning Memorandum

The purpose of this report was to provide the Committee with the Audit Planning Memorandum (**APM**) for the audit of the Town's Financial Report for 2022/23. The purpose of the APM is to brief the Town on the proposed approach by RSM Australia Pty Ltd (**RSM**), on behalf of the Office of the Auditor General (**OAG**), to audit the financial report of the Town for the year ending 30 June 2023.

Internal Audit – General and Rates Debtors

The purpose of this report was for the Committee to receive the General and Rates Debtors Internal Audit Report, and to consider the recommendations therein and the management action proposed by the Town.

Internal Audit Schedule 2023/24 to 2025/26

The purpose of this report was for the Committee to consider the draft internal audit schedule for 2023/24 to 2025/26.

Following adoption of the Internal Audit Schedule for 2023/24 to 2025/26 by Council the Town will seek to contract a suitable service provider through a formal RFQ process.

Review of Council Policies – Debt Recovery, Financial Hardship and Rates Exemption

The purpose of this report was for the Committee to review the operation and effectiveness of the following Council policies:

- Recovery of Rates and Service Charges Policy
- Recovery of Sundry Debts Policy
- Financial Hardship Policy
- Rates Exemption Policy.

The only substantive change recommended was to the Recovery of Rates and Service Charges Policy, to the steps outlined in section 1.1(b). Presently, the Policy requires the Town attempt to contact the debtor by telephone and email where the debt remains outstanding after the due date shown on the Final Notice. The policy was proposed to be amended to require contact with the debtor by phone or email after issue of the Notice of Intention to Claim, should the debt remain outstanding. Importantly, attempts will be made to contact all debtors by phone or email prior to taking any action that may result in an adverse mention on their credit record.

A minor change to the Financial Hardship Policy was recommended, to remove the year-specific information in Clause 4. Presently, the policy provides details of amounts for the concession and rebate available to some seniors. Given these amounts may change from time-to-time, and are available elsewhere, it is preferable for reference to the amounts be removed so the Policy does not need updating each time there is a change to an amount.

Review of Councillor Allowances and Expenses Policy

The purpose of this report was for the Committee to consider recommending that Council revoke the Councillor Allowances and Expenses Policy.

The Councillor Allowances and Expenses Policy is considered to serve no useful purpose, for the following reasons:

- In setting out entitlements for fees and allowances, the policy lacks a policy statement and merely restates the legislative entitlement
- Information and Communications Technology entitlements have been superseded by the Councillor ICT Policy
- Administrative matters are more appropriately covered by administrative procedures, and those mentioned in the current policy can be incorporated into Councillor induction and off-boarding procedures
- In setting out entitlements for reimbursement of expenses, the policy merely restates the legislative entitlement, and an administrative procedure to provide for reimbursement of expenses is more appropriate.

Eligible payments are currently made to elected Councillors on a quarterly basis, in arrears. This practice is proposed to continue.

Review of Council Purchasing Policy

The purpose of this report was for the Committee to review the Town's Purchasing Policy. Some requirements in the current policy are considered to be overly risk averse and unnecessarily inhibit operational efficiency.

The following broad amendments were proposed to the Purchasing Policy:

- Removal of the three-year requirement for supplier spend when determining the purchasing requirement, in favour of an assessment of the expected future needs of the Town
- Changes to purchasing thresholds to more appropriately align the requirement with procurement risk
- Removing references to the Strategic Community Plan, which may change over time
- Making it easier for the Town to procure goods and services from Aboriginal businesses and disability enterprises.

The proposed amended Purchasing Policy is considered to more appropriately align purchasing requirements with the risk of the purchasing activity.

The Committee considered further changes to the proposed amended Purchasing Policy were appropriate, being:

- To increase the proposed upper threshold for direct purchase, from \$250 to \$1,000; and
- To amalgamate the next two proposed purchasing levels, which were \$251 to \$5,000, and \$5,001 to \$20,000, into a single threshold of \$1,001 to \$20,000, with a requirement for two written quotations. Where appropriate, a written quotation for this threshold can include advertisements, catalogues and supplier web sites. Verbal quotations are only permitted where it is not possible to obtain a written quotation, and the verbal quotation must be confirmed with the supplier.

The Committee also considered a report to the Committee is appropriate where a contact is awarded pursuant to clauses 5.2.1 or 5.2.2 of the Purchasing Policy, to allow the Committee to monitor the application of the policy.

The changes adopted by the Committee are included in the draft amended Purchasing Policy attached to this report.

Town of Bassendean Staff Compliance Obligations

The purpose of this report was for the Committee to consider the measures in place to support officers in recognising their compliance obligations.

Small Balance Write-offs for Rates

The purpose of this report was to provide Council, via the Audit and Governance Committee, a summary of small rates balances that have been written off in the current financial year to April 2023.

Council has delegated authority to the CEO to write off small rates balances up to a maximum of \$10.00 per property per annum, and the CEO has sub-delegated the authority to the Director Corporate Services and Manager Finance. (Delegation 1.2.15 Defer payment, Grant Discounts, Waive Fees or Write Off Debts, in accordance with section 6.12(1)(c) of the *Local Government Act 1995*.)

A condition of the delegation of authority is that Council shall be informed of the details whenever this delegation is exercised. While the condition does not specify the frequency of notification to Council, it is proposed to do so annually.

The Town has written off a total of \$1,050.31 in the last ten months to April 2023 as per Table 1 below:

Table 1: Small Balance Write-off - Rates

| Month | Amount |
|----------------|------------|
| July 2022 | \$3.50 |
| August 2022 | \$99.58 |
| September 2022 | \$463.08 |
| October 2022 | \$10.24 |
| November 2022 | \$40.70 |
| December 2022 | Nil |
| January 2023 | \$104.41 |
| February 2023 | \$54.91 |
| March 2023 | \$192.38 |
| April 2023 | \$81.51 |
| Total | \$1,050.31 |

Audit Risk Register

The purpose of this report was to provide the Committee with the Town's Audit Risk Register, with revised actions since the last update delivered at the Committee meeting on 8 March 2023.

Statutory Requirements

Section 7.1A of the *Local Government Act 1995* requires a local government to establish an audit committee consisting of three or more persons to exercise the powers and discharge the duties conferred on it. The local government appoints the members of the audit committee and at least three of the members, and the majority of the members, are to be council members. Regulation 16 of the Local Government (Audit) Regulations 1996 specifies the functions of the audit committee.

Financial Considerations

Implementation of some audit recommendations may require additional funds and will be the subject of separate budget submissions as and when required. The Town's Purchasing Policy and Procurement Guidelines will govern any required engagements.

Risk Management Implications

Financial Risk
High

The Audit and Governance Committee considered risks captured in the Town's Audit Risk Register. If improvement opportunities relating to the identified risks are not progressed, the risks may not be adequately mitigated.

Declaration of Conflicts of Interest

All officers involved in the preparation of this report have considered and determined that they do not have a conflict of interest in the matter.

Officer Recommendation – Item 12.8

That Council:

1. Receives the General and Rates Debtors Internal Audit Report and notes the findings and recommendations, and the management action to be taken to address the identified risks.
2. Adopts the Internal Audit Schedule for 2023/24 to 2025/26, attached to this report.
3. Adopts the amended Recovery of Rates and Service Charges Policy, attached to this report.
4. Adopts the amended Financial Hardship Policy, attached to this report.
5. Sets the next review date for the following four policies to 30 June 2026:
 - Recovery of Rates and Service Charges Policy

- Recovery of Sundry Debts Policy
 - Financial Hardship Policy
 - Rates Exemption Policy.
6. Revokes the Councillor Allowances and Expenses Policy.
 7. Notes that the CEO is to develop a procedure for the reimbursement of expenses.
 8. Adopts the draft amended Purchasing Policy, attached to this report.
 9. Notes the exercise of delegated authority by the Manager Finance to write off small rates balances shown in Table 1 of this report, in accordance with section 6.12(1)(c) of the *Local Government Act 1995*.
 10. Receives the Audit Risk Register and notes the action taken or proposed to be taken, to address the identified risks.

Voting requirements: 1, 2, 7, 9 and 10 Simple Majority; 3 to 6, and 8 Absolute Majority

| 12.9 RFT 01/2023 Concrete Footpaths, Crossovers, Kerbing and Pram Ramps | |
|--|---|
| File Reference | ROAD/TENDNG/52 |
| Directorate | Corporate Services |
| Previous Reports | Not applicable |
| Authority/Discretion | Executive The substantial direction setting and oversight role of the Council. |
| Attachments | 1. CONFIDENTIAL REDACTED - RFT 01 2023 EVALUATION REPORT (Confidential) APPROVED [12.9.1 - 30 pages] |

Purpose

The purpose of this report is for Council to consider a summary of tenders received for RFT 01/2023 Concrete Footpaths, Crossovers, Kerbing and Pram Ramps and appoint the contractor considered to provide the best value for money to the Town.

Background

The Town has a requirement to engage a contractor for the Concrete Footpaths, Crossovers, Kerbing and Pram Ramps. The Town does not have the internal resources to supply the required services and as such requires an appropriate external service provider.

The Town has a single contract for this service with Axiis Contracting Pty Ltd, which is due to expire on 30 June 2023.

Communication and Engagement

The Request was advertised in The West Australian Newspaper and the Town's website on Saturday, 25 March 2023 and closed at 11.00am (AWST) on Thursday, 13 April 2023.

Strategic Implications

Priority Area 4: Driving Financial Sustainability

4.1 Ensure there is sufficient, effective and sustainable use of assets

Comment

Submissions were received from following three (3) Tenderers:

- Axiis Contracting Pty Ltd
- Dowsing Group Pty Ltd

- The Trustee for The McCartney Family Trust t/a Kerb Doctor.

The Evaluation Panel comprised of three members with appropriate technical expertise and experience carried out the assessment of submissions in a fair and equitable manner.

All Tenderers met the compliance requirements of the Tender and were evaluated against the qualitative criteria and weightings shown in the following table. The predetermined qualitative threshold was set at 70% for this tender.

| QUALITATIVE CRITERIA | WEIGHTING |
|--|-----------|
| Capacity | 20% |
| Demonstrated Experience | 40% |
| Demonstrated Understanding of the Requirements | 40% |

Following the qualitative assessment, the panel carried out a comparison of the rates offered by each tenderer qualified for stage two to assess value for money to the Town. Pricing is regarded as commercial in confidence and is included in the attached confidential Tender Evaluation Report.

Statutory Requirements

A public tender was advertised, opened and evaluated in accordance with clauses 11(1) and 18(4) of Part 4 of the Local Government (Functions and General) Regulations 1996, where tenders are required to be publicly invited if the consideration under a contract is, or is estimated to be, more, or worth more, than \$250,000.

Financial Considerations

The costs associated with this contract will be included in the Town of Bassendean's operational and capital budget for each year of the contract.

Risk Management Implications

No Risks Identified.

Declaration of Conflicts of Interest

All officers involved in the preparation of this report have considered and determined that they do not have a conflict of interest in the matter.

Officer Recommendation – Item 12.9

That Council accepts the offer submitted by Dowsing Group Pty Ltd to provide concrete footpaths, crossovers, kerbing and pram ramps services in accordance with the Terms and Conditions as specified in RFT 01/2023 for a period of three (3) years with an option to extend the Term of the Contract by one (1) year at the submitted schedule of rates. The Term of the Contract (including any extensions) will not exceed four (4) years in total.

Voting requirements: Simple Majority

| 12.10 Monthly Financial Report – May 2023 | |
|--|---|
| Property Address | N/A |
| Landowner/Applicant | N/A |
| File Reference | FINM/AUD/1 |
| Department | Corporate Services |
| Previous Reports | N/A |
| Authority/Discretion | Review When the Council operates as a review authority on decisions made by Officers for appeal purposes. |
| Attachments | 1. Financial Activity Statement as at 31 May 2023 [12.10.1 - 12 pages] |

Purpose

The purpose of this report is for Council to receive the Monthly Financial Report for May 2023 which incorporates the Statement of Financial Activity.

Background

Regulation 34 of the *Local Government (Financial Management) Regulations 1996*, requires that a Statement of Financial Activity be prepared each month and presented to Council.

The Statement of Financial Activity is to show a comparison of the budget estimates with the actual revenue and expenditure figures for the year-to-date and can be presented by nature and type classification, program or business unit. The Statement of Financial Activity hereby presented to Council is by nature and type classification.

The Statement of Financial Activity and accompanying documents must be presented to Council within two months after the end of the month to which the statement relates. The variance report compares to the current budget which incorporates the statutory mid-year review which was adopted on the 28 March 2023 for the financial year, 2022/23.

Each year Council is required to adopt a percentage or value to be used in statements of financial activity for reporting material variances. Council adopted \$15,000 or 10% whichever is higher, as part of its 2022/23 Annual Budget.

Communication and Engagement

Nil.

Strategic Implications

Priority Area 4: Driving Financial Sustainability

4.1 Ensure there is sufficient, effective and sustainable use of assets

Comment

The Monthly Financial Report contains the Statement of Financial Activity, which represents the adopted 2022/23 Annual Budget and subsequent amended estimates and actual income and expenditure amounts for May 2023. The opening surplus position is the audited closing position for the 2021/22 adopted Financial Statements.

Statement of Financial Activity (by nature or type)

The Statement of Financial Activity provides a comparison between actual and budget income and expenditure on a year-to-date basis. The accompanying notes provide a detailed breakdown of the amounts and commentary is based on the May 2023 year-to-date figures.

| Item | Current Budget | YTD Budget | YTD Actual | Variance to YTD Budget | Variance to YTD Budget |
|---|----------------|------------|------------|------------------------|------------------------|
| | \$m | \$m | \$m | \$m | % |
| Revenue (including General Rates) | 22.7 | 22.3 | 22.3 | 0.0 | 0.1 |
| Expenditure | (26.8) | (23.9) | (23.9) | 0.0 | 0.0 |
| Capital Works | (2.8) | (2.3) | (1.5) | 0.8 | 34 |
| Non-Operating Grants, Subsidies and Contributions | 1.0 | 0.9 | 0.8 | 0.1 | 14 |

Operating Revenue

Revenue year-to-date is on budget based on the Statement of Comprehensive Income.

Operating Grants and Subsidies are under budget due to deferral of the Success Hill Foreshore Stabilisation to 2023/24 affecting Environmental Grants \$78K and timing related difference for Bassendean Youth Service \$30K.

Fees and Charges revenue is lower by \$131K with Child Care revenue under budget by 165K partially offset by higher hall hire income of \$20K. Half of the shortfall in child care revenue is due to over-budgeting, while the other half represents a fall in

revenue due to staff shortages limiting attendance numbers and some vacancies on Mondays and Fridays likely due to continued working from home by parents.

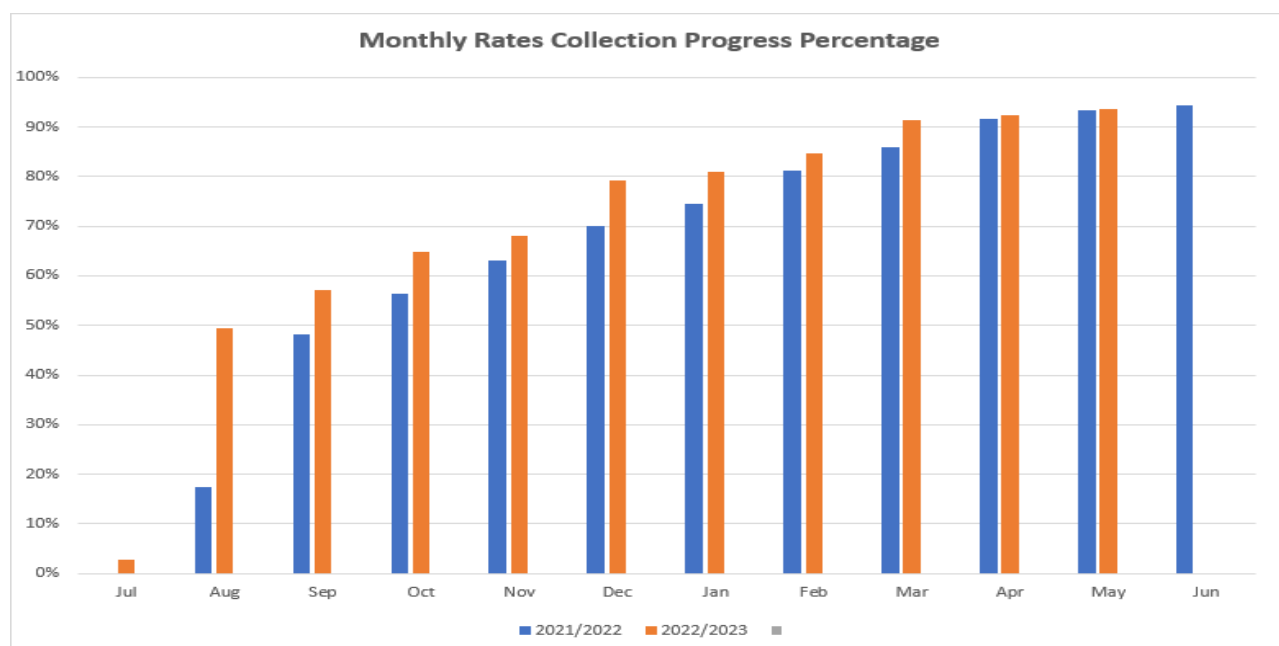
Interest earnings have increased significantly with the rapid increases in the Reserve Bank of Australia Cash Rates which was 3.85% in May, a change of 25 basis points from the previous month, assisted by improved cashflow management.

Other revenue is above budget with timing variances from multiple service areas.

The early adoption of the Budget allowed the Town to issue rates notices on the 22 July 2022. As seen from the chart below, by the end of May, 93.71% of the annual budgeted rates revenue had been collected, compared with 93.28% last year.

Take up of eRates is at 10.4% and improving as more ratepayers convert to electronic receipt of rates notices, saving the Town costs in printing and postage. The Town is currently running a competition to promote eRates via Town communication channels.

The Town continues to contact property owners with outstanding rates balances, with a view to collecting the outstanding amount, or entering into a suitable payment agreement. Property owners who continue to default will be referred to the Town’s collection agent for further action.



Operating Expenditure

Expenditure year-to-date is on budget based on the Statement of Comprehensive Income.

Employment costs are slightly higher by \$38K with expenditure from the use of contractors to fill critical vacant positions resulting in the slight adverse variance reported.

Materials and contracts are under budget by \$0.8m due to timing of Sanitation \$230K, Environment mainly due deferral of the Success Hill Foreshore Stabilisation project \$152K, lower design costs \$64K and expenses in reserve, new trees and bushland maintenance \$245K due to seasonal factors, timing of projects, and various infrastructure maintenance services. Details are set out in the attachment.

Utility charges are higher by \$51K mainly due the use of scheme water to maintain the Ashfield Reserve where the submersible bore has failed.

Depreciation is higher mainly due higher charges on buildings and infrastructure in line with the updated revaluations.

Other expenditure is lower by \$96K with lower spend on the Public Health Plan \$25K and weeding costs of \$42K due to timing.

All other expenses were within the reporting threshold.

Non-Operating Grants

The \$54K adverse variance relates to the Local Roads and Community Infrastructure Grant Phase 3 which is due to timing.

Capital Works

The Capital budget was reduced to \$2.8M with an amount of \$1.9M determined as a carry forward as part of the 2022/23 statutory mid-year budget review.

Actual spending is 55% of the current amended budget with the bulk of the spending on road infrastructure. A further 26% has been committed so far and an award letter has been issued for heavy plant to the preferred supplier.

Monthly Investment Report

The overall balance of the Town's investments is \$14.3M. This is comprised of municipal investments of \$5.2M (including restricted cash) and reserve investments of \$9.1M.

The administration uses *Marketforces.org.au* to assist in assessing non-fossil fuel lenders, and the Town currently has 26% of its funds invested in non-fossil fuel ADIs. The significant reduction is due to the inability to re-invest maturing deposits because of the unavailability of suitable investment options below 60 days, resulting in an increase in funds held with CBA. As we come to the end of the financial year,

most revenue has been raised and collected, and some investments are required to be short-term to ensure continued cash flow.

In relation to portfolio exposure, the Town is within limits with 16% in A2 banks against a threshold of 70% and 84% with A1 banks against a threshold of 100%.

Proposed Budget Amendments

There are no proposed budget adjustments this month.

Statutory Requirements

Local Government (Financial Management) Regulations 1996.

Financial Considerations

The Monthly Financial Report provides an overview of income and expenditure for the appropriate period.

Risk Management Implications

Financial Risk
Low

Declaration of Conflicts of Interest

All officers involved in the preparation of this report have considered and determined that they do not have a conflict of interest in the matter.

Officer Recommendation – Item 12.10

That Council:

1. Receives the Monthly Financial Report for the period ending 30 May 2023, which incorporates the Statement of Financial Activity for May 2023.
2. Notes the Explanation of Material Variances in the Statement of Financial Activity.

Voting requirements: Simple Majority

| 12.11 Accounts Paid - May 2023 | |
|---------------------------------------|--|
| Property Address | N/A |
| Landowner/Applicant | N/A |
| File Reference | FINM/CREDTS/4 |
| Directorate | Corporate Services |
| Previous Reports | |
| Authority/Discretion | Legislative Includes adopting local laws, local planning schemes & policies. |
| Attachments | 1. Payments Report May 2023 [12.11.1 - 14 pages] |

Purpose

The purpose of this report is for Council to receive the list of payments for May 2023.

Background

Regulation 13 of the *Local Government (Financial Management) Regulations 1996*, requires a list of accounts paid by the CEO each month to be presented to Council at the next ordinary meeting of Council after the list is prepared.

Communication and Engagement

Nil.

Strategic Implications

Priority Area 4: Driving Financial Suitability

4.1 Ensure there is sufficient, effective and sustainable use of assets

4.3 Support the local economy

Comment

Payments made during May 2023 are presented to Council, showing the date, payee, amount and description in respect of each payment for goods and services received.

Statutory Requirements

Local Government (Financial Management) Regulations 1996

Financial Considerations

All payments are authorised prior to disbursement in accordance with the Town's Purchasing Policy, Procurement Guidelines and allocated budgets.

Risk Management Implications

Financial Risk

Low

The Town has adequate controls in place to mitigate external and internal risks in accounts payable.

As an extra measure, the Town uses EftSure to independently check bank account details of suppliers paid by the Town.

Declaration of Conflicts of Interest

All officers involved in the preparation of this report have considered and determined that they do not have a conflict of interest in the matter.

Officer Recommendation – Item 12.11

That Council receives the list of payments for May 2023.

Voting requirements: Simple Majority

| 12.12 End of Year Closure | |
|----------------------------------|--|
| Property Address | N/A |
| Landowner/Applicant | N/A |
| File Reference | HR/LIAIS/2 |
| Directorate | Office of the CEO |
| Previous Reports | N/A |
| Authority/Discretion | Executive The substantial direction setting and oversight role of the Council. |
| Attachments | Nil |

Purpose

The purpose of this report is for Council to consider the Festive Season Closure for 2023/24.

Background

The Festive Season Office (Administration) Closure Council Policy provides that the Administration is closed during the Festive Season (Christmas to New Year) and that the Chief Executive Officer will notify staff of the dates of the office closure by 1 July that year.

Each year the closure period varies depending on when the public holidays (Christmas Day, Boxing Day and New Year's Day) fall within the festive season.

The proposed festive season closure for 2023/24 includes seven ordinary working days and three public holidays. The following dates fall outside the scope of the Policy:

- Tuesday 2 January 2024 to Friday 5 January 2024

Generally, there is little or no customer interaction during this period. Emergency contacts are available during the Festive Season period, as well as Ranger Services and a skeleton staff roster in some services.

Proposal

It is proposed the closure occurs for the Festive Season period as outlined below:

| | |
|----------------------------|--|
| Monday 25 December 2023 | Closed (Christmas Day Public Holiday) |
| Tuesday 26 December 2023 | Closed (Boxing Day Public Holiday) |
| Wednesday 27 December 2023 | Closed |
| Thursday 28 December 2023 | Closed |
| Friday 29 December 2023 | Closed |
| Monday 1 January 2024 | Closed (New Year's Day Public Holiday) |
| Tuesday 2 January 2024 | Closed |
| Wednesday 3 January 2024 | Closed |
| Thursday 4 January 2024 | Closed |
| Friday 5 January 2024 | Closed |

The Town's services will operate the following hours during the Festive Season:

- **Youth Services** – last day Friday 15 December 2023, reopening on Tuesday 9 January 2024;
- **Wind in the Willows** – last day (for children) Thursday 21 December 2023, reopening Monday 8 January 2024 (first day for children);
- **Library** – closing at 5.30pm on Friday 22 December 2023, reopening on Monday 8 January 2024.

Communication and Engagement

Communication will be provided to all employees advising of the Festive Season closure period.

In the lead up to the Festive Season, the Town will communicate the closure period and service opening times via social media, community newspaper and flyers displayed throughout service areas.

Strategic Implications

Priority Area 6: Providing Visionary Leadership and Making Great Decisions
6.3 Ensure operational activities reflect the strategic focus of Council

Comment

An extended closure period provides an opportunity for employees to use Annual Leave or other appropriate entitlements. This reduces the Leave Liability to the Town and payment of higher duties along with supporting a family friendly work environment for employees to enjoy the festive season.

The State Awards provide for an annual close-down, where an employer may require an employee to take annual leave as part of a close-down of its operations by giving at least 4 weeks' notice.

As part of the Town's Enterprise Agreements, employees are entitled to two additional days (in excess of their annual leave entitlements) to be taken as part of the Festive Season closure period. Employees who commence employment at the Town after 1 July are entitled to one additional day in their first year of employment and two days thereafter. The Town's Enterprise Agreements also provide employees with the opportunity to purchase up to two weeks of additional leave per year.

This proposed festive season closure period (25 December 2023 to 5 January 2024 (inclusive)) means full-time employees would use seven days of accrued leave entitlements (which can be a mixture of annual leave, purchased leave, RDOs (Rostered Day Off), ADOs (Accrued Day Off) or time off in lieu accruals) in addition to the three paid public holiday days and two additional days, as outlined above. Normal operations will resume on Monday 8 January 2024.

By providing employees with approximately six months' notice of the proposed festive season closure, it allows staff time to consider and make sufficient leave arrangements for the period. Employees may negotiate and discuss options with their line manager if they do not wish to use or do not have sufficient leave entitlements for the period. Options may include the opportunity to purchase leave or if their work area is working on a skeleton roster the ability to work over the period.

It is also noted that the Town intends to host its end of year function for Staff and Elected Members from 1pm to 4pm on Friday 15 December 2023. It is expected that the administration and services, with the exception of Children's Services, will close at 12:30pm that day.

Statutory Requirements

The Festive Season Office (Administration) Closure Council Policy provides the Administration Office will be closed during the Festive Season (Christmas to New Year).

Town of Bassendean employees are covered by either the 'Town of Bassendean Enterprise Agreement 2020' or 'Town of Bassendean Asset Services Agreement 2020'. As per the agreement provisions, employees have an entitlement of two additional days off (conditions apply) to be taken as part of the Festive Season closure period between Christmas and New Year.

Financial Considerations

This closure period will reduce the employee leave liability for the Town and decrease Higher Duties payments usually paid in the first week of January to back fill leave requirements.

Risk Management Implications

No Risks Identified

Declaration of Conflicts of Interest

All officers involved in the preparation of this report have considered and determined that they do not have a conflict of interest in the matter.

Officer Recommendation – Item 12.12

That Council, in addition to and in alignment with the Festive Season Office (Administration) Closure Council Policy:

1. Approves the closing of the Customer Services Centre, Administration Building, Library, Wind in the Willows Early Childhood Education (Bassendean and Ashfield), Youth Services and Depot as per the proposed Festive Season period outlined below;
 - **Customer Services Centre, Administration Building and Depot** – last day Friday 22 December 2023, reopening on Monday 8 January 2024;
 - **Youth Services** – last day Friday 15 December 2023, reopening on Tuesday 9 January 2024;
 - **Wind in the Willows** – last day (for children) Thursday 21 December 2023, reopening Monday 8 January 2024 (first day for children);
 - **Library** – closing at 5.30pm on Friday 22 December 2023, reopening on Monday 8 January 2024.
2. Requests the Chief Executive Officer provides emergency contact details to the public for the Festive period; and
3. Requests the Chief Executive Officer to provide a skeleton staff during the agreed Festive Season closure period.

Voting requirements: Simple Majority

13 Motions of which Previous Notice has been given

14 Announcements of Notices of Motion for the next meeting

15 Urgent Business

16 Confidential Business

17 Closure

The next Briefing Session will be held on Tuesday 18 July 2023 commencing at 6pm.

The next Ordinary Council meeting will be held on Tuesday 25 July 2023 commencing at 6pm.