



Shire of Dardanup

MINUTES

INTEGRATED PLANNING COMMITTEE MEETING

Held

14 April 2021

At

Shire of Dardanup
ADMINISTRATION CENTRE EATON
1 Council Drive – EATON

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VISION STATEMENT

“Provide effective leadership in encouraging balanced growth and development of the Shire while recognizing the diverse needs of our communities.”

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Members of Integrated Planning Committee

- Cr M T Bennett – Chairperson
- Cr P S Robinson – Deputy Chairperson
- Cr L Davies
- Cr T G Gardiner
- Cr C N Boyce
- Cr P R Perks
- Cr S L Gillespie
- Cr M R Hutchinson
- Cr J Dow

Terms of Reference

The Terms of Reference for this Committee are located in the Tardis records system – refer to the following link:
[2019 - ToR - Integrated Planning Committee](#)

COUNCIL ROLE

Advocacy	When Council advocates on its own behalf or on behalf of its community to another level of government / body /agency.
Executive/Strategic	The substantial direction setting and oversight role of the Council eg. Adopting plans and reports, accepting tenders, directing operations, setting and amending budgets.
Legislative	Includes adopting local laws, town planning schemes and policies.
Review	When Council reviews decisions made by Officers.
Quasi-Judicial	When Council determines an application/matter that directly affects a person's rights and interests. The Judicial character arises from the obligations to abide by the principles of natural justice.

Examples of Quasi-Judicial authority include town planning applications, building licences, applications for other permits/licences (eg: under Health Act, Dog Act or Local Laws) and other decisions that may be appealable to the State Administrative Tribunal.

DISCLAIMER

"Any statement, comment or decision made at a Council or Committee meeting regarding any application for an approval, consent or licence, including a resolution of approval, is not effective as an approval of any application and must not be relied upon as such.

Any person or entity that has an application before the Shire must obtain, and should only rely on, written notice of the Shire's decision and any conditions attaching to the decision, and cannot treat as an approval anything said or done at a Council or Committee meeting.

Any advice provided by an employee of the Shire on the operation of a written law, or the performance of a function by the Shire, is provided in the capacity of an employee, and to the best of that person's knowledge and ability. It does not constitute, and should not be relied upon, as a legal advice or representation by the Shire. Any advice on a matter of law, or anything sought to be relied upon as a representation by the Shire should be sought in writing and should make clear the purpose of the request."

RISK ASSESSMENT

Inherent Risk	The level of risk in place in order to achieve the objectives of the Council and before actions are taken to alter the risk's impact or likelihood.
Residual Risk	The remaining level of risk following the development and implementation of Council's response.
Strategic Context	These risks are associated with achieving Council's long term objectives.
Operational Context	These risks are associated with the day-to-day activities of the Council.
Project Context	Project risk has two main components: <ul style="list-style-type: none">• Direct refers to the risks that may arise as a result of project, which may prevent the Council from meeting its objectives.• Indirect refers to the risks which threaten the delivery of project outcomes.

SHIRE OF DARDANUP**MINUTES OF THE SHIRE OF DARDANUP INTEGRATED PLANNING COMMITTEE MEETING HELD ON WEDNESDAY, 14 APRIL 2021, AT SHIRE OF DARDANUP - ADMINISTRATION CENTRE EATON, COMMENCING AT 9.00AM.****1 DECLARATION OF OPENING/ANNOUNCEMENTS OF VISITORS**

The Chairperson, Cr. M T Bennett declared the meeting open at 9.00am, welcomed those in attendance and referred to the Disclaimer, Acknowledgement of Country, Emergency Procedure and the Affirmation of Civic Duty and Responsibility on behalf of Councillors and Officers:

Acknowledgement of Country

The Shire of Dardanup wishes to acknowledge that this meeting is being held on the traditional lands of the Noongar people. In doing this, we recognise and respect their continuing culture and the contribution they make to the life of this region and pay our respects to their elders, past, present and emerging.

Affirmation of Civic Duty and Responsibility

Councillors and Officers of the Shire of Dardanup collectively declare that we will duly, faithfully, honestly and with integrity fulfil the duties of our respective office and positions for all the people in the district according to the best of our judgement and ability. We will observe the Shire's Code of Conduct and Standing Orders to ensure efficient, effective and orderly decision making within this forum.

Committee members acknowledge that only the Chief Executive Officer or a member of the Shire of Dardanup staff appointed by the Chief Executive Officer is to have contact with consultants and suppliers that are appointed under contract to undertake the development and implementation of projects.

The exception to this Policy is when there is a meeting of the committee or working group with the consultant and the Chief Executive Officer or the Chief Executive Officer's representative is present.

Members of committees acknowledge that a breach of this Policy may result in a request to Council to have them removed from the committee.

Emergency Procedure

In the event of an emergency, please follow the instructions of the Chairperson who will direct you to the safest exit route. Once outside, please proceed to the muster point located at the front of the building where we will meet (and complete a roll call).

2 RECORD OF ATTENDANCE/APOLOGIES

2.1 Attendance

Cr. Michael Bennett	-	Shire President (Chairperson)
Cr. Peter Robinson	-	Deputy Shire President
Cr. Tyrrell Gardiner	-	Elected Member [9.04AM]
Cr. Mark Hutchinson	-	Elected Member
Cr. Carmel Boyce	-	Elected Member
Cr. Janice Dow	-	Elected Member [9.15AM]
Cr Patricia Perks	-	Elected Member
Cr. Stacey Gillespie	-	Elected Member
Mr André Schönfeldt	-	Chief Executive Officer
Mr Phil Anastasakis	-	Deputy Chief Executive Officer
Ms Susan Oosthuizen	-	Director Sustainable Development
Mr Luke Botica	-	Director Infrastructure
Ms Cathy Lee	-	Manager Governance & HR
Mr Troy Williams	-	Manager Assets
Mrs Natalie Hopkins	-	Manager Financial Services

2.2 Apologies

Cr. Luke Davies	-	Elected Member
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3 PRESENTATIONS

None.

4 CONFIRMATION OF MINUTES OF PREVIOUS MEETING

4.1 Integrated Planning Committee Meeting Held 17 March 2021

OFFICER RECOMMENDED RESOLUTION & INTEGRATED PLANNING COMMITTEE RESOLUTION

IPC 22-21 MOVED - Cr. P R Perks SECONDED – Cr. P S Robinson

THAT the Minutes of the Integrated Planning Committee Meeting held on 17 March 2021, be confirmed as true and correct subject to no corrections.

CARRIED
6/0

5 ANNOUNCEMENTS OF MATTERS FOR WHICH MEETING MAY BE CLOSED

None.

6 QUESTIONS BY MEMBERS OF WHICH DUE NOTICE HAS BEEN GIVEN

None.

7 DECLARATION OF INTEREST

“Committee Members should fill in Disclosure of Interest forms for items in which they have a financial, proximity or impartiality interest and forward these to the Presiding Member before the meeting commences.”

Key Management Personnel (which includes Elected Members, CEO and Directors) are reminded of their requirement to disclose biannually transactions between Council and related parties in accordance with Council Policy CP039.

Discussion:

Shire President, Cr. M T Bennett asked Councillors and staff if there were any Declarations of Interest to be made.

There were no Declarations of Interest made.

SUSPENSION OF STANDING ORDERS

INTEGRATED PLANNING COMMITTEE RESOLUTION

IPC 23-21 MOVED - Cr. P R Perks SECONDED - Cr. C N Boyce

THAT the Committee suspend standing orders in order to break to enable workshop presentations and discussion to occur [9.03am].

CARRIED
6/0

Note: During the adjournment the following additional staff members made presentations to elected members and were available to answer questions during the workshop:

<i>Mr Gary Thompson</i>	-	<i>Manager Recreation Centre</i>
<i>Mr Allan Hutcheon</i>	-	<i>Procurement Officer</i>
<i>Mr Stephen Eaton</i>	-	<i>IT Manager</i>
<i>Mr Kieran O'Brien</i>	-	<i>Acting Manager Information Services</i>

INTEGRATED PLANNING COMMITTEE RESOLUTION

IPC 24-21 MOVED - Cr. P S Robinson SECONDED - Cr. P R Perks

THAT The Committee resumes standing orders [3.38pm]. During the Suspension of Standing Orders, Cr. T G Gardiner and Cr. J Dow joined the workshop. The following elected members and staff were in attendance following the resumption of standing orders:

Cr. Michael Bennett	-	Shire President (Chairperson)
Cr. Peter Robinson	-	Deputy Shire President
Cr. Tyrrell Gardiner	-	Elected Member
Cr. Mark Hutchinson	-	Elected Member
Cr. Carmel Boyce	-	Elected Member
Cr. Janice Dow	-	Elected Member
Cr. Patricia Perks	-	Elected Member
Cr. Stacey Gillespie	-	Elected Member
Mr André Schönfeldt	-	Chief Executive Officer
Mr Phil Anastasakis	-	Deputy Chief Executive Officer
Ms Susan Oosthuizen	-	Director Sustainable Development
Mr Luke Botica	-	Director Infrastructure
Ms Cathy Lee	-	Manager Governance & HR
Mr Troy Williams	-	Manager Assets
Mrs Natalie Hopkins	-	Manager Financial Services

CARRIED
8/0

RESUMPTION OF STANDING ORDERS

PROCESS:

As the workshop was finished, the meeting had resumed and there were changes to those present at the meeting following the resumption of Standing Orders – Shire President, Cr. M T Bennett called for Declarations of Interest again.

Discussion:

Chairperson, Cr. M T Bennett advised that he had received the following Declarations of Interest prior to the resumption of Standing Orders:

- *Cr. T G Gardiner declared a Proximity Interest in item 8.1 – Road Asset Management Plan as he is a landholder adjacent to Henty Road. Henty Road forms part of the Road Asset Management Plan.*
- *Chief Executive Officer, Mr André Schönfeldt declared an Impartiality Interest in Item 8.2 Building Asset Management Plan and discussions/decisions that relate to the improvements to the Eaton Family Centre Building. Mr Schönfeldt's wife [Evian] and son [Lukas] are members of the Eaton Combined Playgroup Association Incorporated - Eaton Family Centre.*
- *Cr. S Gillespie declared a Proximity Interest in Item 8.3 Pathway Asset Management Plan and discussions/decisions that relate to the expansion/upgrade of the pathway between Pratt Road and Hands Avenue. Cr. S Gillespie lives on Pratt Road.*
- *Cr. M T Bennett declared a Proximity Interest in Item 8.3 Pathway Asset Management Plan and discussions/decisions that relate to the expansion/upgrade of the pathway between Pratt Road and Hands Avenue. Cr. M T Bennett owns property on Pratt Road.*
- *Chief Executive Officer, Mr André Schönfeldt declared a Proximity Interest in item 8.4 Parks & Reserves Asset Management Plan and discussions/decision that relate to the improvements at the Garry Engel Park. Mr Schönfeldt advised that he owns and resides in property that is adjacent to the park.*

Cr. M T Bennett asked Councillors and staff if there were any further Declarations of Interest to be made.

There were no further Declarations of Interest made.

8 REPORTS OF OFFICERS

8.1 Title: Road Asset Management Plan 2021/22 – 2030/31

Reporting Department: Corporate & Governance
Reporting Officer: Mr Troy Williamson – Manager Assets
 Mr Luke Botica – Director Infrastructure
Legislation: Local Government Act 1995
 Local Government (Function & General) Regulations 1996

DECLARATION OF INTEREST

Cr. T G Gardiner declared a Proximity Interest in this item as he is a landholder adjacent to Henty Road. Henty Road forms part of the Road Asset Management Plan.

Cr. T G Gardiner left the room [3.40pm].

Overview

The Committee is requested to consider and endorse the Road Asset Management Plan 2021/22 - 2030/31 that has been updated as part of the annual review of the Long Term Financial Plan and Corporate Business Plan. Year one of the Asset Management Plan will be incorporated into the 2021/22 Annual Budget.

Background

The Road Asset Management Plan (RAMP) provides a comprehensive plan for the improvement, expansion, renewal and maintenance of the Council's road network. The RAMP looks at the existing network, determines standards and processes for determining an overall master plan of roads for the Shire and recommends a program of works for the improvement, expansion and renewal of the road network. The RAMP is reviewed as required to take into consideration any changes resulting from traffic changes, development and subdivisions, newly constructed roads, changes to the Main Roads Western Australia network and any other factors that affect the information contained within the document. The RAMP is written in consideration of the Shire of Dardanup Strategic Community Plan (SCP).

The rate of improvement of the network is dependent on the amount of resources that the Council allocates to such works annually. The amount of improvement works carried out annually should be controlled so that renewal and preservation works are not compromised or delayed to the point of pavement failure (resulting in greater cost to Council).

Legal Implications

Local governments are required by legislation to adopt an integrated strategic planning approach to financial management.

Local Government (Administration) Regulations 2011

19DA. *Corporate business plans, requirements for (Act s. 5.56)*

- (3) *A corporate business plan for a district is to —*
- (a) *set out, consistently with any relevant priorities set out in the strategic community plan for the district, a local government's priorities for dealing with the objectives and aspirations of the community in the district; and*
 - (b) *govern a local government's internal business planning by expressing a local government's priorities by reference to operations that are within the capacity of the local government's resources; and*
 - (c) *develop and integrate matters relating to resources, including asset management, workforce planning and long-term financial planning.*

Strategic Community Plan

Strategy 1.3.1- Implement the Integrated Planning and Reporting Framework including the Long Term Financial Plan, Workforce Plan, Asset Management Plans and Corporate Business Plan. (Service Priority: High)

Environment

The project unit costs have provision for expenses relating to environmental approvals and offset requirements for road projects. However, this will be monitored closely and adjusted if needed in future reviews of the RAMP.

Precedents

Council adopts the 10 Year Programs annually and the RAMP as and when it is reviewed.

Budget Implications

The following Programs are provided in (Appendix IPC: 8.1A) and indicate the projected expenditure and income for the next ten years.

- 10 Year Plan – Gravel Resheeting;
- 10 Year Plan – Gravel Formation Works;
- 10 Year Plan – Rural Construction;
- 10 Year Plan – Rural Resurfacing;
- 10 Year Plan – Urban Resurfacing;
- 10 Year Plan – Other Projects;
- 10 Year Plan – Bridge Preservation;
- 10 Year Plan - Projected Expenditure and Income Summary; and
- 2021-2022 Construction Program.

The recommendations in the Road 10 Year Programs will be used to develop the 10 year Long Term Financial Plan and Corporate Business Plan.

Costings provided in the Road 10 Year Programs are based on generic unit rates. Therefore, detailed estimates will be carried out for projects recommended prior to construction. It is expected that the overall cost of each project should not vary greatly; however, the distribution of labour, plant and goods and services costs may vary once each project is examined in more detail.

Budget – Whole of Life Cost

The purpose of the RAMP is to plan for the preservation, renewal, improvement and expansion of the Shire's road network and deals with the full life cycle requirements of road infrastructure.

The following table shows the proposed annual transfers (endorsed at the 31 March 2021 OCM) compared to the previous year adopted amounts.

	21-22	22-23	23-24	24-25	25-26	26-27	27-28	28-29	29-30	30-31
	Annual Transfer (x \$1,000)									
2020-2021	1,350	1,350	1,500	1,500	1,500	1,700	1,725	2,000	2,200	
Proposed 2021-2022	850	850	900	900	900	1,700	1,725	1,750	2,000	2,000
Reduction in annual reserve transfer	500	500	600	600	600	0	0	250	200	0

It can be seen that there is a reduction in the proposed annual transfers to the reserve over the term of the program. The reductions in the first five years of the program are proposed to be transferred to the Building Reserve fund in order to achieve the proposed Building 10 Year program.

Council Policy Compliance

Council Policy CP018 – *Corporate Business Plan & Long Term Financial Plan* outlines the objective and requirements to enable the annual budget to be adopted by the end of June each year. This incorporates the annual review and updating of Asset Management Plans.

Risk Assessment

The Risk Management Governance Framework has been considered in arriving at the officer recommendation. Please refer to (Appendix IPC: 8.1B) for full assessment document.

Tier 2 – 'Low' or 'Moderate' Inherent Risk.	
Risk Event	Roads Asset Management Plan 2021/22 – 2030/31
Inherent Risk Rating (prior to treatment or control)	Moderate (5 - 11)
Risk Action Plan (treatment or controls proposed)	As the Inherent Risk Rating is below 12, this is not applicable.
Residual Risk Rating (after treatment or controls)	As the Inherent Risk Rating is below 12, this is not applicable.
Risk Category Assessed Against	<p>Financial Risk that assets are not renewed at the end of their useful lives.</p> <p>Financial Risk that assets are not upgraded or created to meet demand.</p> <p>Reputational Risk that customer levels of service are reduced or maintained to meet public expectation.</p>

Officer Comment

In order for the Council to manage a sustainable road network, it is essential that the existing road network is preserved and renewed. Therefore based on the reduced Annual Transfer to Reserve for

the Roads asset class the intent by staff has been to prioritise required preservation and renewal works and delay the rate of improvement and expansion over the 10 Year Program where possible. The RAMP 10 Year Programs have been developed to provide the Council with a plan that outlines the minimum requirements to achieve a sustainable road network in the long term.

The Asset Sustainability ratio is an approximation of the extent to which the infrastructure assets managed by a Local Government are being replaced as they reach the end of their useful lives. The Shire's 10 year average Asset Sustainability ratio for roads is 0.71 (\$1,834,212 Capital Renewal & Replacement / \$2,578,903 Depreciation) in the draft 10 Year Program, which is well below the 0.90 minimum benchmark recommended by the Department of Local Government and Communities – Integrated Planning and Reporting Framework. This ratio is important in terms of a sustainability guide and needs to be taken into consideration when making changes to future renewal projects.

The current replacement cost and annual depreciation of the Roads Asset Class for 2021/22 is listed below:

	Current Replacement Cost	Annual Depreciation
Roads	\$127,200,000	\$2,578,903

The current forecast average expenditure currently identified in the draft Roads Asset Management Plan is listed below (i.e. annual average taken over 10 years):

	Identified in 10 Year Programs				
	Renewal	Expansion / Upgrade	Total	Funded	Reserve
Roads	\$1,834,212	\$1,051,105	\$2,885,316	\$1,456,897	\$1,428,419

It should be noted that a significant portion of the projected income beyond 2021/2022 is estimated and may vary subject to the future amounts available under each source and the success of the Council obtaining the funds.

The projected net cost to Council of the recommended 2021/2022 Construction Program is \$1,312,592.

The following comments are provided on the major projects in the 2021/2022 Draft Construction Program:

- Pile Road – this project involves the continued widening of the entire length of Pile Road. The section of works proposed in the draft 2021/22 program is from 5.66 SLK – 8.02 SLK and 8.02 SLK – 9.90 SLK. As Pile Road is a road of regional significance, the project is funded on a two thirds, one third basis through the Regional Road Group.
- Eaton Drive - Intersection Modifications – This is the first stage of intersection upgrades along Eaton Drive from 0.40 SLK to 1.70 SLK (north of Blue Wren Drive to north of Glen Huon Boulevard) and consists of the signalisation of the intersection of Glen Huon Boulevard. As Eaton Drive is a road of regional significance, the project is funded on a two thirds, one third basis through the Regional Road Group.
- Henty Road – there are two sections of Henty Road (2.50 SLK – 5.50 SLK & 8.00 SLK – 11.0 SLK) that have qualified for funding under the Federal Black Spot Scheme. The works will include widening of the bridge over the irrigation channel, reinstatement of the gravel

shoulders, removal of roadside hazards and the installation of enhanced delineation. As the projects are funding under the Federal Black Spot Scheme there is no net cost to Council.

- Venn Road – This project consists of the upgrade of the 690 metre gravel section of Venn Road to a sealed road standard and the reconstruction and widening of the remaining 1.53 km of sealed roadway.

It should be noted that Council staff will be carrying out estimations of the projects identified in Year 1 (2021/2022) of the 10-Year Road Program for the preparation of the Annual Budget. When the estimations are complete, previous years' experience would suggest that some changes to the program may be necessary to achieve an acceptable and achievable wage proportioning between capital works and maintenance. Any changes will be made in the draft Budget and will be reported further to Council as part of the Annual Budget deliberations.

- *Deputy CEO Comment*

The current RAMP program expenditure and revenue sources as outlined above have been included in the draft Long Term Financial Plan, which together with the BAMP and PAMP program, results in a significant deficit position for Council over the future 10 year period. The current RAMP program also results in the Road Construction & Maintenance Reserve balance going into a deficit position. It is therefore anticipated that changes to the BAMP, PAMP and RAMP (together with proposed funding sources) will need to be considered and adjusted at the Integrated Planning Committee meeting scheduled for the 14 April 2021 to enable a balanced position to be achieved over the 10 year period of the Long Term Financial Plan and for Reserve balances to remain in a positive position.

Council Role - Executive/Strategic.

Voting Requirements - Simple Majority.

Change to Officer Recommendation - No Change.

OFFICER RECOMMENDED RESOLUTION & INTEGRATED PLANNING COMMITTEE RESOLUTION

IPC 25-21 MOVED - Cr. P R Perks SECONDED – Cr. P S Robinson

THAT the Integrated Planning Committee recommends that Council endorses the 10 year Road Asset Management Plan 2021/22-2030/31 program of works (Appendix IPC: 8.1A).

CARRIED
7/0

Note: Cr. T G Gardiner returned to the room [3.41pm].

8.2 Title: Building Asset Management Plan 2021/22 – 2030/31

<i>Reporting Department:</i>	<i>Infrastructure Directorate</i>
<i>Reporting Officer:</i>	<i>Mr Troy Williamson – Manager Assets</i> <i>Mr Luke Botica – Director Infrastructure</i>
<i>Legislation:</i>	<i>Local Government Act 1995</i> <i>Local Government (Function & General) Regulations 1996</i>

DECLARATION OF INTEREST

Chief Executive Officer, Mr André Schönfeldt declared an Impartiality Interest in this item in relation to the Eaton Family Centre Building. Mr Schönfeldt's wife [Evian] and son [Lukas] are members of the Eaton Combined Playgroup Association Incorporated - Eaton Family Centre.

Mr Schönfeldt remained in the room [3.41pm].

Overview

The Committee is requested to consider and endorse the Building Asset Management Plan 2021/22 - 2030/31 that has been updated as part of the annual review of the Long Term Financial Plan and Corporate Business Plan. Year one of the Asset Management Plan will be incorporated into the 2020/21 Annual Budget.

Background

The Building 10 Year Program (10 Year Program) is a document that summarises all preservation, renewal, improvement and new works programmed for the Council's existing and proposed Building Assets. The document contains estimates of expenditure and revenue, together with recommended reserve transfers to fund the works. The 10 Year Program considers the Shire of Dardanup Strategic Community Plan (SCP). The Building 10 Year Program has been reviewed in preparation for the 2021-2022 Strategic Planning process and a draft has been prepared for Council consideration and adoption of the annual reserve transfers required to deliver the 10 Year Program.

The 10 Year Program aims at ensuring that the operations within the Shire of Dardanup remain sustainable.

Legal Implications

Local governments are required by legislation to adopt an integrated strategic planning approach to financial management.

Local Government (Administration) Regulations 2011

19DA. Corporate business plans, requirements for (Act s. 5.56)

(3) A corporate business plan for a district is to —

(a) set out, consistently with any relevant priorities set out in the strategic community plan for the district, a local government's priorities for dealing with the objectives and aspirations of the community in the district; and

- (b) *govern a local government's internal business planning by expressing a local government's priorities by reference to operations that are within the capacity of the local government's resources; and*
- (c) *develop and integrate matters relating to resources, including asset management, workforce planning and long-term financial planning.*

Strategic Plan

Strategy 1.3.1- Implement the Integrated Planning and Reporting Framework including the Long Term Financial Plan, Workforce Plan, Asset Management Plans and Corporate Business Plan. (Service Priority: High)

Environment - None.

Precedents

Council reviews and adopts the 10 Year Program annually and the BAMP as and when amendments are made.

Budget Implications -

The information contained in the 10 Year Program will be used annually to develop the Council's Corporate Business Plan.

The proposed annual reserve transfer for buildings has changed from that adopted in the Long Term Financial Plan (LTFP) of 2020/2021. The reasons for the changes is discussed in the Officer Comments section of this report.

The adopted 2020-2021 Program showed the following expenditure, funding and reserve balances:

	20-21	21-22	22-23	23-24	24-25	25-26	26-27	27-28	28-29	29-30
TOTAL EXPENDITURE	5,055,613	14,834,493	6,835,221	3,388,750	2,057,051	4,527,805	472,405	5,365,855	758,524	432,583
FUNDING										
Loans	0	6,000,000	0	0	0	0	0	0	0	0
Grants	3,381,660	1,794,573	3,846,175	2,258,218	1,932,558	3,282,883	0	5,020,855	100,000	0
Contributions	211,351	1,795	110,678	206,429	0	334,262	0	0	11,450	0
Carried Forward Projects Reserve	0	1,636,259	0	0	0	0	0	0	0	0
TOTAL FUNDING	3,593,011	9,432,627	3,956,853	2,464,646	1,932,558	3,617,145	0	5,020,855	111,450	0
OWN SOURCE FUNDS REQUIRED										
Opening Balance - Building Reserve	1,462,602	5,401,867	2,878,368	924,104	124,492	910,660	472,405	345,000	647,074	432,583
Interest	16,098	4,633	23,960	6,416	1,539	4,710	250	529	2,084	634
Annual Reserve Transfer	300,000	7,492,000	1,234,000	430,000	440,000	460,000	500,000	500,000	500,000	500,000
RESERVE SURPLUS (DEFICIT)	463,255	2,396,021	641,613	153,925	470,972	25,021	52,866	208,395	63,405	131,455

The following is proposed for the 2021-2022 Program:

	21-22	22-23	23-24	24-25	25-26	26-27	27-28	28-29	29-30	30-31
TOTAL EXPENDITURE	10,356,395	9,305,939	4,052,831	2,523,188	8,173,338	2,649,113	908,372	1,390,655	1,847,444	435,712
FUNDING										
Loans	0	6,000,000	1,600,000	500,000	1,160,500	660,500	0	0	0	0
Grants	1,220,720	0	892,059	778,240	3,334,507	660,500	383,922	319,746	507,629	0
Contributions	1,795	0	81,382	185,141	2,223,029	962,338	0	0	0	0
Carried Forward Projects Reserve	1,636,259	0	0	0	0	0	0	0	0	0
Project Management Salaries - Muni Funds	200,375	203,215	207,378	211,944	217,321	223,168	229,173	235,695	242,409	249,770
TOTAL FUNDING	3,059,149	6,203,215	2,780,819	1,675,325	6,935,357	2,506,507	613,095	555,441	750,038	249,770
OWN SOURCE FUNDS REQUIRED										
Opening Balance - Building Reserve	7,297,246	3,102,724	1,272,012	847,863	1,237,981	142,606	295,277	835,214	1,097,406	185,942
Interest	930,321	1,629,262	267,870	27,063	219,322	42,328	399,912	606,435	423,950	28,452
Recommended Annual Reserve Transfer	4,186	7,332	1,205	122	987	190	1,800	2,729	1,908	128
Reserve Transfer	7,992,000	1,734,000	1,030,000	1,040,000	1,060,000	500,000	500,000	650,000	700,000	700,000
RESERVE SURPLUS (DEFICIT)	1,629,262	267,870	27,063	219,322	42,328	399,912	606,435	423,950	28,452	542,638

The following table shows the previously adopted annual transfer compared to the proposed transfers for the 2021-2022 Program:

	21-22	22-23	23-24	24-25	25-26	26-27	27-28	28-29	29-30	30-31
	Annual Transfer (x \$1,000)									
2020-2021 LTFP	7,492	1,234	430	440	460	500	500	650	700	
2021-2022 LTFP	7,992	1,734	1,030	1,040	1,060	500	500	650	700	700
Increase in annual reserve transfer	500	500	600	600	600	0	0	0	0	0

It is proposed to transfer the additional reserve funds from the Road Asset Management Plan in order to achieve the Building 10 Year Program without impacting on the required rate revenue.

It should be noted that there is a significant reduction in the projected grant revenue which is proposed to be offset by the increase in reserve transfers and additional borrowings of \$3,921,000 over and above the \$6,000,000 of borrowing already scheduled for the new Civic building.

The following tables from the Building 10 Year Program are provided with the agenda and indicate the projected expenditure and income for the next ten years:

- BAMP 2021 - 10 Year Financial Summary (Appendix IPC: 8.2A)
- BAMP 2021 - 10 Year Building Reserve Summary (Appendix IPC: 8.2A)
- BAMP 2021 - 10 Year Loans Summary (Appendix IPC: 8.2A)
- BAMP 2021 - 10 Year Grants Summary (Appendix IPC: 8.2A)
- BAMP 2021 - 10 Year Contributions Summary (Appendix IPC: 8.2A)

Budget – Whole of Life Cost -

The purpose of the BAMP is to plan for the construction of new buildings and the upgrade, renewal, disposal and maintenance of the Council's existing buildings and is essentially dealing with the full life cycle requirements.

The BAMP is being developed to take into consideration functional hierarchy, usage and operational performance of buildings to ensure that the building assets remain viable and sustainable.

Council Policy Compliance

Council Policy CP018 – *Corporate Business Plan & Long Term Financial Plan* outlines the objective and requirements to enable the annual budget to be adopted by the end of June each year. This incorporates the annual review and updating of Asset Management Plans.

Risk Assessment -

The Risk Management Governance Framework has been considered in arriving at the officer recommendation. Please refer to (Appendix IPC: 8.2B) for full assessment document.

Tier 2 – ‘Low’ or ‘Moderate’ Inherent Risk.	
Risk Event	Building Asset Management Plan 2021/22 – 2030/31
Inherent Risk Rating (prior to treatment or control)	Moderate (5 - 11)
Risk Action Plan (treatment or controls proposed)	As the Inherent Risk Rating is below 12, this is not applicable.
Residual Risk Rating (after treatment or controls)	As the Inherent Risk Rating is below 12, this is not applicable.
Risk Category Assessed Against	<p>Financial Risk that assets are not renewed at the end of their useful lives. Risk that assets are not upgraded or created to meet demand.</p> <p>Reputational Risk that customer levels of service are reduced or maintained to meet public expectation.</p> <p>Service Interruption Risk to service for public buildings if assets are not renewed or maintained to an operational standard Possible damages claims against the Council if there is injury due to buildings not being maintained.</p> <p>Legal & Compliance</p>

Officer Comment -

The current forecast average expenditure currently identified in the Draft Building Asset Management Plan is listed below (i.e. annual average taken over 10 years):

Identified in 10 Year Programs					
	Renewal	Expansion / Upgrade	Total	Funded	Reserve
Buildings	\$ 344,609	\$ 3,597,644	\$ 3,942,253	\$ 2,310,827	\$ 1,631,427

The average renewal amount of \$344,609 per annum has been calculated based on projected renewal demand over the next ten years which has been derived from the age and condition of building assets and the expected life span. The majority of the forecast building expenditure is on expansion and upgrades. Annual expenditure of expansion and upgrade works is generally determined on the rate of improvement desired for the Shire’s building network.

Officers consider the average renewal amount to actually be higher than stated above. The reason for this is the fact that there are a number of new buildings that are replacing existing buildings. Although the new buildings are larger in floor area and fitted out better than the previous buildings, a portion of the project cost is actually representative of the building that is being replaced (hence a renewal cost). For example, if an existing 100m² building with a replacement cost of \$250,000 is being replaced entirely with a 200m² new building at a cost of \$600,000, the program should indicate a renewal component of \$250,000 and an expansion/upgrade component of \$350,000. This distinction between the types of asset expenditure for a single project is clearly articulated in the Road Asset Management Plan where costs for the same road section is split into separate Renewal/Preservation and Expansion/Upgrade tables. Staff will be making changes to the BAMP in future to separate project costs in a similar way. It should be noted that separating the costs will not alter the bottom line, with the combined expenditure and reserve transfers remaining the same – it will however, result in the

Shire's asset renewal/preservation indicators to better reflect the Shire's actual activities that have been scheduled.

The previously adopted BAMP 10 Year Program (2020-2021) was based on the Shire receiving a significant amount of grant funding. The 2020-2021 Program was developed in early 2020 during the initial COVID-19 lockdown period, at which time, both the Federal and State Governments were seeking stimulus projects from the Local Government sector in order to bolster the state and national economies. The Shire of Dardanup submitted a portfolio of projects as identified in the 2020-2021 BAMP and RAMP Programs for possible funding.

The Shire received stimulus funding for the Dardanup Central Volunteer Bush Fire Brigade building and did not receive any further funds for the other building projects identified in the BAMP. As a result of the lower than anticipated funding, the BAMP 10 Year Program has been reviewed and a reduced grant funding amount has been applied.

The draft BAMP 10 Year Program is based on a \$10,637,937 reduction in grant funding over the 10 year period. This grant funding shortfall has been offset by the following measures:

- An increase in reserve transfers over the first five years of the program, totalling \$2,800,000. This is being sourced through a reduction in the annual reserve transfers to the Road Asset Management Plan over the same period;
- Increase in borrowings for various projects, totalling \$3,921,000 between 2023/24 and 2026/27; and
- Some rescheduling of projects within the 10 Year Program. It should be noted that sequencing of projects have generally followed the priority order determined by the Committee in 2020; however, in some circumstances there was a need to adjust some projects in order to keep the program out of deficit.

It should be noted that there are several additional projects that have been added as a result of the Sport & Recreation study, as well as some changes in project scopes that have resulted since the development of the Community Facilities Plans. Some project values have been adjusted through a change in project cost index.

Please refer to (Appendix IPC: 8.2C) for a summary of the major "new & improvement works" and significant "preservation & renewal" works.

In summary, the draft BAMP 10 Year Program requires additional funds to be transferred from the RAMP (\$2.8M) in the first five years and requires additional borrowings to achieve the building program without the program falling into deficit over the 10-year period.

The proposed reserve transfers required for the Draft Building Asset Management Plan – 10 Year Programs are as follows:

21-22	22-23	23-24	24-25	25-26	26-27	27-28	28-29	29-30	30-31	Total
(x \$1,000)										
7,992	1,734	1,030	1,040	1,060	500	500	650	700	700	15,906

The proposed borrowing required in the Draft Building Asset Management Plan – 10 Year Programs are as follows:

21-22	22-23	23-24	24-25	25-26	26-27	27-28	28-29	29-30	30-31	Total
(x \$1,000)										
0	6,000	1,600	500	1,160.5	660.5	0	0	0	0	9,921

- *Deputy CEO Comment*

The current BAMP program expenditure and revenue sources as outlined above have been included in the draft Long Term Financial Plan, which together with the RAMP and PAMP program, results in a significant deficit position for Council over the future 10 year period. The current BAMP program also results in the Pathway Reserve balance going into a deficit position. It is therefore anticipated that changes to the BAMP, PAMP and RAMP (together with proposed funding sources) will need to be considered and adjusted at the Integrated Planning Committee meeting scheduled for the 14 April 2021 to enable a balanced position to be achieved over the 10 year period of the Long Term Financial Plan and for Reserve balances to remain in a positive position.

Council Role - Executive/Strategic.

Voting Requirements - Simple Majority.

Change to Officer Recommendation - No Change.

Discussion:

Chief Executive Officer, Mr André Schönfeldt read aloud the changes to the Building Asset Management Plan that were made during the Integrated Planning Workshop held earlier in the day.

**OFFICER RECOMMENDED RESOLUTION &
INTEGRATED PLANNING COMMITTEE RESOLUTION**

IPC 26-21 MOVED - Cr. M T Bennett SECONDED – Cr. P S Robinson

THAT the Integrated Planning Committee recommends that Council endorses the 10 year Building Asset Management Plan 2021/22-2030/31 program of works (Amended Schedule/Minutes Appendix IPC: 8.2A –Tardis Link: [MEE-R0937081](#)).

CARRIED

6/2

FOR THE MOTION	AGAINST THE MOTION
Cr. M T Bennett	Cr. M R Hutchinson
Cr. P S Robinson	Cr. J Dow
Cr. P R Perks	
Cr. T G Gardiner	
Cr. C N Boyce	
Cr. S Gillespie	

8.3 Title: Pathway Asset Management Plan 2021/22 – 2030/31

Reporting Department: Infrastructure

Reporting Officer: Mr Troy Williamson – Manager Assets
Mr Luke Botica – Director Infrastructure

Legislation: Local Government Act 1995
Local Government (Function & General) Regulations 1996

DECLARATION OF INTEREST

Cr. S Gillespie declared a Proximity Interest in this item as the pathway between Pratt Road and Hands Avenue forms part of the expansion/upgrade of the Pathway Asset Management Plan.
Cr. S Gillespie lives on Pratt Road.

Cr. S Gillespie left the room [3.55pm].

DECLARATION OF INTEREST

Cr. M T Bennett declared a Proximity Interest in this item as the pathway between Pratt Road and Hands Avenue forms part of the expansion/upgrade of the Pathway Asset Management Plan.
Cr. M T Bennett owns property on Pratt Road.

Cr. M T Bennett left the room [3.55pm] and Deputy Chairperson, Cr. P S Robinson assumed the Chair.

Overview

The Committee is requested to consider and endorse the Pathways Asset Management Plan 2021/22 - 2030/31 which has been updated as part of the annual review of the Long Term Financial Plan and Corporate Business Plan. Year one of the Asset Management Plan will be incorporated into the 2021/22 Annual Budget.

Background

The Pathway Asset Management Plan (PAMP) provides a comprehensive plan for the improvement, expansion, renewal and maintenance of the Shire's pathway network. The PAMP looks at the existing network, determines standards and processes for determining an overall master plan of pathways for the Shire and recommends a program of works for the improvement, expansion and renewal of the pathway network. The PAMP is reviewed as required to take into consideration any changes resulting from traffic changes, development and subdivisions, newly constructed pathways and any other factors which affect the information contained within the document. The PAMP is written in consideration of the Shire of Dardanup Strategic Community Plan (SCP).

The Pathway 10 Year Programs (10 Year Program) are documents that summarise all renewal, upgrade and expansion works programmed for the Shire's existing and proposed Pathway Assets. The document contains estimates of expenditure and revenue, together with recommended Reserve transfers to fund the works. The 10 Year Program is derived from the PAMP and is produced for the

2021/2022 Long Term Financial Plan and Corporate Business Plan process and is provided for Council consideration and adoption.

Legal Implications

Local governments are required by legislation to adopt an integrated strategic planning approach to financial management.

Local Government (Administration) Regulations 2011

19DA. *Corporate business plans, requirements for (Act s. 5.56)*

- (3) *A corporate business plan for a district is to —*
- (a) *set out, consistently with any relevant priorities set out in the strategic community plan for the district, a local government's priorities for dealing with the objectives and aspirations of the community in the district; and*
 - (b) *govern a local government's internal business planning by expressing a local government's priorities by reference to operations that are within the capacity of the local government's resources; and*
 - (c) *develop and integrate matters relating to resources, including asset management, workforce planning and long-term financial planning.*

Strategic Community Plan

Strategy 1.3.1- Implement the Integrated Planning and Reporting Framework including the Long Term Financial Plan, Workforce Plan, Asset Management Plans and Corporate Business Plan. (Service Priority: High)

Environment - None.

Precedents

Council reviews and adopts the 10 Year Program annually and the PAMP as and when amendments are made.

Budget Implications

The information contained in the 10 Year Program will be used annually to develop the Shire of Dardanup Corporate Business Plan. The following tables from the 10 Year Program are provided with the agenda and indicate the projected expenditure and income for the next ten years:

- 10 Year Financing Strategy Summary (Appendix IPC: 8.3A);
- 10 Year Program of Works – Upgrades & Expansion – Expenditure (Appendix IPC: 8.3A);
- 10 Year Program of Works – Upgrades & Expansion – Revenue (Appendix IPC: 8.3A);and
- 10 Year Program of Works – Renewals (Appendix IPC: 8.3A).

The following shows the proposed annual transfer compared to the previous year adopted amounts.

	21-22	22-23	23-24	24-25	25-26	26-27	27-28	28-29	29-30	30-31
	Annual Transfer (x \$1,000)									
2020-2021	162	170	178	184	190	215	240	325	350	
Proposed 2021-2022	0	100	36	184	190	215	240	250	250	325
Reduction in annual reserve transfer	162	70	142	0	0	0	0	75	100	

It should be noted a significant portion of the upgrade and expansion expenditure is also contingent on receiving external funding for projects. The success or otherwise of funding will have an impact on the Council to deliver upgrade and expansion projects and may result in some projects being delayed until sufficient funds are secured.

A proportion of expansion projects are also contingent upon road funding (i.e. Regional Road Group and Black Spot). Accordingly, these projects are scheduled to coincide with the corresponding road projects in order to maximise the amount of external funding that can be sourced, including an allocation towards pathways.

Budget – Whole of Life Cost

The purpose of the PAMP is to plan for the expansion, upgrade, renewal and maintenance of the Shire's pathway network and is essentially dealing with the full life cycle requirements of pathway infrastructure.

The current need for the renewal of the pathway network is relatively low; however, there will be a significant increase beyond the current 10-year timeframe. The bulk of the works scheduled in the current 10-year period of the PAMP relates to upgrades and expansion. Upgrade and expansion projects can be delayed if needed; however, projects should not be delayed to the extent that it will create a bigger impost on Council resources when the renewal of the existing network becomes critical.

Council Policy Compliance

Council Policy CP018 – *Corporate Business Plan & Long Term Financial Plan* outlines the objective and requirements to enable the annual budget to be adopted by the end of June each year. This incorporates the annual review and updating of Asset Management Plans.

Risk Assessment

The Risk Management Governance Framework has been considered in arriving at the officer recommendation. Please refer to (Appendix IPC: 8.3B) for full assessment document.

Tier 2 – ‘Low’ or ‘Moderate’ Inherent Risk.	
Risk Event	Pathway Asset Management Plan 2021/22 – 2030/31
Inherent Risk Rating (prior to treatment or control)	Moderate (5 - 11)
Risk Action Plan (treatment or controls proposed)	As the Inherent Risk Rating is below 12, this is not applicable.
Residual Risk Rating (after treatment or controls)	As the Inherent Risk Rating is below 12, this is not applicable.
Risk Category Assessed Against	<p>Financial</p> <p>Risk that assets are not renewed at the end of their useful lives.</p> <p>Risk that assets are not upgraded or created to meet demand.</p> <p>Reputational</p> <p>Risk that customer levels of service are reduced or maintained to meet public expectation.</p>

Officer Comment

The Asset Sustainability ratio is an approximation of the extent to which the infrastructure assets managed by a Local Government are being replaced as they reach the end of their useful lives.

The Shire’s 10 year average Asset Sustainability ratio as depicted in the draft Asset Management Plan for pathways is 0.348 (\$72,529 Capital Renewal & Replacement /\$207,947 Depreciation), which is well below the 0.9 minimum benchmark recommended by the Department of Local Government and Communities – Integrated Planning and Reporting Framework.

As the majority of the Shire’s pathway assets are relatively new and in good condition expenditure on renewal will be lower than it would be later in an asset’s life, for this reason, the capital expenditure on renewal can be low when viewed over the shorter term, however the ratio is a guide to be considered when making changes to future renewal projects.

The current replacement cost and annual depreciation of the Pathway Asset Class is listed below:

	Current Replacement Cost	Annual Depreciation
Pathways	\$10,300,000	\$207,947

The current forecast average expenditure currently identified in the draft Pathway Asset Management Plan is listed below (i.e. annual average taken over 10 years):

Identified in 10 Year Programs					
	Renewal	Expansion / Upgrade	Total	Funded	Reserve
Pathways	\$72,529	\$178,148	\$250,677	\$55,800	\$194,877

The average renewal amount of \$72,529 per annum has been derived based on projected renewal demand over the next ten years which has been calculated from the age and condition of pathway assets and the expected life span.

- *Program Changes*

During 2020-2021 the Shire received stimulus funding through the Local Roads and Community Investment Program to bring forward renewal and expansion pathway projects to construct within the current calendar year. The projects selected were as follows:

- Murdoch Crescent – Expansion;
- Margaret Circle – Expansion;
- Peppermint Way – Expansion; and
- Leicester Ramble Wetlands (various) – Renewal.

It should be noted that there are some new renewal projects in the program that are the result of officers becoming aware of needs identified through community feedback, Shire pathway inspections and some changes in project timing in response to reductions in reserve transfers. Some project values have been adjusted through a change in project cost index. The major changes are listed in the table below:

PATHWAY	ASSET ACTIVITY	2020-2021 PAMP		2021-2022 PAMP		COMMENTS
Charterhouse Street – Family Centre entrance	Renewal	-	-	2021/22	8,791	New project
Diadem Street – School - Millard	Renewal	-	-	2021/22	54,210	New project
Millard Street – Harlequin Gardens – Malabor Retreat	Renewal	-	-	2021/22	25,695	New project
Clarke Street – Castieau Street – End of Development	Expansion	-	-	2021/22	31,631	Developer Funded
Eaton Drive – Bypass – Lavender	Expansion	2020/21	38,073	2023/24	100,800	Timing change
Eaton Drive – Bypass – Blue Wren	Expansion	2020/21	75,203	2023/24	41,001	Timing change
Blue Wren – Eaton Drive - Albatross	Expansion	2020/21	47,370	2023/24	80,985	Timing change
Eaton Drive – Bypass – Lavender	Expansion	2020/21	18,664	2023/24	51,012	Timing change
Danjoo Koorliny Bridge – Wetlands to bridge (north section)	Expansion	2023/24	32,682	2025/26	36,977	Timing change
Danjoo Koorliny Bridge – Wetlands to bridge (south section)	Expansion	2023/24	89,898	2025/26	101,712	Timing change
Danjoo Koorliny Bridge – POS foreshore – bridge service road	Expansion	2021/22	13,686	2025/26	15,484	Timing change
Danjoo Koorliny Bridge – boardwalk over wet ground	Expansion	2021/22	171,468	2025/26	190,192	Timing change
Danjoo Koorliny Bridge – Castlereagh Park - Boardwalk	Expansion	2023/24	7,492	2026/27	8,518	Timing change
Foster Street	Expansion	2023/24	28,039	2024/25	28,877	Timing change
Cudliss Street	Expansion	2023/24	65,901	2024/25	67,871	Timing change

The majority of the forecast pathway expenditure is on expansion and upgrades. Annual expenditure of expansion and upgrade works is generally determined on the rate of improvement desired for the Shire's pathway network. Therefore, this expenditure can be reduced if necessary, resulting in a slowdown in the expansion and upgrade to the Shire's pathway networks.

- *Deputy CEO Comment*

The current PAMP program expenditure and revenue sources as outlined above have been included in the draft Long Term Financial Plan, which together with the RAMP and BAMP program, results in a significant deficit position for Council over the future 10 year period. The current PAMP program also results in the Pathway Reserve balance going into a deficit position. It is therefore anticipated that changes to the PAMP, BAMP and RAMP (together with proposed funding sources) will need to be considered and adjusted at the Integrated Planning Committee meeting scheduled for the 14 April 2021 to enable a balanced position to be achieved over the 10 year period of the Long Term Financial Plan and for Reserve balances to remain in a positive position.

Council Role - Executive/Strategic.

Voting Requirements - Simple Majority.

Change to Officer Recommendation - No Change.

**OFFICER RECOMMENDED RESOLUTION &
INTEGRATED PLANNING COMMITTEE RESOLUTION**

IPC 27-21 MOVED - Cr. P R Perks SECONDED – Cr. T G Gardiner

THAT the Integrated Planning Committee recommends that Council endorses the 10 Year Pathway Asset Management Plan 2021/22-2030/31 program of works (Appendix ORD: 8.3A).

CARRIED
6/0

Note: Cr. M T Bennett and Cr. S L Gillespie returned to the room [3.56pm]. Cr. M T Bennett resumed the Chair.

8.4 Title: Parks & Reserves Asset Management Plan 2021/22 – 2030/31

Reporting Department: Corporate & Governance

Reporting Officer: Mr Troy Williamson – Manager Assets

Mr Luke Botica – Director Infrastructure

Legislation: Local Government Act 1995

Local Government (Function & General) Regulations 1996

DECLARATION OF INTEREST

Chief Executive Officer, Mr André Schönfeldt declared a Proximity Interest in the Parks & Reserves Asset Management Plan discussions/decision that relate to the improvements at the Garry Engel Park. Mr Schönfeldt advised that he owns and resides in property that is adjacent to the park.

Mr Schönfeldt left the room [3.57pm].

Overview

The Committee is requested to consider and endorse the Parks & Reserves Asset Management Plan 2021/22 - 2030/31 which has been updated as part of the annual review of the Long Term Financial Plan and Corporate Business Plan. Year one of the Asset Management Plan will be incorporated into the 2021/22 Annual Budget.

Background

The Parks & Reserves Asset Management Plan (PRAMP) provides a comprehensive plan for the improvement, expansion, renewal and maintenance of the Council's parks and reserves assets.

The Parks and Reserves 10 Year Programs are documents that summarise all maintenance, renewal, upgrade and expansion works programmed for the Council's existing and proposed Parks and Reserves Assets. The document contains estimates of expenditure and revenue, together with recommended Reserve transfers to fund the works. The 10 Year Program is derived from the PRAMP and is produced for the 2021/2022 Long Term Financial Plan and Corporate Business Plan process and is provided for Council consideration and adoption.

The adoption of the 10 Year Program is also useful for seeking external funding for parks and reserves projects as it clearly demonstrates that the Council has identified the project in a forward capital works plan and its relevance to the Council.

Legal Implications

Local governments are required by legislation to adopt an integrated strategic planning approach to financial management.

Local Government (Administration) Regulations 2011

19DA. Corporate business plans, requirements for (Act s. 5.56)

(3) A corporate business plan for a district is to —

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

Strategic Plan

Strategy 1.3.1- Implement the Integrated Planning and Reporting Framework including the Long Term Financial Plan, Workforce Plan, Asset Management Plans and Corporate Business Plan. (Service Priority: High)

Environment - None.

Precedents

Council adopts the 10 Year Program annually and the PRAMP as and when updated.

Budget Implications-

The following tables from the Parks and Reserves 10 Year Program are provided with the agenda and indicate the projected expenditure and income for the next ten years:

- 10 Year Plan – Summary (Appendix SPC: 8.4A):
- 10 Year Plan – Expansion & Upgrade Expenditure (Appendix SPC: 8.4A):
- 10 Year Plan – Expansion & Upgrade Revenue (Appendix SPC: 8.4A):
- 10 Year Plan – Renewals (Appendix SPC: 8.4A):

The information contained in the Parks and Reserves 10 Year Program will be used annually to develop the Council's Long Term Financial Plan and Corporate Business Plan.

The following table shows the proposed annual transfer compared to the previous year adopted amounts.

	21-22	22-23	23-24	24-25	25-26	26-27	27-28	28-29	29-30	30-31
	Annual Transfer (x \$1,000)									
2020-2021	150	225	225	385	525	525	525	525	525	
Proposed 2021-2022	150	225	225	385	525	525	525	525	525	600

Budget – Whole of Life Cost

The purpose of the PRAMP is to plan for the upgrade, renewal and maintenance of the Council's parks and reserves and is essentially dealing with the full life cycle requirements of parks furniture, equipment and treatments.

Council Policy Compliance

Council Policy CP018 – *Corporate Business Plan & Long Term Financial Plan* outlines the objective and requirements to enable the annual budget to be adopted by the end of June each year. This incorporates the annual review and updating of Asset Management Plans.

Risk Assessment -

The Risk Management Governance Framework has been considered in arriving at the officer recommendation. Please refer to (Appendix IPC: 8.4B) for full assessment document.

Tier 2 – ‘Low’ or ‘Moderate’ Inherent Risk.	
Risk Event	Parks & Reserves Asset Management Plan 2021/22 – 2030/31
Inherent Risk Rating (prior to treatment or control)	Moderate (5 - 11)
Risk Action Plan (treatment or controls proposed)	As the Inherent Risk Rating is below 12, this is not applicable.
Residual Risk Rating (after treatment or controls)	As the Inherent Risk Rating is below 12, this is not applicable.
Risk Category Assessed Against	<p>Financial Risk that assets are not renewed at the end of their useful lives.</p> <p>Financial Risk that assets are not upgraded or created to meet demand.</p> <p>Reputational Risk that customer levels of service are reduced or maintained to meet public expectation.</p>

Officer Comment

During the current financial year staff have undertaken a comprehensive review and update of the existing PRAMP. This process included an update and field capture of all open space Shire assets, asset useful lives, and unit rates along with the development of open space categories and subsequent levels of service. The draft 10 Year Program for consideration is based on information derived from the review and the subsequent updated asset inventory data.

Due to this review of the open space asset class the draft renewal 10 year program has changed significantly due to the inclusion of previously uncaptured assets and the comprehensive update of existing asset data.

As a result of the updated Parks and Reserves review, and updated asset inventory, a “Year 1” backlog of items requiring renewal has been calculated, this is not unusual when undertaking a comprehensive asset class review. As it is not practical to address this all in one year, the calculated average renewal amount of \$222,088 per annum has been scheduled over the 10 years of the program to prevent accumulation of any further backlog.

The table below outlines the major renewal items contained in the PRAMP 10 Year Program.

The major proposed changes to the first four years of the Draft 10 Year Parks and Reserves Expansion & Upgrade Program are as follows:

Park Name	Asset Activity	2020-2021 PRAMP		2021-2022 PRAMP		Comments
McCaughan Park – Flag pole area enhancement and upgrade	Upgrade	-	-	2021/22	25,000	New project
McCaughan Park – Fence to BMX track	Expansion	-	-	2021/22	15,000	New project
Dog Exercise Area	Expansion	2021/22	200,000	2022/23	200,000	Timing change
Collie River Foreshore – Millbridge/Southbank Regional Open Space	Expansion	2021/22 2022/23	479,400	2022/23	479,400	Timing change
Peninsula Park – Stage 3 hard landscaping and amenities	Expansion	2023/24	78,030	2028/29	78,030	Timing change

The current replacement cost and annual depreciation of the Parks and Reserves Asset Class is listed below:

	Current Replacement Cost	Annual Depreciation
Parks & Reserves	\$12,840,051	\$390,721

The current forecast average expenditure currently identified in the Draft Parks and Reserves Asset Management Plan is listed below:

Identified in 10 Year Programs					
	Renewal	Expansion / Upgrade	Total	Funded	Reserve
Parks & Reserves	\$222,088	\$677,718	\$899,806	\$481,605	\$418,200

In reviewing the PRAMP and 10 Year Program, it should be noted that the plans contained within the document are rolling plans – that is, they are reviewed annually and can change. Therefore, projects and their priority listing within the 10 Year Programs should not be construed as being fixed for the next ten year period.

Council Role - Executive/Strategic.

Voting Requirements - Simple Majority.

OFFICER RECOMMENDED RESOLUTION

THAT Integrated Planning Committee recommends that Council endorses the 10 year Parks & Reserves Asset Management Plan 2021/22-2030/31 program of works. (Appendix SPC: 8.4A).

Discussion:

The Committee discussed inviting Mr Schönfeldt back into the room as the Committee were not discussing matters relating to Garry Engel Park.

INTEGRATED PLANNING COMMITTEE RESOLUTION

IPC 28-21 MOVED - Cr. M T Bennett SECONDED – Cr. P S Robinson

THAT Chief Executive Officer, Mr André Schönfeldt be invited to return to the room as Garry Engel Park was not being discussed directly.

CARRIED
8/0

Note: Chief Executive Officer, Mr André Schönfeldt returned to the room [4.04pm].

Discussion:

The Committee agreed to remove the “McCaughan Park – Flag pole area enhancement and upgrade”.

Change to Officer Recommendation

As per Local Government (Administration) Regulations 1996 11(da) the Committee records the following reasons for amending the Officer Recommended Resolution:

- *Removal of McCaughan Park – Flag pole area enhancement and upgrade at a value of \$30,000 as the upgrade is not required at this stage and can be put forward at a later date.*

**OFFICER RECOMMENDED RESOLUTION &
INTEGRATED PLANNING COMMITTEE RESOLUTION**

IPC 29-21 MOVED - Cr. P R Perks SECONDED – Cr. M T Bennett

THAT Integrated Planning Committee recommends that Council endorses the 10 year Parks & Reserves Asset Management Plan 2021/22-2030/31 program of works. (Appendix SPC: 8.4A), with the removal of McCaughan Park – Flag pole area enhancement and upgrade at a value of \$30,000.

CARRIED
8/0

8.5 Title: Stormwater Asset Management Plan 2021/22 – 2030/31

<i>Reporting Department:</i>	<i>Infrastructure Directorate</i>
<i>Reporting Officer:</i>	<i>Mr Troy Williamson – Manager Assets Mr Luke Botica – Director Infrastructure</i>
<i>Legislation:</i>	<i>Local Government Act 1995 Local Government (Function & General) Regulations 1996</i>

Overview

The Committee is requested to consider and endorse the Stormwater Asset Management Plan 2021/22 - 2030/31 that has been updated as part of the annual review of the Long Term Financial Plan and Corporate Business Plan. Year one of the Asset Management Plan will be incorporated into the 2021/22 Annual Budget.

Background

The Stormwater 10 Year Program (10 Year Program) is a document that summarises all renewal, upgrade and expansion works programmed for the Shire's existing and proposed Stormwater Assets. The document contains estimates of expenditure and revenue, together with recommended reserve transfers to fund the works. The Stormwater 10 Year Program considers the Shire of Dardanup Strategic Community Plan (SCP) and has been reviewed in preparation for the 2021/2022 Long Term Financial Planning process and is provided for Council consideration and adoption.

Legal Implications

Local governments are required by legislation to adopt an integrated strategic planning approach to financial management.

Local Government (Administration) Regulations 2011

19DA. Corporate business plans, requirements for (Act s. 5.56)

- (3) *A corporate business plan for a district is to —*
- (a) *set out, consistently with any relevant priorities set out in the strategic community plan for the district, a local government's priorities for dealing with the objectives and aspirations of the community in the district; and*
 - (b) *govern a local government's internal business planning by expressing a local government's priorities by reference to operations that are within the capacity of the local government's resources; and*
 - (c) *develop and integrate matters relating to resources, including asset management, workforce planning and long-term financial planning.*

Strategic Community Plan

Strategy 1.3.1- Implement the Integrated Planning and Reporting Framework including the Long Term Financial Plan, Workforce Plan, Asset Management Plans and Corporate Business Plan. (Service Priority: High)

Environment - None.

Precedents

Council reviews and adopts the 10 Year Program annually and the SWAMP as and when amendments are made.

Budget Implications -

The information contained in the 10 Year Program will be used annually to develop the Council's Long Term Financial Plan. The following tables from the Stormwater 10 Year Program are provided with the agenda and indicate the projected expenditure and income for the next ten years:

- 10 Year Financing Strategy Summary (Appendix IPC: 8.5A); and
- 10 Year Program of Works – Upgrades & Expansion (Appendix IPC: 8.5A).

The following shows the proposed annual transfer compared to the previous year adopted amounts.

	21-22	22-23	23-24	24-25	25-26	26-27	27-28	28-29	29-30	30-31
	Annual Transfer (x \$1,000)									
2020-2021 LTFP	0	25	25	25	25	50	50	50	50	100
2021-2022 LTFP	25	25	25	25	50	50	100	150	200	50

Budget – Whole of Life Cost

The purpose of the SWAMP is to plan for the expansion, upgrade, renewal and maintenance of the Shire's Stormwater assets and is essentially dealing with the full life cycle requirements of stormwater infrastructure.

Due to the extremely long useful life of stormwater infrastructure (up to 90 years), there is no renewal works required within the 10 year timeframe of the Program.

Council Policy Compliance

Council Policy CP018 – *Corporate Business Plan & Long Term Financial Plan* outlines the objective and requirements to enable the annual budget to be adopted by the end of June each year. This incorporates the annual review and updating of Asset Management Plans.

Risk Assessment -

The Risk Management Governance Framework has been considered in arriving at the officer recommendation. Please refer to (Appendix IPC: 8.5B) for full assessment document.

Tier 2 – 'Low' or 'Moderate' Inherent Risk.	
Risk Event	Stormwater Asset Management Plan 2021/22 – 2030/31
Inherent Risk Rating (prior to treatment or control)	Moderate (5 - 11)
Risk Action Plan (treatment or controls proposed)	As the Inherent Risk Rating is below 12, this is not applicable.
Residual Risk Rating (after treatment or controls)	As the Inherent Risk Rating is below 12, this is not applicable.
Risk Category Assessed Against	Financial Risk that assets are not renewed at the end of their useful lives.

Tier 2 – ‘Low’ or ‘Moderate’ Inherent Risk.		
	Reputational	Risk that assets are not upgraded or created to meet demand. Risk that customer levels of service are reduced or maintained to meet public expectation.

Officer Comment

Currently, the SWAMP covers concrete stormwater pits and pipes. It will be expanded to cover other drainage infrastructure including sub soil drainage, drainage basins and other infrastructure over the coming years.

New stormwater infrastructure is generally ceded to the Council by developers as land is progressively developed. In this manner, all new drainage infrastructure is designed and constructed to current standards.

As the majority of the Shire’s stormwater assets are relatively new and in good condition expenditure on renewal will be lower than it would be later in an asset’s life, for this reason, the capital expenditure on renewal can be low when viewed over the shorter term. However, as the assets continue to age and decline in condition future renewal demands will become apparent and should be considered when making changes.

The current replacement cost and annual depreciation of the Stormwater Asset Class is listed below:

	Current Replacement Cost	Annual Depreciation
Stormwater	\$25,000,000	\$333,136

The current forecast average expenditure currently identified in draft Stormwater Asset Management Plan is listed below (i.e. annual average taken over 10 years):

Identified in 10 Year Programs					
	Renewal	Expansion / Upgrade	Total	Funded	Reserve
Stormwater	\$ -	\$45,800	\$45,800	\$22,800	\$23,000

There are no upgrade/expansion or renewal projects programmed for construction during 2021/2022.

The current reserve transfers on which the Draft Stormwater Asset Management Plan – 10 Year Programs is based are listed below:

21-22	22-23	23-24	24-25	25-26	26-27	27-28	28-29	29-30	30-31	Total
(x \$1,000)										
25	25	25	25	50	50	100	150	200	50	700

The renewal of drainage infrastructure is currently largely programmed using the age of the drainage infrastructure and a prediction of serviceable life of the asset components. It is important that detailed inspections be carried out on the Council’s assets in the future to determine asset condition and to more accurately program the replacement of assets. This is particularly important on critical assets, which are costly to replace and/or could have a detrimental impact on roads and property if resulting in a failure. This will enable further development of the SWAMP and enable staff to forecast the expected asset life

more accurately and will provide the ability to better predict the future financial needs to maintain a sustainable stormwater network.

Council Role - Executive/Strategic.

Voting Requirements - Simple Majority.

Change to Officer Recommendation - No Change.

**OFFICER RECOMMENDED RESOLUTION &
INTEGRATED PLANNING COMMITTEE RESOLUTION**

IPC 30-21 MOVED - Cr. P S Robinson SECONDED – Cr. M R Hutchinson

THAT the Integrated Planning Committee recommends that Council endorses the 10 year Stormwater Asset Management Plan 2021/22-2030/31 program of works (Appendix SPC 8.5A).

CARRIED
8/0

8.6 Title: Plant & Vehicle Asset Management Plan 2021/22 – 2030/31

<i>Reporting Department:</i>	<i>Infrastructure Directorate</i>
<i>Reporting Officer:</i>	<i>Mr Luke Botica – Director Infrastructure</i>
<i>Legislation:</i>	<i>Local Government Act 1995 Local Government (Function & General) Regulations 1996</i>

Overview

The Committee is requested to consider and endorse the Plant & Vehicle Asset Management Plan 2021/22 - 2030/31 which has been updated as part of the annual review of the Long Term Financial Plan and Corporate Business Plan. Year one of the Asset Management Plan will be incorporated into the 2021/22 Annual Budget. Due to the imposition by Council of a two year moratorium on vehicle purchases and replacements, there will be nil expenditure in the 2021-2022 financial year.

Background

The Plant & Vehicle 10 Year Program is reviewed annually and provides a structured replacement and acquisition program for the plant and vehicles utilised in the Council's Operations Section (i.e. depot based). The Program covers the following:

1. Replacement of the Council's existing plant and vehicle fleet – plant and vehicles are replaced at the optimal point in the serviceable life of each item, the triggers being as adopted by Council in Council Policy Infr CP048 (Appendix IPC: 8.6A);
2. Disposal of plant and vehicles which are deemed as not being required anymore; and
3. Acquisition of new plant and vehicles in the Council's Operations Section, which are determined as being necessary as an addition to the fleet.

The Program contains estimates of purchase and sales prices, together with recommended reserve transfers to fund changeovers and new purchases. The Program aligns with the Shire of Dardanup Workforce Plan, as well as the Council's Capital and Maintenance Programs. The Program has been reviewed in preparation for the 2021/2022 Long Term Financial Plan and Corporate Business Plan process and is provided for Council consideration and adoption.

At the Integrated Planning Committee meeting held on the 17 March 2021, it was resolved to adopt the following annual reserve transfers for the renewal of existing and acquisition of new plant and vehicles for the Infrastructure Directorate:

21-22	22-23	23-24	24-25	25-26	26-27	27-28	28-29	29-30	30-31	Total
(x \$1,000)										
102.75	126	250	256.5	276.5	290	317	300	300	353	2,571.75

Council also resolved at the meeting to impose a two year moratorium on vehicle purchases and replacements.

The 10 Year Program has been adjusted to meet the adopted annual reserve transfers and is presented to the Committee for adoption.

Legal Implications

Local governments are required by legislation to adopt an integrated strategic planning approach to financial management.

Local Government (Administration) Regulations 2011

19DA. Corporate business plans, requirements for (Act s. 5.56)

- (3) A corporate business plan for a district is to —
- (a) set out, consistently with any relevant priorities set out in the strategic community plan for the district, a local government's priorities for dealing with the objectives and aspirations of the community in the district; and
 - (b) govern a local government's internal business planning by expressing a local government's priorities by reference to operations that are within the capacity of the local government's resources; and
 - (c) develop and integrate matters relating to resources, including asset management, workforce planning and long-term financial planning.

Strategic Community Plan

Strategy 1.3.1- Implement the Integrated Planning and Reporting Framework including the Long Term Financial Plan, Workforce Plan, Asset Management Plans and Corporate Business Plan. (Service Priority: High)

Environment - None.

Precedents

Council reviews and adopts the 10 Year Program annually and the Plant & Vehicle AMP as and when amendments are made.

Budget Implications

The information contained in the Plant & Vehicle 10 Year Program will be used annually to develop the Council's Long Term Financial Plan. The following tables from the Plant & Vehicle 10 Year Program are provided with the agenda and indicate the projected expenditure and income for the next ten years:

- Plant Expenditure Summary (Appendix IPC: 8.6B);
- Plant Revenue Summary (Appendix IPC: 8.6B); and
- Plant Reserve Fund Summary (Appendix IPC: 8.6B).

The following shows the latest adopted annual transfer compared to the previous year adopted amounts.

	21-22	22-23	23-24	24-25	25-26	26-27	27-28	28-29	29-30	30-31	Total
	(x \$1,000)										
Adopted Transfers	102.75	126	250	256.5	276.5	290	317	300	300	353	2,571.75

Budget – Whole of Life Cost -

The purpose of the Plant & Vehicle 10 Year Program is to plan for the acquisition of new and the replacement of existing plant and vehicles. The triggers adopted by Council aim to minimise the overall life cycle cost of the Council's plant and vehicle fleet.

Council Policy Compliance

Replacement triggers used are in accordance with Policy Infr CP048.

Council Policy CP018 – *Corporate Business Plan & Long Term Financial Plan* outlines the objective and requirements to enable the annual budget to be adopted by the end of June each year. This incorporates the annual review and updating of Asset Management Plans.

Risk Assessment -

The Risk Management Governance Framework has been considered in arriving at the officer recommendation. Please refer to (Appendix IPC: 8.6C) for full assessment document.

Tier 2 – ‘Low’ or ‘Moderate’ Inherent Risk.	
Risk Event	Plant & Vehicle Asset Management Plan 2021/21 – 2030/31
Inherent Risk Rating (prior to treatment or control)	Moderate (5 - 11)
Risk Action Plan (treatment or controls proposed)	As the Inherent Risk Rating is below 12, this is not applicable.
Residual Risk Rating (after treatment or controls)	As the Inherent Risk Rating is below 12, this is not applicable.
Risk Category Assessed Against	<p>Financial Risk that assets are not renewed at the right point in the asset life cycle – increased repairs costs, downtime. Risk that assets are not acquired to meet demand or needs of the Shire.</p> <p>Reputational Risk that customer levels of service are reduced or are not maintained to meet public expectation.</p> <p>Service Interruption Risk that assets are not renewed at the right point in the asset life cycle – increased repairs costs, downtime.</p>

Officer Comment

Officers have adjusted the replacement program to accommodate the two year moratorium recently imposed on the program by Council. The program was adjusted as follows:

1. All purchases and disposals that were expected to be due in the first two years of the program have been moved to Year 3 of the program.
2. Those items moved from the first two years to Year 3 are then further rescheduled in the 10 year program for subsequent changeovers. These changeovers are based on the triggers contained in Council’s Policy Infr CP048 – *Plant & Vehicle Acquisition and Disposal Policy*.
3. The trade-in values of those items moved from the first two years to Year 3 have been reduced to reflect the loss in resale value due to the extended use and age of the item (i.e. further depreciated).

Staff acknowledge that the replacement triggers may change through the proposed fleet review to be carried out in the next financial year. The two year moratorium will hold off on any changeovers until the review is completed and the program can be fully reviewed in accordance with the outcomes of the

review. However, the current programming beyond the two year moratorium period is still based on the triggers in the currently adopted Policy CP048 for the purpose of adopting an annual program.

Council Role - Executive/Strategic.

Voting Requirements - Simple Majority.

Change to Officer Recommendation - No Change.

**OFFICER RECOMMENDED RESOLUTION &
INTEGRATED PLANNING COMMITTEE RESOLUTION**

IPC 31-21 MOVED - Cr. P R Perks SECONDED – Cr. T G Gardiner

THAT the Integrated Planning Committee recommends that Council endorses the 10 year Plant & Vehicle Asset Management Plan 2021/22-2030/31 acquisition and replacement program (Appendix IPC: 8.6B).

CARRIED
8/0

8.7 Title: Executive & Compliance Vehicle Asset Management Plan 2021/22 – 2030/31

<i>Reporting Department:</i>	<i>Corporate & Governance</i>
<i>Reporting Officer:</i>	<i>Mr Allan Hutcheon – Procurement Officer</i>
<i>Legislation:</i>	<i>Local Government Act 1995 Local Government (Function & General) Regulations 1996</i>

Overview

The Committee is requested to consider and endorse the Executive & Compliance Vehicle Asset Management Plan 2021/22 - 2030/31 which has been updated as part of the annual review of the Long Term Financial Plan and Corporate Business Plan. Year one of the Asset Management Plan will be incorporated into the 2021/22 Annual Budget.

Background

The Executive & Compliance Vehicle 10 Year Program is reviewed annually and provides a structured program for the plant and vehicles utilised in the Council's Operations Section (i.e. depot based). The Program covers the following:

1. Replacement of the Council's existing plant and vehicle fleet – plant and vehicles are replaced at the optimal point in the serviceable life of each item, the triggers being as adopted by Council in Council Policy Infr CP048 – *Plant & Vehicle Acquisition and Disposal Policy* (Appendix IPC: 8.6A);

Vehicle Type	Replacement Triggers (whichever occurs first)	
	Age (years)	Odometer Reading (km)
4 Cylinder Vehicles	4 years	80,000 km
Utilities	5 years	120,000 km

2. Disposal of vehicles which are deemed as not being required anymore; and
3. Acquisition of new plant and vehicles in the Council's Operations Section, which are determined as being necessary as an addition to the fleet.

The Program contains estimates of purchase and sales prices, together with recommended reserve transfers to fund changeovers and new purchases. The Program closely aligns with the Shire of Dardanup Workforce Plan, as well as the Council's Capital and Maintenance Programs. The Program has been reviewed in preparation for the 2021/2022 Long Term Financial Plan and Corporate Business Plan process and is provided for Council consideration and adoption.

At the Integrated Planning Committee meeting held on the 17 March 2021, it was resolved to adopt the following annual reserve transfers for the renewal of existing and acquisition of new Executive & Compliance Vehicle per the 10 Year Replacement Program:

	21-22	22-23	23-24	24-25	25-26	26-27	27-28	28-29	29-30	30-31
2021/22 Draft LTFP	40	45	150	100	120	145	200	150	150	155

In addition to the reduced annual reserve transfers scheduled for 2021/22 and 2022/23, the Integrated Planning Committee also endorsed the decision to impose a two (2) year moratorium on vehicle purchases and replacements whilst a vehicle review is undertaken in 2021/22.

This decision impacts the scheduled changeovers that were due for replacement in the 2021/22 and 2022/24 financial years'. As a result, the vehicle changeovers have been 'pushed out' to the 2023/24 financial year. It should be noted that whilst the 2 year moratorium on vehicle changeovers will not align directly with *Council Policy Infr CP048 – Plant & Vehicle Acquisition and Disposal Policy* which triggers 4 Cylinders at 4 years / 80,000 km and Utilities at 5 years / 120,000 km, the Council Resolution will override the existing Council Policy.

The 10 Year Program has been adjusted to meet the adopted annual reserve transfers and is presented to the committee for adoption.

Legal Implications

Local governments are required by legislation to adopt an integrated strategic planning approach to financial management.

Local Government (Administration) Regulations 1996

19DA. *Corporate business plans, requirements for (Act s. 5.56)*

- (3) *A corporate business plan for a district is to —*
- (a) *set out, consistently with any relevant priorities set out in the strategic community plan for the district, a local government's priorities for dealing with the objectives and aspirations of the community in the district; and*
 - (b) *govern a local government's internal business planning by expressing a local government's priorities by reference to operations that are within the capacity of the local government's resources; and*
 - (c) *develop and integrate matters relating to resources, including asset management, workforce planning and long-term financial planning.*

Strategic Community Plan

Strategy 1.3.1- Implement the Integrated Planning and Reporting Framework including the Long Term Financial Plan, Workforce Plan, Asset Management Plans and Corporate Business Plan. (Service Priority: High)

Environment - None.

Precedents

Council reviews and adopts the 10 Year Program annually and the Plant & Vehicle AMP as and when amendments are made.

Budget Implications

The information contained in the Executive & Compliance Vehicle 10 Year Program will be used annually to develop the Council's Long Term Financial Plan. The following tables from the executive & Compliance Vehicle 10 Year Program are provided with the agenda and indicate the projected expenditure and income for the next ten years:

- Executive & Compliance Vehicle Summary (Appendix IPC: 8.7A);
- Executive & Compliance Vehicle Revenue Summary (Appendix IPC: 8.7A); and

- Executive & Compliance Vehicle Reserve Fund Summary (Appendix IPC: 8.7A).

The following shows the latest adopted annual transfer compared to the previous year adopted amounts.

	20-21	21-22	22-23	23-24	24-25	25-26	26-27	27-28	28-29	29-30	30-31
2019-2020 LTFP	75	100	125	150	175	200	230	235	240		
2020-2021 LTFP	75	80	85	90	100	120	145	150	150	150	
2020-2021 Annual Budget		0									
2021-2022 Draft LTFP		40	45	150	100	120	145	200	150	150	155

Budget – Whole of Life Cost -

The purpose of the Executive & Compliance Vehicle 10 Year Program is to plan for the acquisition of new and the replacement of existing plant and vehicles. The triggers adopted by Council aim to minimise the overall life cycle cost of the Council's plant and vehicle fleet.

Council Policy Compliance

Replacement triggers used are in accordance with Policy CP048.

Council Policy CP018 – *Corporate Business Plan & Long Term Financial Plan* outlines the objective and requirements to enable the annual budget to be adopted by the end of June each year. This incorporates the annual review and updating of Asset Management Plans.

As detailed in the 'Background' section of this report, Council endorsed a decision to impose a two (2) year moratorium on vehicle purchases and replacements at the Integrated Planning Committee meeting dated 17 March 2021. This decision will suspend the vehicle changeovers for 2021/22 and 2022/23 financial year and is non-compliant to Council's current adopted policy Infr CP048 – *Plant & Vehicle Acquisition and Disposal Policy* which triggers 4 Cylinders at 4 years / 80,000 km and Utilities at 5 years / 120,000 km, the Council Resolution will over-ride the existing Council Policy.

Risk Assessment

The Risk Management Governance Framework has been considered in arriving at the officer recommendation. Please refer to (Appendix IPC: 8.7B) for full assessment document.

Tier 2 – 'Low' or 'Moderate' Inherent Risk.	
Risk Event	Executive & Compliance Vehicle Asset Management Plan 2021/22 – 2030/31
Inherent Risk Rating (prior to treatment or control)	Moderate (5 - 11)
Risk Action Plan (treatment or controls proposed)	As the Inherent Risk Rating is below 12, this is not applicable.
Residual Risk Rating (after treatment or controls)	As the Inherent Risk Rating is below 12, this is not applicable.
Risk Category Assessed Against	Financial Risk that assets are not renewed at the right point in the asset life cycle – increased repairs costs, downtime. Risk that assets are not acquired to meet demand or needs of the Shire.

Tier 2 – ‘Low’ or ‘Moderate’ Inherent Risk.		
	Reputational	Risk that customer levels of service are reduced or are not maintained to meet public expectation.
	Service Interruption	Risk that assets are not renewed at the right point in the asset life cycle – increased repairs costs, downtime.

Officer Comment

The reduction in Annual Transfer to Reserve has required some adjustments to the Compliance and Executive Vehicle 10 Year Replacement Program.

Council Role - Executive/Strategic.

Voting Requirements - Simple Majority.

Change to Officer Recommendation - No Change.

**OFFICER RECOMMENDED RESOLUTION &
INTEGRATED PLANNING COMMITTEE RESOLUTION**

IPC 32-21 MOVED - Cr. P S Robinson SECONDED – Cr. C N Boyce

THAT the Integrated Planning Committee recommends that Council endorses the 10 year Executive & Compliance Vehicle Asset Management Plan 2021/22 - 2030/31 acquisition and replacement program (Appendix SPC: 8.7A).

CARRIED
6/2

8.8 Title: Eaton Recreation Centre Equipment Asset Management Plan 2021/22 – 2030/31

Reporting Department: Sustainable Development Directorate
Reporting Officer: Mr Gary Thompson - Manager Sport & Recreation
Legislation: Local Government Act 1995

Overview

The Committee is requested to consider and endorse the Eaton Recreation Centre Equipment Asset Management Plan 2021/22 - 2030/31 which has been updated as part of the annual review of the Long Term Financial Plan and Corporate Business Plan. Year one of the Asset Management Plan will be incorporated into the 2021/22 Annual Budget.

Background

The Eaton Recreation Centre Equipment 10 Year Asset Management Plan is reviewed annually and provides a structured acquisition and replacement program for the equipment located within the Eaton Recreation Centre and Gym.

The Program includes the lease of gym cardio fitness equipment over a rolling period of five years, with the gym strength equipment purchased outright and replaced every 15 years.

The Program has been reviewed in preparation for the 2021/2022 Long Term Financial Plan and Corporate Business Plan process and is provided for Council consideration and adoption.

Legal Implications

Local governments are required by legislation to adopt an integrated strategic planning approach to financial management.

Local Government (Administration) Regulations 2011

19DA. *Corporate business plans, requirements for (Act s. 5.56)*

- (3) *A corporate business plan for a district is to —*
- (a) *set out, consistently with any relevant priorities set out in the strategic community plan for the district, a local government's priorities for dealing with the objectives and aspirations of the community in the district; and*
 - (b) *govern a local government's internal business planning by expressing a local government's priorities by reference to operations that are within the capacity of the local government's resources; and*
 - (c) *develop and integrate matters relating to resources, including asset management, workforce planning and long-term financial planning.*

Strategic Community Plan

Various Strategies across the organisation within the Strategic Community Plan.

Strategy 1.3.1- Implement the Integrated Planning and Reporting Framework including the Long Term Financial Plan, Workforce Plan, Asset Management Plans and Corporate Business Plan. (Service Priority: High)

Environment - None

Precedents

Council reviews and adopts the 10 Year Program annually and the Eaton Recreation Centre Equipment AMP as and when amendments are made.

Budget Implications

The information contained in the Eaton Recreation Centre Equipment 10 Year Program will be used annually to develop the Council's Long Term Financial Plan, Corporate Business Plan and Annual Budget. The following tables from the Recreation Centre Equipment 10 Year Asset Management Plan are provided with the agenda and indicate the projected expenditure and income for the next ten years. A complete copy of the Eaton Recreation Centre Equipment 10 Year Asset Management Plan is attached (Appendix IPC: 8.8A).

- Consolidated Summary (Expenditure);
- Eaton Recreation Centre Equipment Reserve Fund Summary.

	2021/22	2022/23	2023/24	2024/25	2025/26	2026/27	2027/28	2028/29	2029/30	2030/31
EXPENDITURE										
Eaton Recreation Centre:										
- Purchased Gym and Fitness Equipment	38,545	-2,296	27,577	384,907	4,379	50,049	25,631	11,348	67,737	49,522
- Leased Gym and Fitness Equipment	47,740	47,740	47,740	47,740	47,740	51,934	51,934	51,934	51,934	51,934
TOTAL EXPENDITURE	86,285	45,444	75,317	432,647	52,119	101,983	77,565	63,282	119,671	101,456
FUNDING										
Loans	0	0	0	0	0	0	0	0	0	0
Grant Revenue	35,000	0	0	0	0	0	0	0	0	0
TOTAL FUNDING	35,000	0	0	0	0	0	0	0	0	0
OWN SOURCE FUNDS REQUIRED	51,285	45,444	75,317	432,647	52,119	101,983	77,565	63,282	119,671	101,456
Opening Balance - ERC Equipment Reserve	307,506	376,913	462,239	527,883	227,454	306,201	335,438	389,225	457,537	469,767
Interest	692	769	961	2,218	866	1,220	1,352	1,594	1,901	1,956
Recommended Annual Reserve Transfer	120,000	130,000	140,000	130,000	130,000	130,000	130,000	130,000	130,000	130,000
RESERVE SURPLUS (DEFICIT)	376,913	462,239	527,883	227,454	306,201	335,438	389,225	457,537	469,767	500,267

At the Integrated Planning Committee meeting held on the 17 March 2021, it was resolved to adopt the following annual reserve transfers for the Eaton Recreation Centre Equipment 10 Year Program.

21-22	22-23	23-24	24-25	25-26	26-27	27-28	28-29	29-30	30-31	Total
(x \$1,000)										
120	130	140	130	130	130	130	130	130	130	1,300

Budget – Whole of Life Cost

Budgeted expenditure and reserve transfer requirements are included annually in the Eaton Recreation Centre Equipment 10 Year Asset Management Plan.

Council Policy Compliance

Council Policy CP018 – *Corporate Business Plan & Long Term Financial Plan* outlines the objective and requirements to enable the annual budget to be adopted by the end of June each year. This incorporates the annual review and updating of Asset Management Plans.

Risk Assessment -

The Risk Management Governance Framework has been considered in arriving at the officer recommendation. Please refer to (Appendix IPC: 8.8B) for full assessment document.

Tier 2 – ‘Low’ or ‘Moderate’ Inherent Risk.	
Risk Event	Eaton Recreation Centre Equipment Asset Management Plan 2021/22 – 2030/31
Inherent Risk Rating (prior to treatment or control)	Moderate (5 - 11)
Risk Action Plan (treatment or controls proposed)	As the Inherent Risk Rating is below 12, this is not applicable.
Residual Risk Rating (after treatment or controls)	As the Inherent Risk Rating is below 12, this is not applicable.
Risk Category Assessed Against	<p>Financial Adoption of this is required for funding of Recreation Services Equipment</p> <p>Service Interruption Supply of Equipment is required for the operation of the Centre</p> <p>Reputational Risk of negative community response if assets are not maintained or replaced when required.</p>

Officer Comment

The Program has been reviewed to ensure gym cardio fitness equipment and gym strength equipment is replaced based on its estimated useful life, and includes equipment that is purchased outright or leased by Council. Officers’ have also reviewed the prices used in the Program to ensure they reflect the future estimated replacement cost.

Council Role - Executive/Strategic.

Voting Requirements - Simple Majority.

OFFICER RECOMMENDED RESOLUTION

THAT the Integrated Planning Committee recommends that Council endorses the 10 year Recreation Centre Equipment Asset Management Plan 2021/22-2030/31 acquisition and replacement program (Appendix IPC: 8.8A).

Change to Officer Recommendation

As per Local Government (Administration) Regulations 1996 11(da) Council records the following reasons for amending the Officer Recommended Resolution:

- In the interests of balancing the budget and reducing costs, the Committee agrees to:
 - Reduce the transfers to the Reserves By \$80,000 per annum for the next ten years; and
 - Not replace the Grand Stand until the 2033/34 financial year.

**OFFICER RECOMMENDED RESOLUTION &
INTEGRATED PLANNING COMMITTEE RESOLUTION**

IPC 33-21

MOVED -

Cr. P R Perks

SECONDED –

Cr. C N Boyce

THAT the Integrated Planning Committee recommends that Council endorses the 10 year Recreation Centre Equipment Asset Management Plan 2021/22-2030/31 acquisition and replacement program (Appendix IPC: 8.8A) inclusive of the following amendments:.

- **Reduce the transfers to the Reserves to \$80,000 per annum for the next ten years; and**
- **Not replace the Eaton Recreation Centre Grand Stand until the 2033/34 financial year.**

CARRIED
8/0

8.9 Title: IT Asset Management Plan 2021/22 – 2030/31

<i>Reporting Department:</i>	<i>Corporate & Governance</i>
<i>Reporting Officer:</i>	<i>Mr Stephen Eaton – IT Manager</i>
<i>Legislation:</i>	<i>Local Government Act 1995</i>

Overview

The Committee is requested to consider the report on the Information Technology Asset Management Plan 2021/22-2030/31, which has been updated as part of the annual review of the Long Term Financial Plan and Corporate Business Plan. Year one of the Asset Management Plan will be incorporated into the 2021/22 Annual Budget.

Background

The IT budget services the day to day operational functions of the Council. It provides technologies and infrastructure to assist staff in delivering meaningful services to the community. It also satisfies the need to provide external data and informational services to the various stakeholders who interface with the Council.

Some of the primary objectives of the IT Asset Management Plan are to:

1. Enable the achievement of various strategies within the Community Strategic Plan;
2. To improve the quality and effectiveness of information services and business systems provided by the Shire of Dardanup;
3. To minimise the impact of organisational growth and systems development on the budget by planning and prioritising the various Information Technology and Systems initiatives; and
4. To inform the long term financial plan and support the corporate business plan.

Legal Implications

Local governments are required by legislation to adopt an integrated strategic planning approach to financial management.

Local Government (Administration) Regulations 2011

19DA. Corporate business plans, requirements for (Act s. 5.56)

- (3) *A corporate business plan for a district is to —*
- (a) *set out, consistently with any relevant priorities set out in the strategic community plan for the district, a local government's priorities for dealing with the objectives and aspirations of the community in the district; and*
 - (b) *govern a local government's internal business planning by expressing a local government's priorities by reference to operations that are within the capacity of the local government's resources; and*
 - (c) *develop and integrate matters relating to resources, including asset management, workforce planning and long-term financial planning.*

Strategic Community Plan

Strategy 1.3.1- Implement the Integrated Planning and Reporting Framework including the Long Term Financial Plan, Workforce Plan, Asset Management Plans and Corporate Business Plan. (Service Priority: High)

Environment - None

Precedents

Council reviews and adopts the 10 Year Program annually and the IT AMP as and when amendments are made.

Budget Implications

The following allocations have been provided in the 2020/21 budget and 2021/22 draft LTFP:

	2020/21	2021/22
IT Equipment	\$19,601	\$29,072
Software Purchases	\$102,491	\$238,224
Software Annual License expenses	\$490,696	\$569,246
IT Equipment Leases	<u>\$260,252</u>	<u>\$265,129</u>
Total	\$873,040	1,103,170

A copy of the IT Asset Management Plan 2021/22 – 2030/31 is attached (Appendix IPC: 8.9A).

The current reserve transfers on which the IT Asset Management Plan – 10 Year Programs are based are listed below:

21-22	22-23	23-24	24-25	25-26	26-27	27-28	28-29	29-30	30-31	Total
(x \$1,000)										
400	400	400	400	450	500	500	500	500	500	4,550

The balance of required funds each year is budgeted to come from general operating revenue. In 2021/22 this would be \$569,245.

Budget – Whole of Life Cost

Budgeted expenditure and reserve transfer requirements are included annually in the IT Asset Management Plan to enable the ongoing replacement of IT assets and infrastructure at the end of its useful life. In recent years more IT infrastructure and hardware items have been treated as leased assets rather than outright purchase assets, due to consideration of the overall life cycle cost of these items and the frequency of replacement. In many instances, IT items only have a useful life of 4 years.

Council Policy Compliance

Council Policy CP018 – *Corporate Business Plan & Long Term Financial Plan* outlines the objective and requirements to enable the annual budget to be adopted by the end of June each year. This incorporates the annual review and updating of Asset Management Plans.

Risk Assessment

The Risk Management Governance Framework has been considered in arriving at the officer recommendation. Please refer to (Appendix IPC: 8.9B) for full assessment document.

Tier 2 – ‘Low’ or ‘Moderate’ Inherent Risk.							
Risk Event	IT Asset Management Plan 2021/22 – 2030/31						
Inherent Risk Rating (prior to treatment or control)	Moderate (5 - 11)						
Risk Action Plan (treatment or controls proposed)	As the Inherent Risk Rating is below 12, this is not applicable.						
Residual Risk Rating (after treatment or controls)	As the Inherent Risk Rating is below 12, this is not applicable.						
Risk Category Assessed Against	<table border="0"> <tr> <td>Financial</td> <td>Adoption of this Item is required for funding of IS and IT services</td> </tr> <tr> <td>Service Interruption</td> <td>Services of IT and IS depend on adoption of IT Asset Management Plan</td> </tr> <tr> <td>Reputational</td> <td>Compromised Quality of IT and IS might affect the reputation of council in providing services.</td> </tr> </table>	Financial	Adoption of this Item is required for funding of IS and IT services	Service Interruption	Services of IT and IS depend on adoption of IT Asset Management Plan	Reputational	Compromised Quality of IT and IS might affect the reputation of council in providing services.
Financial	Adoption of this Item is required for funding of IS and IT services						
Service Interruption	Services of IT and IS depend on adoption of IT Asset Management Plan						
Reputational	Compromised Quality of IT and IS might affect the reputation of council in providing services.						

Officer Comment

The Council has invested in both people and technologies to achieve a level of information technology service and capability that is typically beyond an organisation of this size. For this reason the Shire of Dardanup is regarded within the Industry as a high achiever in the application of IT to its business services.

- *Future – 10 year ICT Plan*

The strategic focus over the next 5-10 year horizon must capture those strategies defined in the Strategic Community Plan 2018 – 2028 (SCP). There are a range of actionable strategies in the Plan that can benefit significantly from the astute application of the technology.

In August of last year, the Council endorsed its first ICT Strategic Plan 2020-2030. The ICT projects in the Plan are aligned to the outcomes of the Strategic Community Plan. The delivery of a new Councillor Portal was the first project of this Plan which enabled the Councillor documents and information services to be delivered online. The next major project in the short term time horizon which is in the next 4-5 years is a move to new Enterprise Resource Planning (ERP) Software.

The new ERP system will replace the existing mixture of software systems i.e.: synergy, fusion, AssetFinda, etc. A report to Council seeking endorsement of a new ERP system will be made available at a future Council meeting. In anticipation of the outcome of this review and Council’s decision, the ERP project cost is incorporated into the IT Asset Management Plan 2021/22, assuming Council resolves to support any proposed changes. If the ERP project is delayed, then any unspent funds will remain in the IT Reserve to be utilised for the project in the future.

- *Next Budget – 2021/22*

The major outcomes for Information Services for this coming year include:

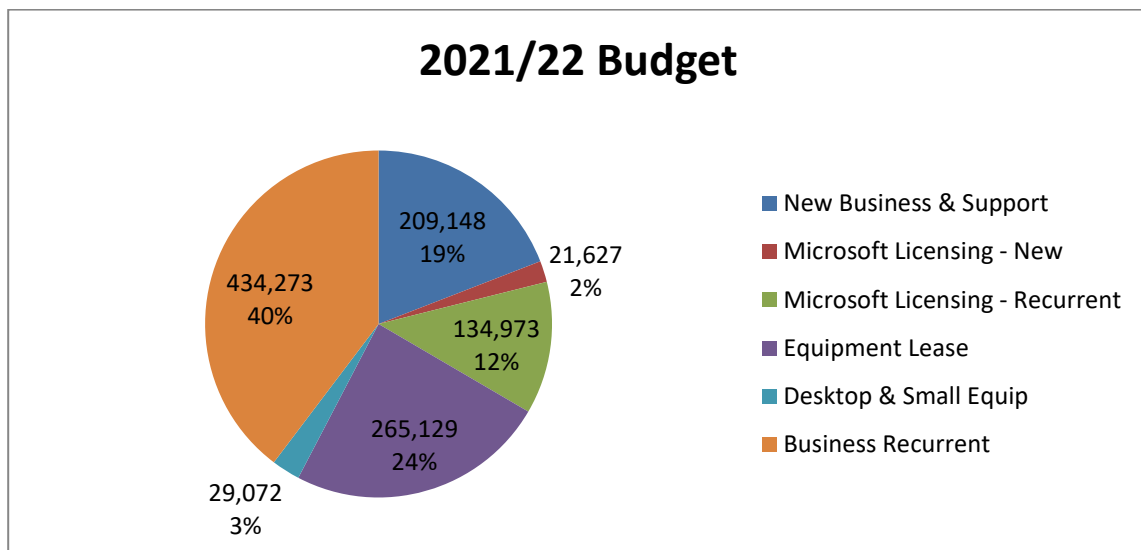
- 1 Move to a New Enterprise Resource Planning (ERP) software. An incremental change to a new ERP from Council's current corporate business system, i.e. SynergySoft, will reduce risk of support of an ageing software and the risk of cyber-attacks on ageing technologies. This project will ensure the Council maintains its reputation of being a leader in the use of technology to deliver its services to the community. The first year of the five year project will see the Council

and its staff deliver regulatory services like Planning, Building, Health and Law Enforcement applications and permits online through a customer portal.

2. A pilot Internet Of Things (IoT) project to implement and test small scale IoT for bin sensors and people counter to understand its benefits to the community using smart technologies. The project will ensure the IoT can be integrated to the new ERP, which will enable the delivery of the ITC Strategic Plan objectives and enable the outcomes of the Shire's Vision 2050.
3. Release of second phase of the Councillor Portal which includes off-line document storage, access and document annotation on Councillor laptops.

The 2021/22 budget can be more clearly visualised by referring to the pie chart below. Comment on the 2021/22 budget is made against each of the items in the Legend.

Information Services – Total Budget 2021/22 - \$1,103,170



- *New Business and Support*

These are funds specifically assigned to develop new business models for existing services using technology. Compared to other parts of the 'pie' this slice is quite small, however offsetting this is our investment in skilled staff who, in part, reduce our reliance on external consultancy services.

- *Microsoft Licences and Microsoft Recurrent*

This relates to the cost of using Microsoft (MS) technologies as the base for all our business. It is a significant part of the costs associated with our business and is unavoidable. The new Enterprise M365 contract packages from MS will assist in bundling products which may be financially beneficial to the Council. This change has been a part of our continuous review of MS technology package options.

- *Business Recurrent*

This covers the annual maintenance or the recurrent part of 'owning' software. All of the Council's product have some form of annual cost and this is the sum total of all business products. As an example, these product includes SynergySoft, Mapping, ICON, Zoodata and others.

- *Equipment Lease*

This relates to the annual lease cost for both desktop and some of the backroom technologies used by the Council. This is an unavoidable cost and the roll over period is four years for desktop and up to seven years for some server room infrastructure.

- *New Desktop and Hardware*

This is a small allocation for the outright purchase of IT equipment. Not all equipment is leased and typically these are 'smaller' but narrow technologies found in the Server room such as communications servers, firewalls, etc.

Council Role - Executive/Strategic.

Voting Requirements - Simple Majority.

Change to Officer Recommendation - No Change.

**OFFICER RECOMMENDED RESOLUTION &
INTEGRATED PLANNING COMMITTEE RESOLUTION**

IPC 34-21 MOVED - Cr. C N Boyce SECONDED – Cr. T G Gardiner

THAT the Integrated Planning Committee recommends that Council adopts the IT Asset Management Plan 2021/22 – 2030/31 (Appendix IPC: 8.9A).

CARRIED
6/2

8.10 Title: Draft Long Term Financial Plan 2021/22 – 2024/25

<i>Reporting Department:</i>	<i>Corporate & Governance Directorate</i>
<i>Reporting Officer:</i>	<i>Mr Phil Anastasakis – Deputy Chief Executive Officer</i>
<i>Legislation:</i>	<i>Local Government Act 1995</i>

Overview

The Committee is requested to consider and endorse the Long Term Financial Plan 2021/22 -2030/31 which has been updated as part of the annual review of the Corporate Business Plan. Year one of the Long Term Financial Plan will form the basis of the 2020/21 Annual Budget.

Background

As part of the Department of Local Government, Sport & Cultural Industries Integrated Planning and Reporting Framework and legislative requirements, Council is to develop a Long Term Financial Plan for a minimum period of 10 years.

The Long Term Financial Plan (LTFP) is a ten year rolling plan that incorporates the four-year financial projections accompanying the Corporate Business Plan. It is a key tool for prioritisation and ensuring the financial sustainability of the Local Government (refer to Appendix IPC: 8.10A – Under Separate Cover). Annual Budgets are directly aligned to the Corporate Business Plan and LTFP.

The LTFP identifies key assumptions such as demographic projections, rating base growth, consumer price index, local government cost index, interest rates, etc. Major capital and operational expenditure implications included in the Integrated Planning and Reporting suite are included and specifically referenced in the LTFP.

The LTFP includes strategies regarding:

- Rating Structure;
- Fees and Charges;
- Alternative Revenue Sources ;
- Pursuit of Grants;
- Workforce;
- Reserves;
- Debt Funding ;
- Asset Disposal; and
- Investment Policy.

The use of asset and financial ratios are key sustainability measures that can highlight where attention needs to focus in order to keep on track. Note that there are a number of mandatory ratios, however each Local Government is able to supplement these with other ratios.

The Department of Local Government and Communities and Western Australian Treasury Corporation have partnered to release long term financial planning tools for Local Governments. The tools include the Financial Health Indicator calculator, which enables a Local Government to project changes to its financial position over the course of the long term financial plan. Local Governments can use this to calculate projections of their financial health using the Financial Health Indicator methodology. These ratios are provided for discussion.

Scenario modelling is used to explore alternative futures (such as optimistic, conservative and worst case scenarios) to determine the level of flexibility in the LTFP, and sensitivity testing is used to ascertain the

impact of variations in the key assumptions (such as CPI estimates, payroll, interest rates, recurrent grant funding).

For the purposes of the Long Term Financial Plan and based on Council's resolution to apply a 2.0% increase for 2021/22, the following rate increases have been forecast:

Year	21/22	22/23	23/24	24/25	25/26	26/27	27/28	28/29	29/30	30/31
Rate % Increase	2.0	3.0	3.0	3.0	3.0	4.0	4.0	4.0	4.0	4.0
Growth % **	0.72	0.80	1.07	1.30	1.73	1.72	2.00	2.15	2.29	2.73

** Growth projections are based on forecast population growth projections produced by ID.Solutions in 2018.

Legal Implications

Local Government (Administration) Regulations 1996:

19C. *Strategic community plans, requirements for (Acts. 5.56)*

19DA. *Corporate business plans, requirements for (Acts. 5.56)*

- (1) *A local government is to ensure that a corporate business plan is made for its district in accordance with this regulation in respect of each financial year after the financial year ending 30 June 2013.*
- (2) *A corporate business plan for a district is to cover the period specified in the plan, which is to be at least 4 financial years.*
- (3) *A corporate business plan for a district is to —*
 - (a) *set out, consistently with any relevant priorities set out in the strategic community plan for the district, a local government's priorities for dealing with the objectives and aspirations of the community in the district; and*
 - (b) *govern a local government's internal business planning by expressing a local government's priorities by reference to operations that are within the capacity of the local government's resources; and*
 - (c) *develop and integrate matters relating to resources, including asset management, workforce planning and **long term financial planning.***
- (4) *A local government is to review the current corporate business plan for its district every year.*
- (5) *A local government may modify a corporate business plan, including extending the period the plan is made in respect of and modifying the plan if required because of modification of the local government's strategic community plan.*
- (6) *A council is to consider a corporate business plan, or modifications of such a plan, submitted to it and is to determine* whether or not to adopt the plan or the modifications.*
*Absolute majority required.
- (7) *If a corporate business plan is, or modifications of a corporate business plan are, adopted by the council, the plan or modified plan applies to the district for the period specified in the plan.*

Strategic Community Plan

Strategy 1.3.1- Implement the Integrated Planning and Reporting Framework including the Long Term Financial Plan, Workforce Plan, Asset Management Plans and Corporate Business Plan.
(Service Priority: High)

Environment - None.

Precedents

The previous Shire of Dardanup Long Term Financial Plan 2020/21 - 2029/30 that was reviewed and adopted last year has formed the foundation of the current draft Long Term Financial Plan 2021/22 - 2030/31.

Budget Implications

Revenue and expenditure forecasts for the next 10 years are incorporated within the current Shire of Dardanup Long Term Financial Plan.

Budget – Whole of Life Cost

Financial commitments made within the various plans that form part of the Long Term Financial Plan in the year of the planned activity. This financial commitment will be in the form of:

- a) Project Expenditure;
- b) Equipment acquisition / replacement;
- c) Annual Reserve allocations; and
- d) New borrowings and subsequent loan repayments.

Alteration to financial commitments can be changed by amendment to the relevant plans.

Council Policy Compliance

Council Policy CP018 – *Corporate Business Plan & Long Term Financial Plan* outlines the objective and requirements to enable the annual budget to be adopted by the end of June each year.

Risk Assessment -

The Risk Management Governance Framework has been considered in arriving at the officer recommendation. Please refer to (Appendix IPC: 8.10B) for full assessment document.

Tier 2 – ‘Low’ or ‘Moderate’ Inherent Risk.	
Risk Event	Long Term Financial Plan 2021/22 – 2030/31
Inherent Risk Rating (prior to treatment or control)	Moderate (5 - 11)
Risk Action Plan (treatment or controls proposed)	As the Inherent Risk Rating is below 12, this is not applicable.
Residual Risk Rating (after treatment or controls)	As the Inherent Risk Rating is below 12, this is not applicable.
Risk Category Assessed Against	<p>Legal and Compliance Legislative requirements and compliance determine the need for the production of a Long Term Financial Plan.</p> <p>Financial The financial implications associated within the elements of the LTFP can affect the financial sustainability of Council.</p> <p>Reputational The inclusion of projects and works within the various plans within the LTFP build community expectation.</p>

Officer Comment

The financial elements and plans integrated with the Long Term Financial Plan have been modelled to produce a 10 year Rate Setting Statement (refer to Appendix IPC: 8.10A – Under Separate Cover), which identifies the projected rate income required to achieve a sustainable financial position. For the first part of 2020/21 there has been a significant financial impact on Council due to the financial impact of the Corona Virus, and Council's decision to minimise the financial burden on residents and ratepayers through a 0% increase in rates and a freezing of general interest charges.

While Council has lost a significant amount of revenue in the later part of 2019/20 and early part of 2020/21 due largely to membership fees and usage charges from the Eaton Recreation Centre being suspended, through tight budgetary measures and reduced staffing costs, this reduced expenditure has offset a large proportion of the lost revenue. This has enabled the anticipated surplus estimated as part of the mid-year budget review as at 30 June 2021 to be maintained at \$153,116, which is close to the original budgeted surplus of \$218,987.

At the Integrated Planning Committee meeting scheduled for 14 April 2021, it is proposed to present an overview of the current Long Term Financial Plan financial projections for the next 10 years, which are currently substantially in deficit. Through a workshop process with Council, guidance can be provided on what adjustments are required to the operating and capital works currently incorporated in the Long Term Financial Plan to enable it to be in a sustainable surplus / breakeven position.

Council Role - Executive/Strategic.

Voting Requirements - Simple Majority.

OFFICER RECOMMENDED RESOLUTION

THAT the Integrated Planning Committee consider the draft Long Term Financial Plan 2021/22-2030/31 based on a projected rate increase of 2.0% for the 2021/22 budget, and identify and endorse the required amendments to enable a sustainable surplus / breakeven position over the 10 year period.

Change to Officer Recommendation

As per Local Government (Administration) Regulations 1996 11(da) the Committee records the following reasons for amending the Officer Recommended Resolution:

- *Set the projected rates at an increase of:*
 - 3% in the 2021/22
 - 4% for the years thereafter.

As it is considered not sustainable for the Shire to have a 0% increase as this will deplete the Shire's reserves. The Council needs to stay in front and still provide services to the community.

**OFFICER RECOMMENDED RESOLUTION &
INTEGRATED PLANNING COMMITTEE RESOLUTION**

IPC 35-21 MOVED - Cr. M T Bennett SECONDED – Cr. T G Gardiner

THAT the Integrated Planning Committee recommend that Council consider the draft Long Term Financial Plan 2021/22-2030/31 based on a projected rate increase of 3.0% for the 2021/22 budget and 4% for the years thereafter, and identify and endorse the required amendments to enable a sustainable surplus / breakeven position over the 10 year period.

CARRIED
5/3

FOR THE MOTION	AGAINST THE MOTION
<i>Cr. M T Bennett</i>	<i>Cr. M R Hutchinson</i>
<i>Cr. P S Robinson</i>	<i>Cr. J Dow</i>
<i>Cr. P R Perks</i>	<i>Cr. S Gillespie</i>
<i>Cr. T G Gardiner</i>	
<i>Cr. C N Boyce</i>	

9 ELECTED MEMBER MOTIONS OF WHICH PREVIOUS NOTICE HAS BEEN GIVEN

None.

10 NEW BUSINESS OF AN URGENT NATURE

None.

11 MATTERS BEHIND CLOSED DOORS

None.

12 CLOSURE OF MEETING

The Chairperson advises that the date of the next Integrated Planning Committee Meeting will be advised.

There being no further business the Chairperson, Cr. M T Bennett declared the meeting closed at 4.15pm.

Note: These minutes have Appendices attached. The appendices outlines the amendments made to the Building Asset Management Plan during the Integrated Planning Workshop and form part of the Integrated Planning Committee Resolution.

