



Shire of Dardanup

AGENDA

INTEGRATED PLANNING COMMITTEE MEETING

To Be Held

Wednesday, 17 March 2021
Commencing at 2.30pm

At

Shire of Dardanup
ADMINISTRATION CENTRE EATON
1 Council Drive - EATON

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Upon request.



NOTICE OF AN INTEGRATED PLANNING COMMITTEE MEETING

Dear Committee Member

The next Integrated Planning Committee Meeting of the Shire of Dardanup will be held on Wednesday, 17 March 2021 in the Council Chambers, Shire of Dardanup - Administration Centre Eaton, 1 Council Drive, Eaton - commencing at 2.30pm.

A handwritten signature in black ink, appearing to read "André Schönfeldt".

MR ANDRÉ SCHÖNFELDT
Chief Executive Officer

Date: 11 March 2021

Note: If interested persons would like to make comment on any items in this agenda, please email records@dardanup.wa.gov.au or hand deliver written comment to the Shire of Dardanup – Administration Centre Eaton, 1 Council Drive, Eaton. To be included in the meeting comments are to be delivered no later than 48 hours prior to the meeting.

The Chief Executive Officer will use his discretion as to whether the written comments are relevant and applicable to the meeting before approving their inclusion in the meeting.

MISSION 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 MT Bennett
- Cr PS Robinson
- Cr L Davies
- Cr TG Gardiner
- Cr CN Boyce
- Cr PR Perks
- Cr SL Gillespie
- Cr MR 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	<p>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.</p> <p>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.</p>

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	<p>Project risk has two main components:</p> <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.

RISK CATEGORY CONSEQUENCE TABLE - GUIDELINE

Rating (Level)	Health	Financial Impact	Service Interruption	Legal and Compliance	Reputational	Environment
Insignificant (1)	Near miss Minor first aid injuries	Less than \$10,000	No material service interruption - backlog cleared < 6 hours	Compliance - No noticeable regulatory or statutory impact. Legal - Threat of litigation requiring small compensation. Contract - No effect on contract performance.	Unsubstantiated, low impact, low profile or 'no news' item	Contained, reversible impact managed by on site response
Minor (2)	Medical type injuries	\$10,001 - \$50,000	Short term temporary interruption – backlog cleared < 1 day	Compliance - Some temporary non compliances. Legal - Single minor litigation. Contract - Results in meeting between two parties in which one party expresses concern.	Substantiated, low impact, low news item	Contained, reversible impact managed by internal response
Moderate (3)	Lost time injury <30 days	\$50,001 - \$300,000	Medium term temporary interruption – backlog cleared by additional resources < 1 week	Compliance - Short term non-compliance but with significant regulatory requirements imposed. Legal - Single moderate litigation or numerous minor litigations. Contract - Receive verbal advice that, if breaches continue, a default notice may be issued.	Substantiated, public embarrassment, moderate impact, moderate news profile	Contained, reversible impact managed by external agencies
Major (4)	Lost time injury >30 days	\$300,001 - \$1.5 million	Prolonged interruption of services – additional resources; performance affected < 1 month	Compliance - Non-compliance results in termination of services or imposed penalties. Legal - Single major litigation or numerous moderate litigations. Contract - Receive/issue written notice threatening termination if not rectified.	Substantiated, public embarrassment, high impact, high news profile, third party actions	Uncontained, reversible impact managed by a coordinated response from external agencies
Catastrophic (5)	Fatality, permanent disability	More than \$1.5 million	Indeterminate prolonged interruption of services – non-performance > 1 month	Compliance - Non-compliance results in litigation, criminal charges or significant damages or penalties. Legal - Numerous major litigations. Contract - Termination of contract for default.	Substantiated, public embarrassment, very high multiple impacts, high widespread multiple news profile, third party actions	Uncontained, irreversible impact

RISK - LIKELIHOOD TABLE

LEVEL	RATING	DESCRIPTION	FREQUENCY
5	Almost Certain	The event is expected to occur in most circumstances	The event is expected to occur more than once per year
4	Likely	The event will probably occur in most circumstances	The event will probably occur at least once per year
3	Possible	The event should occur at some time	The event should occur at least once in 3 years
2	Unlikely	The event could occur at some time	The event could occur at least once in 10 years
1	Rare	The event may only occur in exceptional circumstances	The event is not expected to occur more than once in 15 years

LEVEL OF RISK GUIDE

CONSEQUENCE		Insignificant	Minor	Moderate	Major	Catastrophic
LIKELIHOOD		1	2	3	4	5
Almost Certain	5	Moderate (5)	Moderate (10)	High (15)	Extreme (20)	Extreme (25)
Likely	4	Low (4)	Moderate (8)	High (12)	High (16)	Extreme (20)
Possible	3	Low (3)	Moderate (6)	Moderate (9)	High (12)	High (15)
Unlikely	2	Low (2)	Low (4)	Moderate (6)	Moderate (8)	Moderate (10)
Rare	1	Low (1)	Low (2)	Low (3)	Low (4)	Moderate (5)

SHIRE OF DARDANUP

AGENDA FOR THE SHIRE OF DARDANUP INTEGRATED PLANNING COMMITTEE MEETING TO BE HELD ON WEDNESDAY, 17 MARCH 2021, AT SHIRE OF DARDANUP - ADMINISTRATION CENTRE EATON, COMMENCING AT 2.30PM.

1 DECLARATION OF OPENING/ANNOUNCEMENTS OF VISITORS
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The Chairperson to declare the meeting open, welcome those in attendance and refer 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

2.2 Apologies

3 PRESENTATIONS

None.

4 CONFIRMATION OF MINUTES OF PREVIOUS MEETING

4.1 Integrated Planning Committee Meeting Held 20 May 2020

OFFICER RECOMMENDED RESOLUTION

THAT the Minutes of the Integrated Planning Committee Meeting held on 20 May 2020, be confirmed as true and correct subject to the following corrections:

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.

8 REPORTS OF OFFICERS

8.1 Title: 2021/22 Elected Members Fees and Allowances

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

Overview

Council is requested to review elected member fees and allowances as part of the formulation of the 2021/22 Corporate Business Plan, Long Term Financial Plan and Annual Budget.

Background

The Salaries and Allowances Tribunal (SAT) is empowered to determine certain payments that are to be made or reimbursed to elected council members.

Where the SAT has chosen to determine minimum and maximum amounts for fees, expenses or allowances, there is an obligation on Local Governments to set the amounts to be paid or reimbursed within the range determined.

s5.98 Local Government Act 1995 (LGA) permits the reimbursement of prescribed expenses and the payment for Councillors to attend meetings and committees.

Meeting Attendance Fees are payable for the attendance at each meeting. SAT determines minimum and maximum fees.

SAT has determined four categories (or bands) and has assessed each Local Government to be categorised from Band 1 (largest Councils) through to Band 4 (smallest). Shire of Dardanup has been categorised as Band 3.

Council is anticipating the 2021/22 Salaries and Allowances Determination will be released mid-April with an effective date of 1 July 2021. There was no increase applied to the 2019/20 Salaries and Allowances, therefore it is anticipated a small increase around 1-2% may be applied from 1 July 2021.

The following table sets out the current minimum and maximum Meeting Attendance Fees as determined by the SAT on 8 April 2020 for the 2020/21 financial year.

MINIMUM & MAXIMUM MEETING ATTENDANCE FEES – 2020/21		
BAND 3		
	Members other than President or Mayor	President or Mayor
Council Meeting (per meeting)	Minimum Fee - \$193 Maximum Fee - \$410	Minimum Fee - \$193 Maximum Fee - \$634
Committee Meeting (per meeting)	Minimum Fee - \$97 Maximum Fee - \$205	Minimum Fee - \$97 Maximum Fee - \$205
Annual Fee in Lieu of fees for attending meeting per s5.99 LGA	Minimum Fee - \$7,688 Maximum Fee - \$16,367	Minimum Fee - \$7,688 Maximum Fee - \$25,342

It has been the practice of Council to pay elected members an Annual Fee in lieu of an attendance fee for each Council meeting under s5.99 LGA.

MEETING ATTENDANCE FEES TO SHIRE OF DARDANUP ELECTED MEMBERS – 2020/21		
CURRENTLY PAID		
	Members other than the President	President
Annual Fee in Lieu of fees for attending meeting per s5.99 LGA	\$11,457 Equates to 70.0% of the Maximum Fee	\$17,739 Equates to 70.0% of the Maximum Fee

5.99. Annual fee for council members in lieu of fees for attending meetings

A local government may decide that instead of paying council members a fee referred to in section 5.98(1), it will instead pay all council members who attend council or committee meetings —*

- (a) *the annual fee determined by the Salaries and Allowances Tribunal under the Salaries and Allowances Act 1975 section 7B; or*
- (b) *where the local government has set a fee within the range for annual fees determined by that Tribunal under that section, that fee.*

** Absolute majority required.*

In addition to the Meeting Attendance Fee, a President or Mayor may be paid an Annual Allowance per s5.98(5) & s5.98A of the LGA.

Deputies may also be paid an Annual Allowance being up to 25% of that payable to Presidents or Mayors. The following tables' set out the Annual Allowance for Band 3 as per the Salaries and Allowances Tribunal, and the Annual Allowance (Local Government Allowance) as adopted by Council for the 2020/21 financial year calculated as 70% of the Maximum Fee.

ANNUAL ALLOWANCE FOR PRESIDENT OR DEPUTY PRESIDENT – 2020/21		
<u>BAND 3</u>		
	President or Mayor	Deputy President or Mayor (up to 25% of President or Mayor)
Band 3 Allowance	Minimum Fee = \$1,025 Maximum Fee = \$36,957	Minimum Fee = \$256 Maximum Fee = \$9,239

ANNUAL ALLOWANCE FOR PRESIDENT OR DEPUTY PRESIDENT – 2020/21		
<u>CURRENTLY PAID</u>		
	President or Mayor	Deputy President or Mayor (up to 25% of President or Mayor)
Local Government Allowance	\$25,870 Equates to 70.0% of the Maximum Fee	\$6,467 Equates to 70.0% of the Maximum Fee

Members are entitled to be reimbursed for prescribed expenses per s5.98 LGA. In addition, Council may resolve to reimburse additional prescribed expenses.

Expenses that are required to be reimbursed are regulated as follows.

Expenses that are to be reimbursed — s. 5.98(2)(a) and (3)

(1) For the purposes of section 5.98(2)(a), the kinds of expenses that are to be reimbursed by all local governments are —

(a) rental charges incurred by a Council member in relation to one telephone and one facsimile machine; and

(b) child care and travel costs incurred by a Council member because of the member's attendance at a Council meeting or a meeting of a committee of which he or she is also a member

The extent to which a telephone & fax line rentals referred to in sub regulation (1)(a) can be reimbursed is the actual amount.

The extent to which child care costs referred to in sub regulation (1)(b) can be reimbursed is the actual cost per hour or \$30.00 per hour, whichever is the lesser amount.

The extent to which travel costs referred to in sub regulation (1)(b) can be reimbursed:

- (a) if the person lives or works in the local government district or an adjoining local government district, is the actual cost for the person to travel from the person's place of residence or work to the meeting and back; or*
- (b) if the person does not live or work in the local government district or an adjoining local government district, is the actual cost, in relation to a journey from the person's place of residence or work and back —*

(i) for the person to travel from the person's place of residence or work to the meeting and back; or

(ii) if the distance travelled referred to in subparagraph (i) is more than 100 km, for the person to travel from the outer boundary of an adjoining local government district to the meeting and back to that boundary.

Instead of reimbursing a particular type of expenses, Council may resolve to pay an annual allowance that is within the prescribed range.

- *Allowances in lieu of reimbursement of telecommunications expenses:*

Elected Members are paid an annual Information and Communications Technology (ICT) Allowance of \$2,450pa which is 70% of the prevailing maximum band value of \$3,500. The ICT allowance shall be paid in accordance with Section 5.99A of the Act. This allowance validates all costs relating to telephone usage including plans and contracts, rentals, mobile phones, mobile devices, extra telephone lines, call costs, internet service provider fees, and consumables incurred while performing the functions of a Councillor.

The minimum ICT annual allowance determined by SAT is \$500pa; the maximum being \$3,500pa (2020/21).

- *Allowances in lieu of reimbursement of travelling and accommodation expenses:*

The maximum annual allowance for travelling and accommodation expenses is the same amount as the amount to which a person would be entitled for those expenses in the same circumstances under the Public Service Award in accordance with Council Policy CnG CP042 – *Councillor Fees Policy*.

- *Reimbursements*

Council currently pays the following allowances and expense reimbursements.

- Travel / Accommodation - \$0.6866 per km (1600c to 2600cc), \$0.9554 (over 2600cc), \$0.5669 (under 1600cc) or actual cost incurred.
- Child Care – Maximum \$30 per hour.

Legal Implications

Only reimbursement of permissible expenditure and allowances up to prescribed amounts are payable per Section 5.98, 5.98A, 5.99 and 5.99A Local Government Act 1995.

Part 8 of the Local Government (Administration) Regulations 1996 includes the provisions on which local government payments are made to elected members, refer Regulation 30, 31, and 32.

Strategic Community Plan -

Strategy 1.1.1 - To be equitable, inclusive and transparent in decision making. (Service Priority: High)
Strategy 1.2.1 - Provide elected member training and development. (Service Priority: Very High)

Environment - None.

Precedents

Council currently pays the following Elected Member fees:

ANNUAL ATTENDANCE FEE	
Shire President	\$17,739
Elected Members other than Shire President	\$11,457
ANNUAL LOCAL GOVERNMENT ALLOWANCE	
Shire President	\$25,870
Deputy Shire President	\$6,467
ALLOWANCES PER ANNUM	
Information and Communications Technology	\$2,450
REIMBURSEMENTS	
Travel / Accommodation	\$0.68 km or actual expense incurred
Child Care	Reimburse expenses up to a maximum of \$30 per hour

SAT undertakes an annual review of fees and allowances and publishes the new rates in April each year.

At the Integrated Planning Committee meeting held on the 11 March 2020, and subsequent Council meeting on the 25 March 2020, Council resolved [76-20] to move the setting of Elected Members fees and allowances at a fixed 70 percentage of the prevailing published rate. This therefore enables allowances to increase in line with SAT percentage increases automatically.

THAT Council:

1. *Sets the Shire President and Elected Member 2020/21 Annual Attendance Fee at 70% of the prevailing maximum band 3 value for the Shire of Dardanup applying from 1 July 2020, as determined by the Salaries and Allowances Tribunal.*
2. *Sets the Shire President and Deputy Shire President 2020/21 Annual Local Government Allowance at 70% of the prevailing maximum band 3 value for the Shire of Dardanup applying from 1 July 2020, as determined by the Salaries and Allowances Tribunal.*
3. *Sets the Elected Member 2020/21 Annual Information and Communications Technology (ICT) Allowance in lieu of expense reimbursements, at 70% of the prevailing maximum band 3 value for the Shire of Dardanup applying from 1 July 2020, as determined by the Salaries and Allowances Tribunal.*
4. *Reimburse child care expenses at the lesser of actual cost or \$30 per hour. Reimbursement shall be made upon submission of documentary evidence that the expense has been incurred for.*
5. *Reimburse travel expenses upon documentary evidence of km's travelled or expense incurred in accordance with the Local Government (Administration) Regulations 1996 and Council Policy.*

Budget Implications

Per annual increase as determined by SAT.

Budget – Whole of Life Cost

Per annual increase as determined by SAT.

Council Policy Compliance

CnG CP042 Councillor Fees Policy was reviewed and amended in September 2020.

Risk Assessment

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

Tier 2 – ‘Low’ or ‘Moderate’ Inherent Risk.		
Risk Event	Elected Member Fees, Expenses and Allowance 2021-22	
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 Legal and Compliance	Elected Member & Staff Budget requests form part of the Annual Budget Process Risk of Council breaching the Local Government Act 1995 – Risk that the Member Fees, Expenses and Allowances is not adopted

Officer Comment

Elected Member remuneration is reviewed annually by the Salaries and Allowances Tribunal. As at reporting date, the SAT had not released the determination for Local Government Elected Members for payments and allowances effective 1 July 2021.

In line with Council’s decision, it is proposed that Council adopts the following set percentages for the Annual Attendance Fee and the Local Government Allowance for the 2021/22 financial year:

ANNUAL ATTENDANCE FEE		
	Current 2020/21	Proposed 2021/22
Shire President	\$17,739 equates to 70% of maximum band value (Band 3)	70% of the maximum band value (Band 3)
Councillors other than Shire President	\$11,457 equates to 70% of the maximum band value (Band 3)	70% of the maximum band value (Band 3)

LOCAL GOVERNMENT ALLOWANCE		
	Current 2019/20	Proposed 2020/21
Shire President	\$25,870 equates to 70% of maximum band value (Band 3)	70% of the maximum band value (Band 3)
Deputy Shire President	\$6,467 equates to 70% of maximum band value (Band 3 up to 25% of Shire President)	70% of the maximum band value (Band 3 = up to 25% of Shire President)*

* Deputies may also be paid an Annual Allowance being up to 25% of that payable to Presidents or Mayors.

At the Ordinary Council meeting dated 30 September 2020, Council resolved to adopt *Council Policy CnG CP042 - Councillor Fees Policy*. This policy reflects the changes which removed the reimbursement upon presentation of receipts of ICT expenses, and subsequently replaced this with an ICT allowance paid per annum.

ANNUAL INFORMATION & COMMUNICATIONS TECHNOLOGY (ICT) ALLOWANCE		
	Current 2019/20	Proposed 2020/21
All Councillors	\$2,450 per annum equates to 70% of maximum band value (Band 3)	70% of the maximum band value (Band 3)

The minimum ICT annual allowance for determined by SAT is \$500pa; the maximum being \$3,500pa (2019/20).

Council Role - Legislative / Executive.

Voting Requirements - Absolute Majority.

Officer Recommendation

No Change. **OR:**

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

**OFFICER RECOMMENDED RESOLUTION TO THE
INTEGRATED PLANNING COMMITTEE MEETING**

THAT the Integrated Planning Committee recommends that Council:

- 1. Sets the Shire President and Elected Member 2021/22 Annual Attendance Fee at 70% of the prevailing maximum band 3 value for the Shire of Dardanup applying from 1 July 2021, as determined by the Salaries and Allowances Tribunal.**
- 2. Sets the Shire President and Deputy Shire President 2021/22 Annual Local Government Allowance at 70% of the prevailing maximum band 3 value for the Shire of Dardanup applying from 1 July 2021, as determined by the Salaries and Allowances Tribunal.**
- 3. Sets the Elected Member 2021/22 Annual Information and Communications Technology (ICT) Allowance in lieu of expense reimbursements, at 70% of the prevailing maximum band 3 value for the Shire of Dardanup applying from 1 July 2021, as determined by the Salaries and Allowances Tribunal.**
- 4. Reimburse child care expenses at the lesser of actual cost or \$30 per hour. Reimbursement shall be made upon submission of documentary evidence that the expense has been incurred for.**
- 5. Reimburse travel expenses upon documentary evidence of km's travelled or expense incurred in accordance with the Local Government (Administration) Regulations 1996 and Council Policy CnG CP042 - Councillor Fees.**

By Absolute Majority

8.2 Title: Community Budget Requests

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

Overview

Council is to consider the community budget requests received as part of the development of the 2021/22 Annual Budget development process.

Background

Under Section 6.2 of the *Local Government Act 1995*, Council is required to prepare and adopt an Annual Budget each year. Part of Council's process includes considering budget submissions from Community Groups to the Chief Executive Officer, which are to be received no later than 31 March each year (*refer Council Policy CnG CP018 – Corporate Business Plan & Long Term Financial Plan*).

Council advertised in the Bunbury Mail on the 4 February 2021 seeking submissions from community and not-for-profit community groups for the 2021/22 Budget closing on 19 February 2021.

Council has not received any formal submissions for funding in the 2021/22 financial year.

While no formal requests for funding have been received, Council has for many years supported a number of community events and activities that are automatically included in the draft budget. These are itemised in this report to enable Council to reaffirm its continued support or vary its contributions or support in the 2021/22 budget and future years.

Legal Implications

Local Government Act 1995

Local Government (Financial Management) 1996

Section 6.2 (4) of the *Local Government Act 1995* states:

- 6.2. *Local government to prepare annual budget*
- (4) *The annual budget is to incorporate —*
 - (a) *particulars of the estimated expenditure proposed to be incurred by the local government;*

Part 2, Regulation 5 (1) (g) of the *Local Government (Financial Management) 1996* Regulation states:

- 5. *CEO's duties as to financial management*
- (1) *Efficient systems and procedures are to be established by the CEO of a local government —*
 - (g) *to assist in the preparation of budgets, budget reviews, accounts and reports required by the Act or these regulations.*

Strategic Community Plan

Strategy 1.1.1 - To be equitable, inclusive and transparent in decision making. (Service Priority: High)

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)

Strategy 1.3.2 - Monitor and produce statutory budgetary and financial reporting requirements applicable to local government operations. (Service Priority: High)

Strategy 4.2.3 - Foster and promote the Ferguson Valley as a tourism destination. (Service Priority: Very High)

Strategy 4.1.3 - To encourage business to develop: Support the capacity of local firms and industry to establish, grow and employ. (Service priority: Moderate)

Environment - None.

Precedents

Each year as part of the budget / LTFP development process Councillors, community and staff are provided the opportunity to put forward budget requests for consideration. The 2020/21 budget and Long Term Financial Plan adopted by Council included specific allocations to community groups.

Budget Implications

Any approved Community Budget requests will be included in Council's four-year 2021/22 – 2024/25 Corporate Business Plan, and the 2021/22 Annual Budget.

Council's adopted Long Term Financial Plan includes the following contributions relating to tourism, small business support, tourism related festivals, events and activities support (excludes community, arts and cultural development programs and Australia Day events):

	2020/21	2021/22	2022/23	2023/24	2024/25
Economic development initiatives	\$25,000	\$25,000	\$25,000	\$25,000	\$25,000
Ferguson Valley Marketing Inc – Operational Grant (plus up to \$6,000 operational costs which are now included in the lease and paid for by Council)	\$20,000	\$20,000	\$20,000	\$20,000	\$20,000
Tourism & Events Grants – (Contestable Grant on application for remaining funds after committed support for Bull & Barrel Festival, Eaton Foreshore Festival, and Dardanup Arts Spectacular) - CP044	\$25,000	\$25,000	\$25,000	\$25,000	\$25,000
Bunbury Geographe Tourism Partnership	\$20,000	\$20,000	\$20,000	\$20,000	\$20,000
Bunbury Geographe Economic Alliance	\$14,000	\$14,000	\$14,000	\$14,000	\$14,000
Bunbury Geographe Chamber of Commerce & Industry	\$1,000	\$1,000	\$1,000	\$1,000	\$1,000
City of Bunbury – Skyfest Australia Day event	\$5,500	\$5,500	\$5,500	\$5,500	\$5,500
SW Academy of Sport	\$2,600	\$2,600	\$2,600	\$2,600	\$2,600
Burekup Country Club	\$2,867	\$2,906	\$2,950	\$3,004	\$3,072

	2020/21	2021/22	2022/23	2023/24	2024/25
Crooked Brook Forrest Assoc	\$2,000	\$2,000	\$2,000	\$2,000	\$2,000
Ferguson Hall Management Committee	\$2,867	\$2,906	\$2,950	\$3,004	\$3,072
Busselton Margaret River Regional Airport	\$2,000	\$2,000	\$2,000	\$2,000	\$2,000
South West Group of Affiliated Agricultural Associations	\$250	\$250	\$250	\$250	\$250
Millbridge Lions Club – Seniors Christmas Dinner in Eaton	\$1,500	\$1,500	\$1,500	\$1,500	\$1,500
Dardanup Senior Citizens – Seniors Christmas Dinner in Dardanup	\$2,000	\$2,000	\$2,000	\$2,000	\$2,000
Burekup Lions Club – Seniors Christmas Dinner in Burekup	\$1,250	\$1,250	\$1,250	\$1,250	\$1,250
Eaton Millbridge Lions Club – Christmas hamper	\$1,000	\$1,000	\$1,000	\$1,000	\$1,000
Dardanup & District Residents Association – Dardanup Times	\$1,100	\$1,100	\$1,100	\$1,100	\$1,100
Eaton Family Centre (Contribution to Eaton Child Health Clinic Operating Costs)	\$9,000	\$9,000	\$9,000	\$9,000	\$9,000
In-town Centre support of \$2,500 - (3 year commitment - 2018/19, 2019/20, 2020/21)	\$2,500	\$2,500	\$2,500	\$2,500	\$2,500
Minor / Community Event Assistance - CP044	\$25,000	\$25,000	\$25,000	\$25,000	\$25,000
Minor Community Activities (Science & Engineering challenge \$1,000; etc)	\$5,000	\$5,000	\$5,000	\$5,000	\$5,000
TOTAL	\$171,434	\$171,512	\$171,600	\$171,708	\$171,844

Budget – Whole of Life Cost

The Ferguson Valley Marketing Inc (FVM) group has received financial support from Council for many years. Based on the success of the FVM in growing membership and attracting grants from other agencies and sources, other requests may be forthcoming from the Board in the future.

Council Policy Compliance

Policy Exec CP011 *Tourism Policy* recognises and provides support to Ferguson Valley Marketing Inc.

Policy CnG CP018 – *Corporate Business Plan & Long Term Financial Plan*.

Risk Assessment

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

Tier 2 – ‘Low’ or ‘Moderate’ Inherent Risk.	
Risk Event	Community Budget Requests
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 Community Budget requests form part of the Annual Budget Process.</p> <p>Reputational Shire brand can be impacted if Community requests are not provided</p> <p>Legal & Compliance Failure to comply with Council policy <i>CP 018 – Corporate Business Plan & Long Term Financial Plan</i> could result in non-compliance</p>

Officer Comment

Based on the previous decisions of Council and level of financial support included in the Corporate Business Plan and Long Term Financial Plan, it is recommended to continue to provide existing levels of financial support to the groups, events and activities as outlined in table within the Budget Implications section of this report.

Voting Requirements - Simple Majority.

Officer Recommendation

No Change. **OR:**

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

OFFICER RECOMMENDED RESOLUTION TO THE INTEGRATED PLANNING COMMITTEE MEETING

THAT the Integrated Planning Committee recommend that Council continue to financially support the following groups, events and contributions in the draft 2021/22 Annual Budget and Long Term Financial Plan 2021/22:

	2021/22	2022/23	2023/24	2024/25
Economic development initiatives	\$25,000	\$25,000	\$25,000	\$25,000
Ferguson Valley Marketing Inc – Operational Grant (plus up to \$6,000 operational costs which are now included in the lease and paid for by Council)	\$20,000	\$20,000	\$20,000	\$20,000
Tourism & Events Grants – (Contestable Grant on application for remaining funds after committed support for Bull & Barrel Festival, Eaton Foreshore Festival, and Dardanup Arts Spectacular) - CP044	\$25,000	\$25,000	\$25,000	\$25,000
Bunbury Geographe Tourism Partnership	\$20,000	\$20,000	\$20,000	\$20,000
Bunbury Geographe Economic Alliance	\$14,000	\$14,000	\$14,000	\$14,000
Bunbury Geographe Chamber of Commerce & Industry	\$1,000	\$1,000	\$1,000	\$1,000
City of Bunbury – Skyfest Australia Day event	\$5,500	\$5,500	\$5,500	\$5,500
SW Academy of Sport	\$2,600	\$2,600	\$2,600	\$2,600
Burekup Country Club	\$2,906	\$2,950	\$3,004	\$3,072
Crooked Brook Forrest Assoc	\$2,000	\$2,000	\$2,000	\$2,000
Ferguson Hall Management Committee	\$2,906	\$2,950	\$3,004	\$3,072
Busselton Margaret River Regional Airport	\$2,000	\$2,000	\$2,000	\$2,000
South West Group of Affiliated Agricultural Associations	\$250	\$250	\$250	\$250
Millbridge Lions Club – Seniors Christmas Dinner in Eaton	\$1,500	\$1,500	\$1,500	\$1,500
Dardanup Senior Citizens – Seniors Christmas Dinner in Dardanup	\$2,000	\$2,000	\$2,000	\$2,000
Burekup Lions Club – Seniors Christmas Dinner in Burekup	\$1,250	\$1,250	\$1,250	\$1,250
Eaton Millbridge Lions Club – Christmas hamper	\$1,000	\$1,000	\$1,000	\$1,000
Dardanup & District Residents Association – Dardanup Times	\$1,100	\$1,100	\$1,100	\$1,100
Eaton Family Centre (Contribution to Eaton Child Health Clinic Operating Costs)	\$9,000	\$9,000	\$9,000	\$9,000
In-town Centre support of \$2,500 - (3 year commitment - 2018/19, 2019/20, 2020/21)	\$2,500	\$2,500	\$2,500	\$2,500
Minor / Community Event Assistance - CP044	\$25,000	\$25,000	\$25,000	\$25,000
Minor Community Activities (Science & Engineering challenge \$1,000; etc)	\$5,000	\$5,000	\$5,000	\$5,000
TOTAL	\$171,512	\$171,600	\$171,708	\$171,844

8.3 Title: Events, Festivals and Donations

<i>Reporting Department:</i>	<i>Corporate & Governance</i>
<i>Reporting Officer:</i>	<i>Ms Lucy Owen-Conway – Manager Place & Community Engagement</i> <i>Mr Phil Anastasakis – Deputy Chief Executive Officer</i>
<i>Legislation:</i>	<i>Local Government Act 1995</i>

Overview

This report summarises the Events and Activities program proposed for the 2021/22 budget.

The Integrated Planning Committee is tasked with considering this program and recommending the inclusion of endorsed items in the 2021/22 budget and Long Term Financial Plan.

Background

Under Section 6.2 of the *Local Government Act 1995*, Council is required to prepare and adopt an Annual Budget each year.

In an effort to provide greater information and transparency to Council in allocating funds towards community events and programs, a report has been developed which provides an overview of all of the proposed events and programs that will be implemented by the Place and Community team.

The events and programs program has been derived to meet the actions set-out in the Place and Community Plan that was received and endorsed by Council at its meeting on 16 December 2020 [349/20].

Legal Implications

Local Government Act 1995
Local Government (Financial Management) 1996

Section 6.2 (4) of the Local Government Act 1995 states:

6.2 *Local government to prepare annual budget*

(4) *The annual budget is to incorporate –*

(a) *Particulars of the estimated expenditure proposed to be incurred by the local government;*

Part 2, Regulation 5 (1) (g) of the Local Government (Financial Management) 1996 Regulation states:

5. *CEO's duties as to financial management*

(1) *Efficient systems and procedures are to be established by the CEO of a local government*

–

(g) *to assist in the preparation of budgets, budget reviews, accounts and reports required by the Act or these regulations.*

Strategic Community Plan

Strategy 1.6.1 - Provide opportunities for the community to engage with Councillors and Staff. (Service Priority: High)

Strategy 3.2.1 - To encourage social connectedness in our community through participation in positive social networks, interaction and events. (Service Priority: Very High)

Strategy 5.2.1 - To encourage physical activity by providing services and recreational facilities that encourage our community towards an active and healthy lifestyle. (Service Priority: Very High)

Environment - None.

Precedents

The program has been running annually for a number of years.

Budget Implications

The Community Budget Requests agenda report to the Integrated Planning Committee includes a detailed list of contributions made by Council relating to tourism, small business support, tourism related festivals, events and activities.

This Events, Festivals and Donations agenda report itemises community, arts and cultural development events and programs that are proposed to be included in the Council's four-year Corporate Business Plan, and the 2021/2022 Annual Budget.

GL or Job #	Event or Program	2020/21 Budget	2021/22 Proposed Budget: Expenditure	2021/22 Proposed Budget: Revenue
0817010	Personal Development Grants	\$10,000	\$10,000	
1017003	Disability Services Expenditure	\$5,000	\$5,000	
J11901	Events & Festivals <ul style="list-style-type: none"> • Spring Out Festival • Buy It Back Fair • Movies by Moonlight • Youth Week Event • Seniors Celebration Day • Multicultural Arts Event 	\$60,000	\$60,000	\$
J11902	Public Art Projects	\$15,000	\$19,000	
1119001	Public Art Competition	\$4,000	\$0	
J11904	Donation – Eaton Foreshore Festival	\$3,000	\$0	
J11906	Australia Day Breakfast – Eaton	\$9,258	\$9,300	
J11907	Australia Day Breakfast – Burekup	\$1,227	\$1,250	
J11908	Australia Day Breakfast – Dardanup	\$2,963	\$3,000	
J11909	Citizenship Awards	\$2,000	\$2,000	
J11910	Thank a Volunteer Day Event	\$2,000	\$3,000	\$1,000
	Community Directory	\$0	\$1,000	
1119002	Events Support Expenditure – J11912	\$2,000	\$0	
J11913	Banners in the Terrace	\$1,000	\$0	
J08712	Youth Development Programs (CR 318-20)	\$10,000	\$10,000	\$5,000
J08713	Skateboard/Scooter/BMX clinics	\$4,000	\$0	

GL or Job #	Event or Program	2020/21 Budget	2021/22 Proposed Budget: Expenditure	2021/22 Proposed Budget: Revenue
J08714	Minor/Community Event Assistance	\$25,000	\$25,000	
J08719	Minor Community Activities	\$5,000	\$0	
	Community and Club Capacity Building Workshops & Activities	\$0	\$11,466	\$8,466
	School Holiday Workshops & Activities	\$0	\$5,000	
J11921	Community Events - Seniors Workshop & Activities	\$4,000	\$3,000	
J11922	Community Events - Youth Workshops & Activities	\$4,000	\$2,500	
J11923	Creative Workshops	\$4,000	\$2,500	
1116012	Library Programs Early Learning <ul style="list-style-type: none"> • Jo Jingles • Stem Workshops • Code Club School Holidays <ul style="list-style-type: none"> • Holiday Storytime • Children's activities and workshops Adult Programming <ul style="list-style-type: none"> • Skills development activities and workshops • eResources • BeConnected • On-line safety program Authors & Events <ul style="list-style-type: none"> • Author visits • Children's book week • Travelling storytime • Summer Reading Challenge • Better Beginnings Program 	\$37,000	\$37,000	
	Place-making activities & Engagement <ul style="list-style-type: none"> • Summer Sounds in the Park • Outdoor wellness programs • Place activation initiatives • Night stalks • Seed and plant swaps 	\$20,000	\$20,000	
1119501	Donation – Bunbury Regional Entertainment Centre	\$15,000	\$15,000	
1119504	Community Grants Scheme – \$8.31 per rateable assessment	\$49,880	\$50,563	
	TOTAL	\$295,238	\$295,579	\$14,466

Budget – Whole of Life Cost

As no assets are created, there are no whole of life costs to Council.

Council Policy Compliance

Policy CP018 – *Corporate Business Plan & Long Term Financial Plan.*

Risk Assessment

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

Tier 2 – ‘Low’ or ‘Moderate’ Inherent Risk.	
Risk Event	Events, Festivals & Community Services Programs for 2020/21
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>The draft 2021/2022 Community Services program and the 2021/2022 Library programs are a mixture of ongoing events and workshops that are developed in line with the Strategic Community Plan and any changes outside of this plan will have a positive or negative impact on budget.</p> <p>Reputational</p> <p>Shire brand can be impacted if community programs and events are not provided for</p>

Officer Comment

The draft 2021/2022 Place and Community programs and events are outlined in the table above. They have been derived from previously conducted initiatives that were well received by our community and a re-alignment of funds to meet the outcomes and actions detailed in the Place and Community Plan 2020 – 2030 (The Plan). The Plan guides the priority programs, projects, and initiatives that the Place and Community Team, in partnership with the community, seek to deliver over the coming 10-year period in-line with the Shire’s Strategic Community Plan.

While an increase in grant funding revenue/expenditure is anticipated, it is not reflected in the table above until it is received. There is an increased focus on obtaining grants and sponsorships to expand events and programs, and should grant funding be obtained, the events and programs will be expanded in scale but will not exceed Council’s budget contribution.

Input and feedback from residents and attendees has been sought to inform the programs and events for the 2021/2022 year. This has included post-event surveys, comments via social media, consultation conducted through the Place and Community Plan 2020-2030 engagement process, and through the Place-Based Advisory Groups, Sport and Recreation Advisory Group, and the Community Advisory Group.

Council Role - Review

Voting Requirements - Simple Majority

Change to Officer Recommendation

No Change. **OR:**

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

OFFICER RECOMMENDED RESOLUTION TO THE INTEGRATED PLANNING COMMITTEE MEETING

THAT the Integrated Planning Committee recommends that Council endorse the 2021/2022 Community Events and Library program and allocate funds within the 2021/22 draft budget and Long Term Financial Plan for these activities:

GL or Job #	Event or Program	2020/21 Budget	2021/22 Proposed Budget: Expenditure	2021/22 Proposed Budget: Revenue
0817010	Personal Development Grants	\$10,000	\$10,000	
1017003	Disability Services Expenditure	\$5,000	\$5,000	
J11901	Events & Festivals <ul style="list-style-type: none"> • Spring Out Festival • Buy It Back Fair • Movies by Moonlight • Youth Week Event • Seniors Celebration Day • Multicultural Arts Event 	\$60,000	\$60,000	
J11902	Public Art Projects	\$15,000	\$19,000	
1119001	Public Art Competition	\$4,000	\$0	
J11904	Donation – Eaton Foreshore Festival	\$3,000	\$0	
J11906	Australia Day Breakfast – Eaton	\$9,258	\$9,300	
J11907	Australia Day Breakfast – Burekup	\$1,227	\$1,250	
J11908	Australia Day Breakfast – Dardanup	\$2,963	\$3,000	
J11909	Citizenship Awards	\$2,000	\$2,000	
J11910	Thank a Volunteer Day Event	\$2,000	\$3,000	\$1,000
	Community Directory	\$0	\$1,000	
1119002	Events Support Expenditure – J11912	\$2,000	\$0	
J11913	Banners in the Terrace	\$1,000	\$0	
J08712	Youth Development Programs (CR 318-20)	\$10,000	\$10,000	\$5,000
J08713	Skateboard/Scooter/BMX clinics	\$4,000	\$0	
J08714	Minor/Community Event Assistance	\$25,000	\$25,000	
J08719	Minor Community Activities	\$5,000	\$0	
	Community and Club Capacity Building Workshops & Activities	\$0	\$11,466	\$8,466
	School Holiday Workshops & Activities	\$0	\$5,000	
J11921	Community Events - Seniors Workshop & Activities	\$4,000	\$3,000	
J11922	Community Events - Youth Workshops & Activities	\$4,000	\$2,500	

GL or Job #	Event or Program	2020/21 Budget	2021/22 Proposed Budget: Expenditure	2021/22 Proposed Budget: Revenue
J11923	Creative Workshops	\$4,000	\$2,500	
1116012	Library Programs Early Learning <ul style="list-style-type: none"> • Jo Jingles • Stem Workshops • Code Club School Holidays <ul style="list-style-type: none"> • Holiday Storytime • Children’s activities and workshops Adult Programming <ul style="list-style-type: none"> • Skills development activities and workshops • eResources • BeConnected • On-line safety program Authors & Events <ul style="list-style-type: none"> • Author visits • Children’s book week • Travelling storytime • Summer Reading Challenge • Better Beginnings Program 	\$37,000	\$37,000	
	Place-making activities & Engagement <ul style="list-style-type: none"> • Summer Sounds in the Park • Outdoor wellness programs • Place activation initiatives • Night stalks • Seed and plant swaps 	\$20,000	\$20,000	
1119501	Donation – Bunbury Regional Entertainment Centre	\$15,000	\$15,000	
1119504	Community Grants Scheme – \$8.31 per rateable assessment	\$49,880	\$50,563	
	TOTAL	\$295,238	\$295,579	\$14,466

8.4 Title: Draft 2021/22 Annual Fees and Charges

<i>Reporting Department:</i>	<i>Corporate & Governance</i>
<i>Reporting Officer:</i>	<i>Mrs Natalie Hopkins – Manager Financial Services</i>
<i>Legislation:</i>	<i>Local Government Act 1995</i>

Overview

This report presents Council with the draft 2021/22 Fees and Charges, which form part of the 2021/22 budget development process. The final Fees and Charges will be included in the budget adoption report presented to Council in late June 2021.

Background

Section of 6.16 to 6.19 of the Local Government Act 1995 contains the provisions for local governments to set Fees and Charges annually. Historically Council has adopted its annual Fees and Charges later in the financial year, through the Annual Budget adoption process.

Reviewing the draft 2021/22 Fees and Charges early in the financial year will allow Council to prioritise and implement budget forecast revenue streams into the 2021/22 Annual Budget from the 1 July 2021.

Legal Implications

-

Section 6.16 to 6.19 of the Local Government Act 1995 states:

6.16. *Imposition of fees and charges*

- (1) *A local government may impose* and recover a fee or charge for any goods or service it provides or proposes to provide, other than a service for which a service charge is imposed.*

** Absolute majority required.*

- (2) *A fee or charge may be imposed for the following —*

- (a) providing the use of, or allowing admission to, any property or facility wholly or partly owned, controlled, managed or maintained by the local government;*
- (b) supplying a service or carrying out work at the request of a person;*
- (c) subject to section 5.94, providing information from local government records;*
- (d) receiving an application for approval, granting an approval, making an inspection and issuing a licence, permit, authorisation or certificate;*
- (e) supplying goods;*
- (f) such other service as may be prescribed.*

- (3) *Fees and charges are to be imposed when adopting the annual budget but may be —*

- (a) imposed* during a financial year; and*
- (b) amended* from time to time during a financial year.*

** Absolute majority required.*

6.17. *Setting level of fees and charges*

- (1) *In determining the amount of a fee or charge for a service or for goods a local government is required to take into consideration the following factors —*
 - (a) *the cost to the local government of providing the service or goods; and*
 - (b) *the importance of the service or goods to the community; and*
 - (c) *the price at which the service or goods could be provided by an alternative provider.*
- (2) *A higher fee or charge or additional fee or charge may be imposed for an expedited service or supply of goods if it is requested that the service or goods be provided urgently.*
- (3) *The basis for determining a fee or charge is not to be limited to the cost of providing the service or goods other than a service —*
 - (a) *under section 5.96(copy of various registers, reports, plans, local laws, etc); or*
 - (b) *under section 6.16(2)(d)(copy of licenses, permits, certificates, etc); or*
 - (c) *prescribed under section 6.16(2)(f), where the regulation prescribing the service also specifies that such a limit is to apply to the fee or charge for the service.*
- (4) *Regulations may —*
 - (a) *prohibit the imposition of a fee or charge in prescribed circumstances; or*
 - (b) *limit the amount of a fee or charge in prescribed circumstances.*

6.18. *Effect of other written laws*

- (1) *If the amount of a fee or charge for a service or for goods is determined under another written law a local government may not —*
 - (a) *determine an amount that is inconsistent with the amount determined under the other written law; or*
 - (b) *charge a fee or charge in addition to the amount determined by or under the other written law.*
- (2) *A local government is not to impose a fee or charge for a service or goods under this Act if the imposition of a fee or charge for the service or goods is prohibited under another written law.*

6.19. *Local government to give notice of fees and charges*

If a local government wishes to impose any fees or charges under this Subdivision after the annual budget has been adopted it must, before introducing the fees or charges, give local public notice of—

- (a) *its intention to do so; and*
- (b) *the date from which it is proposed the fees or charges will be imposed.*

Strategic Community Plan

Strategy 1.3.2 - Monitor and produce statutory budgetary and financial reporting requirements applicable to local government operations. (Service Priority: High)

Environment - None.

Precedents

Each year, setting of the Fees and Charges forms part of the budget / LTFP development process.

Budget Implications

Revenue associated with the adoption of the 2021/22 Fees and Charges will be included in Council's four-year 2021/22 – 2024/25 Corporate Business Plan, 15 year Long Term Financial Plan, and the 2021/22 Annual Budget.

Budget – Whole of Life Cost - None.

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: 8.4A) for full assessment document.

Tier 2 – 'Low' or 'Moderate' Inherent Risk.	
Risk Event	Draft – 2021/22 Fees & Charges
Inherent Risk Rating (prior to treatment or control)	Low (1 - 4)
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 Inadequate fees and charges will impact on the revenue generating capacity of Council.</p> <p>Reputational Inappropriate charging of fees may impact negatively on Council.</p> <p>Legal and Compliance Risk of Council breaching the Local Government Act 1995 – Risk that the Draft 2020/21 Fees and Charges is not adopted by Council</p>

Officer Comment

Council is requested to consider and endorse the draft Fees & Charges for the 2021/22 financial year. The endorsed Fees and Charges will form part of the 2021/22 Annual Budget. Any further adjustments to the Fees and Charges for 2021/22 will be included as part of the Budget adoption meeting scheduled for the 30 June 2021.

The proposed fees and charges have been reviewed not only on the basis of cost recovery, but to also allow for a clear application by staff and not be cost prohibitive. Input has been sought from all Managers and key members of staff. There has not been any increase proposed for the majority of the Fees and Charges, except where cost increases have been clearly identified or statutory increases have applied.

The list of proposed Fees and Charges includes several new Fees as follows:

- *Item 3.2.3 – Government Agency Rates Enquiry Fee*

Council Rates staff regularly provide rating information to various government departments. This has become more evident with the recent changes to the BORR (Bunbury Outer Ring Road) Project with Rates Officers providing information to various government departments. It is anticipated that by introducing a fee for this service for government entities, Council will be able to recover part of the costs associated with each property rates enquiry.

- *Item 10.1.2 - Tipping Fees*

A new charge of \$30.00 for Small Trucks delivering waste to Council's Transfer Station has been included in the 2021/22 proposed fees and charges. This charge is on similar scale to the tipping fees for large trailers disposing of waste.

- *10.2.6 – Town Planning Fees*

Council staff seek to expand the fees associated with Structure Plans by including a provisional fee for modifications to Structure Plans 'post approval'. Previously this was captured as part of the Basic Amendments and Complex Amendment Fees for Structure Plan fees which ranged from \$2,000 to \$4,120, however, the newly revised fee is calculated based on one third of the cost of the original fee and is proposed at \$1,666.

A new fee structure for Local Development Plans (\$1,000) and Modifications to Local Development Plans Post Approval (\$333) is included in the draft 2021/22 Fees and Charges. Additionally Council staff seek endorsement to charge for Cancelling Development Approval/Removal of Caveat at a set fee of \$73.00 approval/removal.

- *11.3.1 – Eaton Recreation Centre*

The 2021/22 Recreation Centre fees now include a 50% discounted membership rate on upfront paid memberships for FIFO (Fly In Fly Out) workers. A new Corporate Membership category has also been established which provides a 15% discount on full memberships when 5 or more employees join from the same organisation.

Other new fee initiatives include a Second Class (Back to Back) fee of \$9.00 for Fitness Classes; Youth/Teen Fit 10 Session Pass at \$81.00 to encourage physical activity in the Shire's youth population; and the extension of Personal Training sessions from 30 minutes to 45 minutes.

Overall there are no major changes from the current 2020/21 adopted Fees and Charges to the Draft Fees and Charges proposed for 2021/22, and those fees that have increased minimally have not increased over the last three to four years.

Voting Requirements - Simple Majority.

Change to Officer Recommendation

No Change. **OR:**

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

**OFFICER RECOMMENDED RESOLUTION TO THE
INTEGRATED PLANNING COMMITTEE MEETING**

THAT the Integrated Planning Committee recommends that Council:

- 1. Endorse the proposed Draft 2021/22 Schedule of Fees and Charges included as (Appendix IPC 8.4B), to become effective 1 July 2021; and**
- 2. Where required, give local public notice of the applicable Fees and Charges.**

8.5 Title: Rating Strategy

<i>Reporting Department:</i>	<i>Corporate & Governance</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 Rating Strategy which is incorporated within the 2021/22 Budget, four year Corporate Business Plan and 10 year Long Term Financial Plan.

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 is a ten year rolling plan (Council staff have projected the LTFP to 15 years) 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. The LTFP identifies key assumptions such as demographic projections, rating base growth, consumer price index or local government cost index, interest rates and projected rate increases.

The Annual Budget is directly aligned to year one of the Corporate Business Plan and Long Term Financial Plan.

Under Section 6.2 of the *Local Government Act 1995*, Council is required to prepare and adopt an Annual Budget each year. Part of Council's process includes reviewing the Rating Strategy that has been included in the previous year's Long Term Financial Plan, with these forecast rate increases forming the basis of financial projections associated with the final Long Term Financial Plan, four year Corporate Business Plan and Annual Budget.

Legal Implications

Local Government Act 1995

Local Government (Financial Management) 1996

Section 6.2 (4) of the *Local Government Act 1995* states:

6.2. *Local government to prepare annual budget*

(4) *The annual budget is to incorporate —*

(a) *particulars of the estimated expenditure proposed to be incurred by the local government;*

6.32. Rates and service charges

(1) *When adopting the annual budget, a local government —*

(a) *in order to make up the budget deficiency, is to impose* a general rate on rateable land within its district, which rate may be imposed either —*

(i) *uniformly; or*

- (ii) *differentially;*
- and*
- (b) *may impose* on rateable land within its district —*
 - (i) *a specified area rate; or*
 - (ii) *a minimum payment;*
- and*
- (c) *may impose* a service charge on land within its district.*

** Absolute majority required.*

- (2) *Where a local government resolves to impose a rate it is required to —*
 - (a) *set a rate which is expressed as a rate in the dollar of the gross rental value of rateable land within its district to be rated on gross rental value; and*
 - (b) *set a rate which is expressed as a rate in the dollar of the unimproved value of rateable land within its district to be rated on unimproved value.*

6.34. Limit on revenue or income from general rates

Unless the Minister otherwise approves, the amount shown in the annual budget as being the amount it is estimated will be yielded by the general rate is not to —

- (a) *be more than 110% of the amount of the budget deficiency; or*
- (b) *be less than 90% of the amount of the budget deficiency.*

6.37. Specified area rates

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

that work, service or facility.
- (2) *A local government is required to —*
 - (a) *use the money from a specified area rate for the purpose for which the rate is imposed in the financial year in which the rate is imposed; or*
 - (b) *to place it in a reserve account established under section 6.11 for that purpose.*

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)

Strategy 1.3.2 - Monitor and produce statutory budgetary and financial reporting requirements applicable to local government operations. (Service Priority: High)

Strategy 1.3.5 - Review rating strategies. (Service Priority: High)

Environment - None.

Precedents

Each year as part of the Strategic Financial Plan review and development process, Council has adopted a Rating Strategy which establishes the basis of rate increases for the next 10-15 years. These forecast rate increases are reflected in the interrelated Annual Budget / Corporate Business Plan / Long Term Financial Plan.

On 29 January 2020, Council considered a Differential and Specified Area Rate Review report. The following was later resolved in regards to the Councillor workshop on this topic [OCM 135-20]:

THAT Council:

1. Defer the Councillor workshop on Differential Rating for two years; and
2. Request that this item is brought back to Council in January 2022.

CARRIED
7/0

Budget Implications

After taking into consideration all other sources of income, Council is required to raise sufficient rates to meet its total expenditure. While Council is permitted to adopt a budget that has a surplus or deficit that does not exceed 10% of its rate revenue, it is not a sustainable long term strategy.

When considering the amount to be raised from Council rates, reference should be made to the Council's ten year Strategic Financial Plan and Long Term Financial Plan that was readopted by Council on 27 May 2020 [OCM 147-20, 148-20]. This Plan was based on a rate increase of 0% for 2020/21 increasing to 3.0% in 2021/22 and 4.0% thereafter.

Adopted of 2020/21 Long Term Financial Plan Projections										
	2020/21	2021/22	2022/23	2023/24	2024/25	2025/26	2026/27	2027/28	2028/29	2029/30
FTE's	115.57	115.67	116.97	116.97	119.77	120.77	122.47	125.17	126.37	127.07
Rate Increase	0.0%	3.0%	4.0%	4.0%	4.0%	4.0%	4.0%	4.0%	4.0%	4.0%
Accumulated Surplus	\$236,325	\$190,127	\$349,904	\$444,493	\$312,649	\$226,108	-\$46,918	\$176,262	\$301,626	\$378,435

Based on these previous resolutions of Council, the Rates Model for 2021/22 has been formulated at this time using a 3.0% increase in overall rates revenue (excluding growth through 2021/22 interim rates and rates written off), which is forecast to generate rate income of \$13,898,659, compared to a forecast \$13,493,843 for 2020/21. This is an increase of \$404,816 on the total rates income. Currently a one percent rate increase raises approximately \$135,000 in additional rates income.

The current Long Term Financial Plan, has been reviewed and will require Council consideration as part of the 2021/22 budget development process. The current draft 2021/22 Long Term Financial Plan is based on the following:

Draft 2021/22 Long Term Financial Plan Projections										
	2021/22	2022/23	2023/24	2024/25	2025/26	2026/27	2027/28	2028/29	2029/30	2030/31
Growth	0.72%	0.80%	1.07%	1.30%	1.73%	1.72%	2.00%	2.15%	2.29%	2.73%
FTE's	114.67	114.97	115.97	118.77	119.77	121.47	124.17	125.37	126.07	126.27
Rate Increase	3.0%	4.0%	4.0%	4.0%	4.0%	4.0%	4.0%	4.0%	4.0%	4.0%

- *Eaton Landscaping Specified Area Rate*

The Eaton Landscaping Specified Area Rate was the subject of a report to Council in May 2019, where an overview of the funds raised and expenditure incurred since its inception in 2009/10 was provided. This identified that the Specified Area Rate was raised against 4,321 properties in 2018/19 at an average cost of \$55.38 per property. This average is distorted to some degree as 11.5% of the Specified Area Rate is raised by Eaton Fair Shopping Centre. If this one large contributor is removed, the average cost per household is \$48.95. This generated a total of \$241,677 in revenue in 2018/19. The average contribution per household in 2019/20 was \$49.65 (excluding Eaton Fair).

Council resolved to retain the Eaton Landscaping Specified Area Rate in 2020/21 which has been applied in the draft LTFP for 2021/22 and future years.

The total funds to be raised under the Specified Area Rate for 2021/22 based on the previous decision of Council is \$250,882.

- *Annual Percentage Rate Increases*

Factors such as the growth of the Shire, need for additional resources to meet growth demands, the rising cost of labour and materials, previous rate increases approved and a perception of the affordability of a reasonable rate increase are some of the factors taken into account when considering the percentage by which rates in the dollar and minimum rates have to be increased.

It has also been widely recognised that increasing rates solely based on a factor equivalent to the increase in the Consumer Price Index (CPI) is not prudent financial management, as the CPI provides a good estimate of a household's expectation of the price changes (increases) to the goods and services they consume but it does not provide a good estimate of all of the cost pressures faced by Local Government.

In the past, indices such as the Local Government Cost Index (LGCI), together with other cost factors, have also been used as a guide for rate increases as the use of this index has been advocated by the Western Australian Local Government Association (WALGA).

Budget – Whole of Life Cost

As no new assets have been created, there are no direct whole of life or ongoing cost implications.

The rating strategy deployed by Council in the 2021/22 financial year will form part of a long term financial planning strategy to maintain the sustainable operations of Council. If Council is not able to adequately fund operations in the 2021/22 financial year, then the financial position of Council will potentially deteriorate in future years as assets age further and demand for services increase with projected population growth.

Council Policy Compliance

The budget is based on the principles contained in the Strategic Community Plan and Corporate Business Plan. *Policy CnG CP018 – Corporate Business Plan & Long Term Financial Plan* applies.

Risk Assessment

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

Tier 2 – 'Low' or 'Moderate' Inherent Risk.	
Risk Event	Rating Strategy
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 Financial sustainability impacted through inadequate rating.</p> <p>Legal and Compliance Compliance with budget, rating and integrated planning review and development process.</p> <p>Reputational Shire reputation can be negatively impacted if rate increases are considered excessive by the community.</p>

Officer Comment

As part of preparing the annual budget, Corporate Business Plan and Long Term Financial Plan, Council considers community needs in relation to its available income requirements for the coming years before deciding how much it should raise in general rates. Council will also consider the extent of the rate burden on rate payers and may decide to forgo some activities and services in order to avoid high rate rises.

The Rating Strategy for 2021/22 requires Council to strike a balance between competing principles to come up with a mixture of rates and charges that provides the income needed for its annual budget while meeting the tests of equity, efficiency and simplicity.

- *Purpose of the Rating Strategy*

The purpose of the Rating Strategy is to provide Council's preferred position on the following:

- i.) *Method of Rates Calculation;*
- ii.) *Annual percentage rate increase; and*
- iii.) *Minimum rates.*

- i.) *Method of Rates Calculation*

In broad terms the total amount of money to be raised in general rates is divided by the total value of all rateable properties. The resulting figure is called the "rate in the dollar". Council determines the amount to be paid in rates by applying a rate in the dollar to the assessed value of each property. When that total value of all properties increases, the Council reduces the rate in the dollar to compensate. There is no windfall gain.

- *How a "Rate in the Dollar" is calculated?*

For a Council using only a general rate, the rate in the dollar is calculated as follows:

If Council plans to raise the total GRV rate revenue of \$10 million, and the total Gross Rental Value of all rateable properties in the municipality is \$2.38 billion, then the rate in the dollar is calculated by dividing \$10 million by \$2.38 billion = 0.42 cents in the dollar.

- *How are Property's Rates calculated?*

The basis for calculating property rates are the gross rental values (GRV) or unimproved values (UV) for individual properties provided by Landgate's Property and Valuations area multiplied by the relevant rate in the dollar.

A property's GRV represents the amount of the gross annual rental the land might obtain if it is let on a tenancy basis from year to year. A property's UV means the amount the land may reasonably be expected to obtain if it was sold and assuming no improvements to the land had been made.

For example if the Gross Rental Value of a property is \$16,000 and the Council rate in the dollar is set at 10.0662 cents, the rate bill would be \$1,610.59 (\$16,000 x \$0.100662).

- *Property Valuations.*

Property values affect the amount paid in municipal rates. State legislation requires that all properties in every municipality are revalued every 3-5 years. Dardanup is required to revalue its GRV properties every 3 years and its UV properties every year.

Changes in property values will vary across a municipality. These will be reflected in each property's rate bill. A general revaluation may result in the rates for some properties going up while others go down. If a property's value increases by less than the average increase across the municipality, the rates for that property will be relatively lower. Rates will be relatively higher if a property's value increases by more than the average increase in valuation.

Councils do not collect extra revenue as a result of the revaluation process. Valuations are simply used as an apportioning tool to assess the rates payable for each individual property.

Information about a property's value is included on the rate notice issued by the Council.

Voting Requirements - Simple Majority.

Officer Recommendation

No Change. **OR:**

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

**OFFICER RECOMMENDED RESOLUTION TO THE
INTEGRATED PLANNING COMMITTEE MEETING**

THAT the Integrated Planning Committee recommends that in addition to forecast growth, Council:

1. **Endorse a projected rate revenue increase of ___% for the 2021/22 budget, with ___% increase in minimum rates;**
2. **Endorse a projected rate revenue increase of __%, __%, __% and __% for the four year Corporate Business Plan; and**
3. **Endorse a projected rate revenue increase of ___% for years five to fifteen of the Long Term Financial Plan.**

8.6 Title: Debt Management Plan

<i>Reporting Department:</i>	<i>Corporate & Governance</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 Debt Management Plan (Appendix IPC: 8.6A) which is incorporated within the 2021/22 Budget, four year Corporate Business Plan and 10 year Long Term Financial Plan.

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 is a ten year rolling plan (Council staff have projected the LTFP to 15 years) 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. The LTFP identifies key assumptions such as demographic projections, rating base growth, consumer price index or local government cost index, interest rates and projected rate increases.

The Annual Budget is directly aligned to year one of the Corporate Business Plan and Long Term Financial Plan. Under Section 6.2 of the *Local Government Act 1995*, Council is required to prepare and adopt an Annual Budget each year.

Part of Council's process includes reviewing the Debt Management Plan that has been included in the previous year's Long Term Financial Plan, four year Corporate Business Plan and Annual Budget.

Legal Implications

Local Government Act 1995

Local Government (Financial Management) 1996

Section 6.2 (4) of the *Local Government Act 1995* states:

- 6.2. *Local government to prepare annual budget*
- (4) *The annual budget is to incorporate —*
 - (a) *particulars of the estimated expenditure proposed to be incurred by the local government;*

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)

Strategy 1.3.2 - Monitor and produce statutory budgetary and financial reporting requirements applicable to local government operations. (Service Priority: High)

Environment - None.

Precedents

Each year as part of the Strategic Financial Plan review and development process, Council has adopted a Debt Management Plan which establishes the level of debt and new loans for the next 10-15 years. These forecast new loans are reflected in the interrelated Annual Budget / Corporate Business Plan / Long Term Financial Plan.

Budget Implications

As noted in the Debt Management Plan, the use of debt as a means of funding asset acquisitions, renewals and maintenance is a useful mechanism for allocating the costs of such works over a time frame that reflects when residents will benefit from the assets.

Budget – Whole of Life Cost

Nil as no assets are directly created from this report.

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: 8.6B) for full assessment document.

Tier 2 – ‘Low’ or ‘Moderate’ Inherent Risk.	
Risk Event	Debt Management Plan
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 Financial sustainability impacted through too much debt.</p> <p>Legal and Compliance Compliance with budget, rating and integrated planning review and development process.</p>

Officer Comment

Currently there are no specific restrictions on Councils ability to borrow. There is a practical limit beyond which debt service costs (Principal + Interest repayments) will affect the capacity of Council to deliver service levels. It is therefore critical that debt funding is appropriately planned and monitored if Council is to maintain the capacity to effectively use this funding source.

Strategic planning allows Council to develop targets and standards for debt that are strategic in nature, rather than relying on debt as a response to current financial requirements.

Councils Debt Strategy requires Council to consider:

1. The circumstances under which borrowings are made;
2. The impact borrowings will have strategically; and
3. If the return on the debt (in commercial situations) can service the debt itself.

Treasury Corporation have produced an indicative debt capacity calculator which is incorporated into the Shire’s Long Term Financial Plan model. While borrowing capacity will vary from year to year, the ‘Indicative Additional Debt Capacity Calculator’ assists Council in determining its borrowing capacity by using information within the Long Term Financial Plan. This is based on prudent loan servicing limits and provides important planning information to help the Council decide if debt should be considered as a financing source for additional future capital expenditure.

Based on financial projections within the current Long Term Financial Plan, together with projected capital expenditure and current and future loans, Council's additional borrowing capacity for 2021/22 is approximately \$4.6 million, however if Council were to raise additional loans it would need additional rate income to be raised to service these additional loan repayments.

For this reason the current funding of asset renewal, replacement and acquisition outlined through the various Asset Management Plans consists of a balance of debt (drawn from future rates), cash reserves (drawn from past rates) and municipal funds (drawn from current year rates).

Voting Requirements - Simple Majority.

Officer Recommendation

No Change. **OR:**

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

**OFFICER RECOMMENDED RESOLUTION TO THE
INTEGRATED PLANNING COMMITTEE MEETING**

THAT the Integrated Planning Committee recommends that Council endorse the Debt Management Plan 2021/22 to 2030/31 (refer to Appendix IPC: 8.6A) for the 2021/22 budget, four year Corporate Business Plan, and Long Term Financial Plan.

8.7 Title: Mid Year Budget Review

<i>Reporting Department:</i>	<i>Corporate & Governance</i>
<i>Reporting Officer:</i>	<i>Natalie Hopkins – Manager Financial Services</i>
<i>Legislation:</i>	<i>Local Government Act 1995</i>

Overview

To consider and adopt the 2020/21 Budget Review as presented in the Statement of Financial Activity for the period 1 July 2020 to 31 December 2020.

Background

A Statement of Financial Activity incorporating year to date budget variations and forecasts to 30 June 2021 for the period ending 31 December 2020 is presented for Council to consider. (Appendix IPC: 8.7A).

The Local Government (Financial Management) Regulations 1996, Regulation 33A, requires that a Local Government conduct a budget review between 1 January and 31 March each financial year. The intention of the legislation is to ensure Local Governments conduct at least one budget review between six and nine months into a financial year. A copy of the review and determination is to be provided to the Department of Local Government within 30 days of the adoption of the review.

The budget review is a detailed comparison of the year to date actual results with the adopted or proposed amended budget. It establishes whether a Local Government is able to continue to meet its budget commitments, and is in receipt of income and incurs expenditure in accordance with the adopted budget.

Council management completed a comprehensive review of the 2020/21 Annual Budget during January 2021. The budget review document has been prepared to include information required by the Local Government Act 1995, Local Government (Financial Management) Regulations 1996 and Australian Accounting Standards. Council adopted a 5% or a \$25,000 minimum for the reporting of material variances to be used in the statements of financial activity and the annual budget review, however, the full variance listing is detailed at Note 6 of the 2020/21 mid-year Budget Review .

This review generally consisted of the following:

- a) Comparison of the actual year to date (YTD) amounts to the budget for each line item of operating and capital revenue and expenditure.
- b) Projected the actual YTD to the end of the financial year and compared this with the Annual Budget to determine if the line item remains within budget.
- c) Identified any material events or changes that may impact on Council finances.
- e) Flagged incomplete projects and unspent grants to be carried forward into future budgets.
- f) Identified any offsetting increases in revenue or reduction in expenditure that will reduce major variations.

- g) Included any unbudgeted expenditure or budget amendment items adopted by Council during the 1 July to 31 December period.
- h) Identified whether there is sufficient cash flow to 30 June to meet budget commitments.

The amended budget cash position prior to the completion of the mid-year budget review was an estimated year-end surplus of \$41,554. As a result of a detailed and comprehensive budget review process involving Management and the Executive team, the forecast year end surplus is estimated at \$150,655. Full details of budget review variances can be found in the Budget Review Report (Appendix IPC: 8.7A)

Legal Implications

Regulation 33A of the Local Government (Financial Management) Regulations requires a review of the budget to be conducted.

(1) Between 1 January and 31 March in each year a local government is to carry out a review of its annual budget for that year.

(2) Within 30 days after a review of the annual budget of a local government is carried out it is to be submitted to the council.

(3) A council is to consider a review submitted to it and is to determine whether or not to adopt the review, any parts of the review or any recommendations made in the review.*

**Absolute majority required.*

(4) Within 30 days after a council has made a determination, a copy of the review and determination is to be provided to the Department.

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)

Strategy 1.3.2 Monitor and produce statutory budgetary and financial reporting requirements applicable to local government operations. (Service Priority: High)

Environment - None.

Precedents

A mid-year budget review is conducted each year.

Budget Implications -

Note 6 of the Budget Review Report details material variances from the Adopted Budget. As a result of the review, staff forecast a surplus of \$150,655 at 30 June 2020.

Budget – Whole of Life Cost - None.

Council Policy Compliance - None.

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	2020/21 Mid-Year Budget Review
Inherent Risk Rating (prior to treatment or control)	Low (1 - 4)
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</p> <p>Financial</p> <p>Risk of Council breaching the Local Government Act 1995 – Risk that the 2020/21 Mid-Year Budget Review is not received by Council; or within two months of the review period Risk that the mid-year budget review amendments are not updating into Council’s Revised Budget, resulting in an incorrect end of year budget forecast. Risk under or over budget expenditure is not reflected in Council’s Revised Budget.</p>

Officer Comment

The 2020/21 budget remains within overall original estimates. Management forecasts an end of year surplus of \$150,655. It is recommended that Council retain the entire \$150,655 estimated surplus and carry it forward to the 2021/22 Annual Budget. A copy of the full revised 2020-21 Annual Budget is provided for in (Appendix IPC: 8.7C – Under Separate Cover).

- *Items for Budget Review Consideration*

Projects referred to the Mid-year budget review for consideration: -

- *Dog Fountains in Councils Parks (where water is available)*

At the Council meeting dated 30 September 2020 [266-20] Council resolved to defer a decision on the installation of water fountains with dual bowls into all dog exercise areas where water is available. The following information is in regards to Council’s request to consider the installation of drink fountains that are also suitable for dogs.

The following six (6) parks have scheme water available:

- Lofthouse Park;
- Eaton Foreshore;
- Watson Reserve;
- Well Recreation Park;
- Burekup Reserve; and
- Glenhuon Reserve.

Shire staff have sought quotations for fountains with a tippable stainless dog bowl and push button side tap at \$2,995 ex GST inclusive of delivery. The price excludes getting water to the install location, Water Corporation fees, slab, soak wells and drains, and isolation box (water value shut off). It is estimated that an allocation of \$6,000 for each, which would allow the full installation and connection, therefore \$36,000 for all six parks.

The proposed project is not included in the mid-year budget review amendments, however, if Council wish to support this project, it is recommended that Council's contribution of \$36,000 towards the project be funded from the Parks and Reserves Upgrade Reserve Account in order to retain the forecast surplus of \$150,655.

- *Material Variances from the Budget*

- *Rates and Charges*

General Rates Levied for the 2020/21 financial year are within budget estimates; \$13,403,666 rates raised against an adopted budget of \$13,404,719.

Interim rates revenue estimates have been revised down from an adopted budget of \$91,144 to a revised budget of \$85,000.

Collection of outstanding rates is on target and forecast to achieve less than 4% of collectable rates outstanding as at 30 June.

- *Salaries and Wages*

Gross salaries and wages remain under budget primarily due to staff vacancies through-out the year. Gross Salaries and Wages including Superannuation have been amended from an adopted budget of \$10,419,147 to a revised budget of \$10,299,179, a saving of \$119,968. The forecast savings can be attributed to several staff vacancies throughout the year, restructure of Eaton Recreation Centre and associated activities, and to staff being on workers compensation, which is excluded from the total salaries and wages budget as it is funded through LGIS.

- *Interest Revenue – Municipal Fund*

Interest Revenue for the Municipal Fund has been amended from an adopted budget estimate of \$74,337 to a revised budget of \$30,000. Interim revenue is predominantly received from investment in term deposits to obtain the highest return on investment, however, due to unprecedented low interest rates, interest income is lower than originally budgeted.

- *Interest Revenue – Reserve Fund*

Similarly to Municipal Fund interest income, Interest Revenue for the Reserve Fund has been reduced from an adopted budget of \$271,376 to a revised budget of \$150,000. Council's Investment Policy CP036 provides flexible options for short term cash investments whilst ensuring Council's liquidity needs can be met.

As per the adopted budget, Council will allocate 50% of the Interest received on Reserve Fund investments across Council's various Reserve Accounts, with the remaining 50% to be utilised in the year end surplus.

➤ *WA Local Government Grants Commission (LGGC) Grants*

The 2020/21 LGGC Financial Assistance and Local Roads grant revenue has decreased from a combined original budget of \$1,592,712 to a revised budget of \$1,477,533, an unfavourable variance of \$115,179. However, Council was successful in obtaining grant funding of \$526,000 from the WA LGGC for Special Project Bridge Upgrades, being Pile Road Bridge 3678, and Ferguson Road Bridge 3658.

➤ *Household Sanitation*

There are forecast savings estimated at \$67,600 spread across the Recycling, Greenwaste Processing and Refuse Site Expenditures. This includes estimated savings of \$39,518 across Recycling Processing costs which are lower than originally budgeted, primarily due to the higher costs relating to contaminated recyclables. Savings across budgeted salaries and wages including overheads for the Refuse Site is also reflected in this program.

Refuse Site fees remain within in budget estimates of \$66,572. Domestic Refuse and Recycling levies (rubbish bin charges) have slightly increased from a combined adopted budget of \$1,251,433 to a revised budget of \$1,258,999, a positively impact of \$7,566 towards the end of year surplus.

➤ *Recreation Centre*

The forecast net subsidised cost of the Eaton Recreation Centre for 2020/21 has a favourable variance; amended from an adopted budget estimate of \$421,934 to a revised forecast estimate of \$202,020. The reduced forecast estimate can be attributed to forecast savings in the ERC Administration salaries and wages and increased memberships revenue, court hire and café sales. *The net subsidised cost incorporates Total Recurrent Operating Expenditure less Revenue.*

➤ *Plant & Equipment*

The purchase of four vehicles (utilities) and one tip truck, which were budgeted for purchase and disposal in the 2019/20 adopted budget, but due to other factors, were not acquired in the 2019/20 financial year. Council Policy (CP048) *Plant & Vehicle Acquisitions and Disposal Policy* states that Utility vehicles shall be changed over at replacement triggers of five (5) years or 120,000km, whichever occurs first. Also included in this policy is Medium Trucks which are replaced every eight (8) years or 200,000km, whichever occurs first.

Due to issues around sourcing and obtaining the correct vehicle specifications and the first round of COVID lockdown in March 2019, Council Officers did not have the required time to complete the Request for Tender (RFT) process. The vehicles now due for change-over are detailed below:

Registration	Vehicle Year	Vehicle Make/Model	Odometer (February 2021)	Change-over Trigger
DA8200	2015	Mitsubishi Triton	171,025	5 years / 120,000 km
DA9406	2014	Mitsubishi Triton	129,335	5 years / 120,000 km
DA9279	2014	Holden Colorado	164,787	5 years / 120,000 km
DA648	2014	Ford Ranger	98,052	5 years / 120,000 km
DA628	2012	Hino 500 Series Tip Truck	204,160	8 years / 200,000 km

The following allocations are now included as part of the 20/21 midyear budget review (changeover of the four vehicles and one tip truck):

Registration	Expenditure	Trade In	Net Changeover Cost
DA8200	\$31,110	\$13,804	\$17,306
DA9406	\$32,640	\$14,483	\$18,157
DA9279	\$39,780	\$17,651	\$22,129
DA648	\$28,152	\$12,491	\$15,661
DA628	\$163,200	\$44,470	\$118,730

These figures are based on the adopted 2019/20 budget allocation with the net changeover costs being funded from the Plant & Engineering Equipment Reserve. All figures have been incorporated into the midyear budget review document.

➤ *Parks and Gardens*

The 2020/21 Parks and Gardens Maintenance budget remains within forecast estimates of \$3.2m.

➤ *Transport*

The total Road Maintenance & Construction budget has been amended from an adopted budget of \$9,886,451 to a revised budget of \$9,113,651. The main changes in the capital works program relates to Eaton Drive Intersection Upgrade, Extension and Roundabout.

➤ *Staff Training*

The budget for staff training is forecast to decrease from an adopted budget of \$145,907 to a revised budget of \$132,917 which relates to a minor decrease in labour costs allocated for Parks and Gardens, and Works staff.

➤ *Fees and Charges*

Cat and Dog Registration revenue remain within budget revenue estimates of \$7,000 and \$60,000 respectively. It is anticipated that more 'Lifetime' dog registrations may impact future Dog Registration revenue budgets.

Health Fees and Charges have slightly increased from an adopted budget of \$2,000 to a revised budget of \$5,000. The conservative adopted budget reflected Council's decision when adopting the 2020/21 budget to reduce the Annual Food Premises Inspection Fees for high, medium and low risk businesses within the Shire (for comparison the 2019/20 fees were budgeted at \$20,000).

Town Planning Fees and Charges have been increased from an adopted budget of \$50,000 to a revised budget of \$62,000.

With significant building incentives for property owners, building activity within the Shire remains strong. As a result, Building Application fees have also increased revenue by \$45,000 from an adopted budget of \$80,000 to a forecast budget of \$125,000.

➤ *New Borrowings and Loans*

As per the adopted 2020/21 annual budget, a provision was made for Council to obtain new borrowings of \$750,000 for the Wanju Developer Contribution Plan. It is forecast this loan will be taken out towards the end of the financial year. Any unspent funds will be returned to the Wanju Developer Contribution Plan Reserve at year end.

Council Role - Executive/Strategic.

Voting Requirements - Absolute Majority.

Change to Officer Recommendation

No Change. **OR:**

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

**OFFICER RECOMMENDED RESOLUTION TO THE
INTEGRATED PLANNING COMMITTEE PART A**

THAT the Integrated Planning Committee recommends that Council: -

- 1. Adopt the 2020/21 Mid-Year Budget Review inclusive of the noted budget amendments contained within the report;**
- 2. Receive and acknowledge the 2020/21 Mid-Year Budget Review report and associated documents; and**
- 3. Retain the 2020/21 Forecast Budget Surplus as a carried forward surplus to the next budget period.**

By Absolute Majority

AND

**OFFICER RECOMMENDED RESOLUTION TO THE
INTEGRATED PLANNING COMMITTEE PART B**

THAT the Integrated Planning Committee recommends that Council: -

- 1. Include in the mid year budget review the Installation of Dog Water Fountains at the following parks:**
 - Lofthouse Park;
 - Eaton Foreshore;
 - Watson Reserve;
 - Well Recreation Park;
 - Burekup Reserve; and
 - Glenhuon Reserve

- 2. Authorises the cost of each water bowl (6) at \$6,000 totalling \$36,000 to be funded from the Parks and Reserves Upgrades Reserve, noting this transfer will not affect the forecast end of year surplus for 30 June 2021.**

OR

**OFFICER RECOMMENDED RESOLUTION TO THE
INTEGRATED PLANNING COMMITTEE PART C**

THAT the Integrated Planning Committee recommends that Council does NOT include the installation of Dog Water Fountains at the following parks:

- Lofthouse Park;
- Eaton Foreshore;
- Watson Reserve;
- Well Recreation Park;
- Burekup Reserve; and
- Glenhuon Reserve

in the mid year budget review.

8.8 Title: Draft Workforce Plan

<i>Reporting Department:</i>	<i>Corporate & Governance</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 draft Workforce 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 Workforce Plan will be incorporated into the 2021/22 Annual Budget.

Background

Through the Strategic Community Plan and Corporate Business Plan (Council's legislated *Plan for the Future*), the focus of Council is to provide the community with a broad range of facilities and services that meet their current and future needs, while ensuring the principles of good governance and financial sustainability are maintained. The Council's strategic, corporate and operational planning is developed, implemented and monitored through an Integrated Planning and Reporting Framework.

A Workforce Plan is created within this integrated framework as part of Council's Strategic Human Resource Management (HRM) system, which establishes a clear alignment between Council's *Plan for the Future* and its HRM strategy. Human Resource Planning is an ongoing process, therefore an annual review should be performed on the Workforce Plan which will enable continuous monitoring, review and updating of the Plan.

A review has been undertaken of the 10 year forecast staffing in the current Workforce Plan to assess the staffing resources required to achieve the Objectives, Strategies and Actions of Council, as outlined in the Strategic Community Plan and 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)

- (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

A stable and well-resourced workforce is required to deliver the Strategic Community Plan and the aspirations of the community contained within the 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)

Action 1.3.1.4 is to *review and update annually the Shire of Dardanup Workforce Plan.*

Environment - None.

Precedents

The Workforce Plan is reviewed annually to ensure the staff resources are provided to meet the strategic and operational objectives of the Shire.

Budget Implications -

The revised draft Workforce Plan and staffing changes are accounted for in the Long Term Financial Plan 2021/22 - 2030/31 and Corporate Business Plan 2021/22 - 24/25.

The Plan currently includes 115.27 Full-Time Equivalent (FTE) staff at a total cost (salaries plus superannuation) of \$10,619,634, including new employees and changes to duties and hours for some positions to cater for the changing demands on staff through growth of the Shire and new services.

This compares favourably with what was included in last years' Long Term Financial Plan for 2021/22 of 115.57 FTE's.

Adopted 2020/21 Long Term Financial Plan Projections										
	2020/21	2021/22	2022/23	2023/24	2024/25	2025/26	2026/27	2027/28	2028/29	2029/30
FTE's	115.57	115.67	116.97	116.97	119.77	120.77	122.47	125.17	126.37	127.07

During 2020/21 there has been a number of reviews undertaken by management of the FTE numbers to improve efficiency in a number of areas, and to ensure staffing resources are optimised across the organisation. These major changes have been presented and endorsed by Council during the year and have included a number of changes within the Eaton Recreation Centre and Sustainable Development directorate.

The current draft 2021/22 Long Term Financial Plan is based on the following (refer to Appendix SPC: 8.8A):

Draft 2021/22 Long Term Financial Plan Projections										
	2021/22	2022/23	2023/24	2024/25	2025/26	2026/27	2027/28	2028/29	2029/30	2030/31
Growth	0.72%	0.80%	1.07%	1.30%	1.73%	1.72%	2.00%	2.15%	2.29%	2.73%
FTE's	115.27	115.57	116.57	119.37	120.37	122.07	124.77	125.97	126.67	126.87

Budget – Whole of Life Cost

Employee costs are accounted for in the various Asset Management Plans and the 10 Year Long Term Financial 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.

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	Draft Workforce 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 Employee costs are a significant proportion of Council's operating expenditure.</p> <p>Service Interruption If employee vacancies or new positions are not filled, it can impact on the level of</p>

Tier 2 – ‘Low’ or ‘Moderate’ Inherent Risk.		
		service provided by Council to the community.
	Reputational	High employee costs and employee turnover impact the Council’s reputation.

Officer Comment

During the 2020/21 financial year there have been some changes to the allocation of the FTE allocations to adapt to changing staffing needs and to optimise the approved resources. These changes have not resulted in an increase above the total FTE approved by Council for 2020/21 budget of 115.57 FTE’s.

- *Eaton Recreation Centre:*

At the 28 October 2020 OCM, Council discussed the Eaton Recreation Centre Structure and Business Plan, behind closed doors and resolved [304-20] as follows:

THAT Council:

1. *Notes and supports the Chief Executive Officer’s amendments to the Eaton Recreation Centre structure as outlined in the confidential report behind closed doors Item 16.1 dated 28 October 2020 (Tardis Ref: R0000819678).*
2. *Notes and supports that the Workforce Plan will be updated to reflect the amended Eaton Recreation Centre Structure ensuring that any changes to positions and titles are funded in 2020/21 through the existing budget allocation.*
3. *Notes and supports the commencement of the new Eaton Recreation Centre structure will be from 1 November 2020.*
4. *Notes and supports that possible compensation payments that may be required to enable the new Eaton Recreation Centre structure amendments, which will result in improved functions of the centre and delivery of cost effective and efficient services to the community, will be funded in 2020/21 through the existing budget allocation.*
5. *Requests the Chief Executive Officer bring a report back to Council with detail costings on proposed modifications to the centre layout with funding options by the 16 December 2020 Ordinary Council Meeting and resources required to deliver on the Business Plan.*

CARRIED 9/0

The Behind Closed Doors report identified the net reduction in 1.0 FTE, to be effective 1 November 2020. The report outlined the restructure of the Centre at a more operational level (below team leader level) to realign functions and reporting lines within the ERC to ensure clear lines of communication, decision making and accountability. The changes to the structure including operational efficiencies resulted in a reduction of 2.0 FTEs from 15.38 to 13.38.

The operational changes saw the responsibility for club development, marketing and promotions and grant applications being placed within the Manager Place & Community Engagement Area. To accommodate this, the addition of 1.0 FTE was added into the PACE area being a 0.50 Marketing & Promotions Office and 0.50 Grants Officer.

The implementation of the Lanfear Report and the new ERC Business Plan, reflected in the leaner operation of the Centre came into effect on 4 February 2021 which resulted in the overall saving of 1.0 FTE.

The Workforce Plan changes that occurred during 2020/21 have resulted in the FTE number for the entire Council workforce reducing from 115.57 FTE's to 114.57 FTE's.

The 2021/22 draft Workforce Plan has been adjusted to include changes that have occurred during 2020/21.

Last year's adopted Workforce Plan (contained within the Long Term Financial Plan) projected a 0.1 FTE increase for 2021/22 to 115.67 FTE's, with a total increase of 11.5 FTE's by 2029/30. The amended draft Workforce Plan results in an overall decrease of 0.4 FTE's for 2021/22, with the projected increase to 2029/30 reduced to 11.1 FTE's over this same nine year period.

The draft Workforce Plan (contained within the Long Term Financial Plan) identifies the following additional or amended positions for 2021/22:

POSITION – 2021/22	COMMENT	FTE
Total Full-Time Equivalent staffing numbers 1 July 2021		114.57
Strategic Project Officer	New position requested by the Sustainable Development Directorate	1.0
Environmental Officer	Reduced hours from full-time to part-time	-0.40
Designated Area Migration Scheme Officer	Cost shared with other SW local governments – Council endorsed	0.50
Cleaner - Buildings	Reallocated cost to contractor	-0.50
Communications Officer	Additional part-time hours from 0.7 to 0.8FTE	0.10
Total effect of FTE staffing changes		0.70
Total 2021/22 Full-Time Equivalent staffing numbers		115.27

The updated Workforce Plan for the period 2021/22 to 2030/31 is included in (Appendix SPC: 8.8A).

Council Role - Executive.

Voting Requirements - Simple Majority.

Change to Officer Recommendation

No Change. **OR:**

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

OFFICER RECOMMENDED RESOLUTION TO THE INTEGRATED PLANNING COMMITTEE

THAT the Integrated Planning Committee recommends that Council endorse the Shire of Dardanup draft Workforce Plan 2021/22 - 2030/31 as per (Appendix IPC: 8.8A).

8.9 Title: Councillor / Staff Budget Requests

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

Overview

This report summarises the 2021/22 budget requests that have been received from elected members and staff.

The Integrated Planning Committee is tasked with considering these requests and recommending the inclusion of specific items in the 2021/22 budget and Long Term Financial Plan.

Background

Each year as part of the annual budget development process, elected members, community members and staff are invited to put forward requests for consideration in the draft budget. The requests are considered well before the budget is drafted, to avoid any late changes which may cause delays in the annual budget adoption process.

Requests from elected members, community members and staff were received up to the 22 February 2021. Community budget requests are considered as part of a separate Integrated Planning Committee Agenda report. The elected member requests, and staff requests endorsed by the Executive Management Team, are outlined under the section “Budget Implications” below, with the Executive Management Team’s comment and recommendation provided for each item.

Legal Implications

Local Government Act 1995

Local Government (Financial Management) 1996

Section 6.2 (4) of the *Local Government Act 1995* states:

- 6.2. *Local government to prepare annual budget*
- (4) *The annual budget is to incorporate —*
 - (a) *particulars of the estimated expenditure proposed to be incurred by the local government;*

Part 2, Regulation 5 (1) (g) of the *Local Government (Financial Management) 1996* Regulation states:

- 5. *CEO’s duties as to financial management*
- (1) *Efficient systems and procedures are to be established by the CEO of a local government —*
 - (g) *to assist in the preparation of budgets, budget reviews, accounts and reports required by the Act or these regulations.*

Strategic Community Plan

Strategy 1.1.1 - To be equitable, inclusive and transparent in decision making. (Service Priority: High)

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)

Strategy 1.3.2 - Monitor and produce statutory budgetary and financial reporting requirements applicable to local government operations. (Service Priority: High)

Environment - None.

Precedents

Each year as part of the budget / LTFP development process Councillors, community and staff are provided the opportunity to put forward budget requests for consideration.

Budget Implications

Please refer to the following tables: Table 1 – Councillor Budget Requests; and Table 2 – Staff Budget Requests.

COUNCIL BUDGET ADOPTION AND CONSIDERATION ITEMS

PROJECTS		ESTIMATED COST
1.	<p>Designated Area Migration Agreement for South West Regional Councils - Memorandum of Understanding resulting in the employment of a 0.5FTE staff member based on inclusion of employee costs of \$60,000 in the budget for the next 5 years less \$55,000 contribution from other local governments per year.</p> <p>Council resolved [322-20] at the 25 November 2020 Council meeting to :</p> <ol style="list-style-type: none"> 1. Support the establishment of a Designated Area Migrant Agreement across the South West region of Local Governments; 2. Provide in-principle support for the provision of \$5,000 per annum for the period of a five year Designated Area Migration Agreement to fund a Designated Area Representative to be employed by a South West Local Government; and 3. Provides in-principle support for the Shire of Dardanup to become the regional Designated Area Representative should no other suitable agency be willing to undertake this role. 	\$5,000 per annum, for 5 years

COUNCILLOR BUDGET REQUESTS

PROJECTS		EXECUTIVE MANAGEMENT TEAM COMMENT	ESTIMATED COST
Cr Carmel Boyce			
1.	Planting of verge along Eaton Drive from Glen Huon Reserve to Penninsula Lakes on the northern side (opposite side to the primary school)	<p>The length of road to be planted is measured at 1.05km. The distance between the two intersections is actually further; however, there are some sections adjacent to open spaces and service roads that are already planted.</p> <p>Planting would need to occur in May or June as the area is not reticulated. A range of plant species that are drought tolerant would need to be selected.</p>	\$20,000

Cr Mick Bennett – NO ITEMS REQUESTED
Cr Luke Davies – NO ITEMS REQUESTED
Cr Janice Dow – NO ITEMS REQUESTED
Cr Mark Hutchinson – NO ITEMS REQUESTED
Cr Patricia Perks – NO ITEMS REQUESTED
Cr Tyrrell Gardiner – NO ITEMS REQUESTED
Cr Peter Robinson – NO ITEMS REQUESTED
Cr Stacey Gillespie – NO ITEMS REQUESTED

STAFF BUDGET REQUESTS

EXECUTIVE SERVICES DIRECTORATE		
PROJECT	AMOUNT	NET BUDGET IMPACT
Engage a consultant to undertake a full review of Council's Motor Vehicle Fleet including Compliance, Executive, Manager and Plant vehicles – examining electric vehicle options while recommending a selected range and type of vehicle based on optimum value for money. Includes examining running and changeover costs, changeover periods, FBT, Novate Leasing, motor vehicle allowances options. Review and update existing Motor Policies.	\$20,000	\$20,000
TOTAL	\$20,000	\$20,000

CORPORATE & GOVERNANCE DIRECTORATE		
PROJECT	AMOUNT	NET BUDGET IMPACT
Promap Software – unlimited licence for process mapping software enabling tracking and monitoring of administrative policies, processes and tasks.	\$17,000	\$17,000
UPS x 4 to provide battery backup power supply for 4 rack mounted UPS units.	\$4,800	\$4,800
Re-cable Eaton Recreation Centre Gym communication hub	\$5,000	\$5,000
ShoreTel Telephone System software update	\$1,500	\$1,500
Microsoft Enterprise Agreement server licencing increase	\$16,384	\$16,384
OSH – Fire Extinguisher and Emergency Warden Training	\$3,400	\$3,400
TOTAL	\$48,084	\$48,084

SUSTAINABLE DEVELOPMENT DIRECTORATE		
PROJECT	AMOUNT	A NET BUDGET IMPACT
Library Donations Revenue Account – any funds received from sales or donations to be transferred from Muni and held in the Eaton Library Reserve for future library purchases	\$1,000	\$0
Social Pinpoint software licence. Not budgeted in previous years but used for community surveys	\$10,000	\$10,000
Youth Development Programs replacing Leeuwin Scholarships	\$10,000	\$0
School Holiday Workshops and Activities replacing skateboard clinics and Banners in the Terrace	\$5,000	\$0
Online Community Directory reducing Seniors Workshops from \$4,000 to \$3,000	\$1,000	\$0
Change to allocation amongst Events and Festivals budget – remaining at \$60,000	\$0	\$0
Club development and capacity building – grant funding of \$8,466 confirmed for 2021 and 2022, with Council contribution of \$3,000 for catering, marketing and venue hire. Partly offset by a reduction of \$1,500 in Community events – youth workshops and \$1,500 for creative workshops	\$8,466	\$0
Tourism and Events grants increase from \$25,000 to \$35,000 - Includes Business South West Excellence Awards 2021 – seeking a three year commitment of \$5,000 pa	\$10,000	\$10,000
Technical Services consultants to support new Grants Officer position ie: financial feasibility studies, business case development, etc	\$10,000	\$10,000
Eaton Recreation Centre – increasing Bodycombat Les Mills license from \$15,000 to \$15,665	\$665	\$665
Increase to the Consultants – (Strategic) Town Planning budget allocation to \$50,000 to enable studies and plans to be developed in line with the Corporate Business Plan. Note: \$35k reduced to \$30k to enable \$5k to be allocated towards relief contract staff - Includes engagin a consultant to develop Place Plans for Eaton/Millbridge, Burekup, Dardanup, Ferguson Valley & surrounds \$20,000	\$20,000	\$20,000

SUSTAINABLE DEVELOPMENT DIRECTORATE		
PROJECT	AMOUNT	A NET BUDGET IMPACT
New staff member – full-time Strategic Project Officer Note: with a L7.1 salary plus approx. 20% in on-costs = \$100k. Partially offset by reduction of 0.4FTE in Environmental Officer hours	\$60,000	\$60,000
Relief Contract Staff for Building Control. Funded from ceasing the current swimming pool inspection contract of \$9,282 plus additional anticipated Building License fees of \$25,000	\$40,000	\$0
TOTAL	\$176,131	\$110,665

The Net impact of Staff and Councillor Budget Requests for 2021/22 total \$198,749.

COMMUNITY BUDGET REQUESTS

PROJECTS	EXECUTIVE MANAGEMENT TEAM COMMENT	ESTIMATED COST
1. Informal notification received - Ferguson Valley Marketing Inc increase to annual allocation from \$20,000 to \$25,000	No formal request has been received from FVM at the time of the agenda preparation to support this request .	\$0

Budget – Whole of Life Cost

Subject to the projects and timeframes, each would be incorporated in future budgets if approved.

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.

All requests from community groups, elected members and staff to be included in the annual Corporate Business Plan shall be lodged with the Chief Executive Officer no later than the 31 March in each year.

Risk Assessment

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

Tier 2 – ‘Low’ or ‘Moderate’ Inherent Risk.		
Risk Event	Councillor / Staff Budget Requests	
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 Legal and Compliance	Elected Member & Staff Budget requests form part of the Annual Budget Process Failure to comply with Council policy <i>CP 018 – Corporate Business Plan & Long Term Financial Plan</i> could result in non-compliance

Officer Comment

Refer to the Executive Management Team comments provided above.

Voting Requirements - Simple Majority.

Change to Officer Recommendation

No Change. **OR:**

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

OFFICER RECOMMENDED RESOLUTION TO THE INTEGRATED PLANNING COMMITTEE MEETING

THAT the Integrated Planning Committee recommend to Council that the following projects be included for consideration in the Draft LTFP, Draft Corporate Business Plan and Draft 2021/22 Budget:

- 1. Councillor Budget Requests:**
 - a.
 - b.
 - c.
 - d.

- 2. Staff Budget Requests:**
 - a.
 - b.
 - c.
 - d.

8.10 Title: Draft Road Asset Management Plans 2021/22 – 2030/31

<i>Reporting Department:</i>	<i>Corporate & Governance</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>

Overview

The Committee is requested to consider and endorse the Annual Transfers to Reserves for the Road 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.

This will enable staff to reschedule the 10 Year Programs for further consideration and adoption at the next meeting of the Integrated Planning Committee.

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 purpose of the Road Asset Management Plan is to plan for the expansion, upgrade, renewal and maintenance of the Shire's asset networks and is essentially dealing with the full life cycle requirements of infrastructure.

The ability of the Council to deliver the minimum required expenditure on the road network is reliant on the Council's ability to attract external funding. Under the current structure, the Council would not be able to meet its road preservation and maintenance needs purely from rates. Adding improvement works on top of this exacerbates the situation.

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 budget finalisation. 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 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	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: 8.10A) 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

At the Integrated Planning Committee Meeting held on 8 April 2020 the Committee set out priorities for capital works projects identified in the first four years of the draft 2020 Asset Management Plans. At this first draft stage of the 2021 RAMP, staff have endeavoured to retain the same projected financial year for capital projects to occur where possible.

Based on the proposed reduced transfers to reserve for the Roads asset class it has been necessary to reschedule some projects to maintain a reserve surplus, however the intent by staff has been to

prioritise works to maximise external funding opportunities whilst considering the required preservation and renewal works over the 10 Year Program. 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 major changes to the first four years of the draft 10 program are listed below:

Road	Construction Activity	Asset Activity	2020-2021 RAMP	2021-2022 RAMP
Dowdell' Line Road (3.85-5.69)	Widen recon & seal	Expansion/Upgrade	2022/23	2024/25
Dowdell' Line Road (5.69-6.16)	Reseal	Renewal	2023/24	2025/26
Harold Douglas Drive(1.08-1.68)	Reconstruct & seal	Renewal	2023/24	2024/25
Ford Road (0.03-0.51)	Gravel resheet	Renewal	2022/23	2023/24
Ironstone Road (0.00-1.10)	Widen recon & seal	Expansion/Upgrade	2023/24	2026/27
Ironstone Road (3.89-4.38)	Reseal	Renewal	2023/24	2026/27
Japonica View (0.00-0.74)	Reseal	Renewal	2023/24	2026/27
Joshua Brook Road (9.00-9.71)	Widen Gravel	Expansion/Upgrade	2021/22	2023/24
King Tree Road (0.00-0.40)	Reseal	Renewal	2023/24	2024/25
Lennard Road (0.00-2.67)	Reseal	Renewal	2023/24	2024/25
Moore Road (0.56-1.55)	Reconstruct & seal	Renewal	2022/23	2026/27
Rafferty Road (0.00-0.23)	Reseal	Renewal	2021/22	2025/26
Ratcliffe West Road (0.75-1.90)	Gravel Resheet	Renewal	2021/22	2025/26
Raferty Road (0.00-0.23)	Reseal	Renewal	2021/22	2025/26
Millard Street (0.00-0.63)	Reseal	Renewal	2021/22	2025/26
Hale Street (0.00-1.21)	Reseal	Renewal	2022/23	2024/25
Hale Street (0.00-1.21)	Reseal	Renewal	2023/24	2025/26
Hamilton Road (0.90-1.93)	Reseal	Renewal	2024/25	2029/30
Pratt Road(0.00-0.10)	Reseal	Renewal	2022/23	2023/24

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. As a result of the proposed reduced reserve transfers the Shire's 10 year average Asset Sustainability ratio for roads has dropped from 0.84 in 2020/21 to 0.76 (\$1,829,649/\$2,400,000) in the draft 10 Year Program, which is slightly below the 0.90 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 is listed below:

	Current Replacement Cost	Annual Depreciation
Roads	\$127,200,000	\$2,400,000

The current forecast average expenditure currently identified in the draft Road 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	\$1,829,649	\$1,045,102	\$2,874,751	\$1,452,014	\$1,422,737

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 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	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

The projected net cost to Council of the draft 2021/2022 Construction Program is \$1,261,591.

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.

Please refer to (Appendix IPC: 8.10B) for a financial summary of the Draft 10 Year Road Asset Management Plan.

Council Role -

Executive/Strategic.

Voting Requirements - Simple Majority.

Change to Officer Recommendation

No Change. **OR:**

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

**OFFICER RECOMMENDED RESOLUTION TO THE
INTEGRATED PLANNING COMMITTEE**

THAT the Integrated Planning Committee recommends that Council adopts the following Annual Transfers to Reserve for the delivery of the Roads 10 Year Programs:

21-22	22-23	23-24	24-25	25-26	26-27	27-28	28-29	29-30	30-31	Total
(x \$1,000)										
850	850	900	900	900	1,700	1,725	1,750	2,000	2,000	13,575

8.11 Title: Draft Building Asset Management Plans 2021/22 – 2030/31

<i>Reporting Department:</i>	<i>Corporate & Governance</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>

Overview

The Committee is requested to consider the Annual Transfer to Reserve for the Building 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.

Once the annual reserve transfers are adopted by Council, it will enable staff to finalise the scheduling of the 10 Year Programs for further consideration and adoption at the next meeting of the Integrated Planning Committee.

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	9,556,394	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	720,720	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	2,559,149	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	6,997,245	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	1,929,262	569,220	329,769	523,391	347,765	706,724	914,627	733,529	339,424
Recommended Annual Reserve Transfer	4,186	8,682	2,561	1,484	2,355	1,565	3,180	4,116	3,301	1,527
Reserve Surplus (Deficit)	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)	1,929,262	569,220	329,769	523,391	347,765	706,724	914,627	733,529	339,424	855,009

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

	20-21	21-22	22-23	23-24	24-25	25-26	26-27	27-28	28-29	29-30
	Annual Transfer (x \$1,000)									
2020-2021 LTFP	7,492	1,234	430	440	460	500	500	500	500	
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

LTFP = Long Term Financial Plan

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.

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: 8.11) 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	Financial Risk that assets are not renewed at the end of their useful lives.

Tier 2 – ‘Low’ or ‘Moderate’ Inherent Risk.	
	Risk that assets are not upgraded or created to meet demand.
Reputational	Risk that customer levels of service are reduced or maintained to meet public expectation.
Service Interruption	Risk to service for public buildings if assets are not renewed or maintained to an operational standard
Legal & Compliance	Possible damages claims against the Council if there is injury due to buildings not being maintained.

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	\$ 3,517,644	\$ 3,862,253	\$ 2,260,827	\$ 1,601,427

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.
- 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. The major changes are listed in the table below:

Building	Asset Activity	2020-2021 BAMP		2021-2022 BAMP		Comments
Dardanup Office	Expansion/Upgrade	2022/23	390,895	-	-	Renewal only
Dardanup Hall	Expansion/Upgrade	2022/23	571,660	-	-	Renewal only
Eaton Hall	Expansion/Upgrade	2025/26	3,308,431	2025/26	3,125,057	No change
Wells Recreation Public Toilets		-	-	2021/22	100,800	Added as part of CFP
Carramar Park Public Toilets	Expansion/Upgrade	2022/23	77,267	-	-	To be incorporated into hall
Eaton Oval Sporting Hardcourts	Expansion/Upgrade	2025/26	376,900	2025/26	598,371	Increase in scope
Wells Park Sporting Hardcourts	Expansion/Upgrade	2028/29	309,233	-	-	Renewal only
Burekup Pavilion	Expansion/Upgrade	2024/25	1,932,558	2028/30	1,926,152	Timing change
Eaton Skate Park	Expansion/Upgrade	-	-	2021/22	191,318	Complete project
Dardanup Skate Park	Expansion/Upgrade	2023/24	35,235	2024/25	499,211	Increase in scope, timing change
Burekup Skate Park	Expansion/Upgrade	2023/24	35,235	2025/26	241,556	Increase in scope, timing change
Sport Lighting - Eaton Oval	Expansion/Upgrade	-	-	2021/22	347,760	New project
Sport Lighting - Wells Park	Expansion/Upgrade	-	-	2023/24	358,467	New project
Sport Lighting - Glenhuon Reserve	Expansion/Upgrade	-	-	2025/26	723,248	New project
Sport Lighting - Burekup Oval	Expansion/Upgrade	-	-	2029/30	370,650	New project
Wells Park Clubrooms	Expansion/Upgrade	2023/24	2,330,039	2023/24	2,253,224	No change
Eaton Oval Clubrooms	Expansion/Upgrade	2021/22	1,794,573	2021/22	1,814,400	No change
Dardanup Office	Renewal	2022/23	1,144,082	2025/26	1,114,420	Timing change
Dardanup Hall	Renewal	2022/23	1,077,725	2024/25	1,041,452	Timing change
Wells Park Sporting Hardcourts	Renewal	2025/26	304,602	2024/25	273,333	Timing change

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

To enable staff to continue the development of the 10 year works programs, the Committee is requested to consider the proposed reserve transfers for adoption.

Council Role - Executive/Strategic.

Voting Requirements - Simple Majority.

Change to Officer Recommendation

No Change. **OR:**

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

OFFICER RECOMMENDED RESOLUTION TO THE INTEGRATED PLANNING COMMITTEE

THAT Integrated Planning Committee recommends that Council:

- Adopts the following Annual Transfers to Reserve for the delivery of the Building Asset Management Plan 10 Year Programs:**

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

- Transfers the following funds from the Road Reserve to the Building Reserve to offset the increase in Reserve Transfers required for the Building Asset Management Plan 10 Year Programs:**

21-22	22-23	23-24	24-25	25-26	26-27	27-28	28-29	29-30	30-31	Total
(x \$1,000)										
500	500	600	600	600	-	-	-	-	-	2,800

3. Acknowledges that the following borrowings are required for the Building Asset Management Plan 10 Year Programs:

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

8.12 Title: Draft Pathway Asset Management Plans 2021/22 – 2030/31

<i>Reporting Department:</i>	<i>Corporate & Governance</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>

Overview

The Committee is requested to consider and endorse the Annual Transfer to Reserve for the Pathway 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.

This will enable staff to update and reschedule where required the 10 Year Pathway Program for further consideration and adoption at the next meeting of the Integrated Planning Committee.

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 annually to take into consideration any changes resulting from traffic, development and subdivisions, newly constructed pathways together with financial constraints.

The PAMP is written in consideration of the Shire of Dardanup Strategic Community Plan (SCP) and the subsequent 10 Year program is produced for the 2021/2022 Long Term Financial Plan and Corporate Business Plan.

At the Integrated Planning Committee Meeting held on 8 April 2020 the Committee set out priorities for capital works projects identified in the first four years of the draft 2020 Asset Management Plan. At this first draft stage of the 2021 PAMP, staff have endeavoured to retain the same projected financial year for capital projects to occur where possible. Where rescheduling of projects has been required as a result of proposed reduced reserve transfer allocations the priority order of projects has fundamentally been maintained.

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 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: 8.12) 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 0.36 (\$72,529/\$200,000), which is below the 0.9 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	\$200,000

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	\$174,985	\$247,514	\$52,637	\$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 BAMP		2021-2022 BAMP		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
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.

A financial summary of the Draft 10 Year Pathways Asset Management Plan is listed below:

Shire of Dardanup												
Draft Asset Management Plan Summary - Pathways												
2021 - 2022												
CONSTRUCTION												
EXPENDITURE	FY	2021-2022	2022-2023	2023-2024	2024-2025	2025-2026	2026-2027	2027-2028	2028-2029	2029-2030	2030-2031	
Renewal		95,921	2,497	43,728	46,770	56,179	27,946	42,770	58,104	223,372	128,004	
Upgrade & Expansion		0	0	193,098	96,748	344,364	51,635	218,122	264,580	169,484	411,818	
Total Expenditure		95,921	2,497	236,826	143,518	400,543	79,581	260,891	322,684	392,855	539,823	
EXTERNAL FUNDING												
Grant Revenue & Contributions		0	0	129,376	0	121,326	4,259	0	53,726	54,836	162,845	
Total External Funding		0	0	129,376	0	121,326	4,259	0	53,726	54,836	162,845	
OWN SOURCE FUNDS REQUIRED		95,921	2,497	107,451	143,518	279,217	75,322	260,891	268,958	338,020	376,977	
Opening Balance - Pathway Reserve		160,514	65,396	163,226	92,591	133,999	46,122	186,261	167,233	149,947	63,427	
Interest		803	327	816	926	1,340	461	1,863	1,672	1,499	634	
Recommended Annual Reserve Transfer		0	100,000	36,000	184,000	190,000	215,000	240,000	250,000	250,000	325,000	
RESERVE SURPLUS (DEFICIT)		65,396	163,226	92,591	133,999	46,122	186,261	167,233	149,947	63,427	12,084	

The current reserve transfers on which the Draft Pathways 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)										
0	100	36	184	190	215	240	250	250	325	1,790

Council Role - Executive/Strategic.

Voting Requirements - Simple Majority.

Change to Officer Recommendation

No Change. **OR:**

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

OFFICER RECOMMENDED RESOLUTION TO THE INTEGRATED PLANNING COMMITTEE

THAT the Integrated Planning Committee recommends that Council adopts the following Annual Transfers to Reserve for the delivery of the 2021 Pathways Asset Management Plan - Pathways 10 Year Programs:

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	100	36	184	190	215	240	250	250	325	1,790

8.13 Title: Draft Parks & Reserves Asset Management Plans 2021/22 – 2030/31

<i>Reporting Department:</i>	<i>Corporate & Governance</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>

Overview

The Committee is requested to consider and endorse the Annual Transfer to Reserve for the Parks and 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.

This will enable staff to update and reschedule where required the 10 Year Pathway Program for further consideration and adoption at the next meeting of the Integrated Planning Committee.

Background

The Parks & Reserves Asset Management Plan (PAMP) 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 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
Change in annual reserve transfer	0	0	0	0	0	0	0	0	0	

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: 8.13A) 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	<table border="0"> <tr> <td>Financial</td> <td>Risk that assets are not renewed at the end of their useful lives.</td> </tr> <tr> <td>Financial</td> <td>Risk that assets are not upgraded or created to meet demand.</td> </tr> <tr> <td>Reputational</td> <td>Risk that customer levels of service are reduced or maintained to meet public expectation.</td> </tr> </table>	Financial	Risk that assets are not renewed at the end of their useful lives.	Financial	Risk that assets are not upgraded or created to meet demand.	Reputational	Risk that customer levels of service are reduced or maintained to meet public expectation.
Financial	Risk that assets are not renewed at the end of their useful lives.						
Financial	Risk that assets are not upgraded or created to meet demand.						
Reputational	Risk that customer levels of service are reduced or maintained to meet public expectation.						

Officer Comment

At the Integrated Planning Committee Meeting held on 8 April 2020 the Committee set out priorities for capital works projects identified in the first four years of the draft 2020 Asset Management Plan. At this first draft stage of the 2021 PRAMP, staff have endeavoured to retain the same projected financial year for capital projects to occur where possible. Where rescheduling of projects has been required as a result of reduced reserve transfer allocations the priority order of projects has fundamentally been maintained.

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 \$225,400 per annum has been scheduled over the 10 years of the program to address the backlog and prevent accumulation of any further backlog.

Please refer to (Appendix IPC: 8.13B) for a copy of the Draft 10 Year Parks and Reserves Renewal 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	\$225,400	\$675,200	\$900,600	\$481,600	\$419,000

A financial summary of the Draft 10 Year Parks and Reserves Asset Management Plan is listed below:

Shire of Dardanup											
Draft - Asset Management Plan Summary - Parks and Reserves											
2021 - 2022											
CONSTRUCTION											
EXPENDITURE	2021 - 2022	2022 - 2023	2023 - 2024	2024 - 2025	2025 - 2026	2026 - 2027	2027 - 2028	2028 - 2029	2029 - 2030	2030 - 2031	
Upgrade & Expansion	337,011	717,180	1,377,348	483,242	220,362	734,087	720,850	374,930	384,222	1,403,215	
Renewal	282,513	216,749	200,426	167,774	344,154	219,678	229,926	343,998	149,212	99,737	
Total Expenditure	619,524	933,929	1,577,774	651,016	564,517	953,765	950,777	718,928	533,434	1,502,953	
EXTERNAL FUNDING											
Grant Revenue & Contributions	122,285	563,758	1,252,310	278,253	24,359	367,043	353,787	72,643	29,280	752,333	
Specified Area Rate Reserve Transfer	100,000	100,000	100,000	100,000	100,000	100,000	100,000	100,000	100,000	100,000	
Total External Funding	222,285	663,758	1,352,310	378,253	124,359	467,043	453,787	172,643	129,280	852,333	
OWN SOURCE FUNDS REQUIRED											
Opening Balance - Parks and Reserves	487,480	226,435	166,283	150,568	87,482	16,718	39,072	51,258	14,203	119,113	
Interest	2,194	1,019	748	678	394	75	176	231	64	536	
Other projects funded from Reserve	16,000	16,000	16,000	16,000	16,000	16,000	16,000	16,000	16,000	16,000	
Recommended Annual Reserve Transfer	150,000	225,000	225,000	225,000	385,000	525,000	525,000	525,000	525,000	600,000	
RESERVE SURPLUS (DEFICIT)	226,435	166,283	150,568	87,482	16,718	39,072	51,258	14,203	119,113	53,029	

The current reserve transfers on which the Draft Parks & Reserves 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)										
150	225	225	225	385	525	525	525	525	600	3,910

Council Role - Executive/Strategic.

Voting Requirements - Simple Majority.

Change to Officer Recommendation

No Change. **OR:**

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

**OFFICER RECOMMENDED RESOLUTION TO THE
INTEGRATED PLANNING COMMITTEE**

**THAT Integrated Planning Committee recommends that Council adopts the following
Annual Transfers to Reserve for the delivery of the Parks and Reserves 10 Year
Programs:**

21-22	22-23	23-24	24-25	25-26	26-27	27-28	28-29	29-30	30-31	Total
(x \$1,000)										
150	225	225	225	385	525	525	525	525	600	3,910

8.14 Title: Draft Stormwater Asset Management Plans 2021/22 – 2030/31

<i>Reporting Department:</i>	<i>Corporate & Governance</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>

Overview

The Committee is requested to consider and endorse the Annual Transfer to Reserve for the Storm Water Asset Management Plan (SWAMP) 2021/22 - 2030/31 which has been updated as part of the annual review of the Long Term Financial Plan and Corporate Business Plan.

Background

This report is presented to the Integrated Planning Committee to consider and endorse the Annual Transfer to Reserve for the Storm Water Asset Management Plan 2021/22 - 2030/31.

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 Shire of Dardanup Corporate Business Plan.

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: 8.14A) 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.
	Financial	Risk that assets are not upgraded or created to meet demand.
	Reputational	Risk that customer levels of service are reduced or maintained to meet public expectation.

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. As there are no stormwater renewals scheduled until approximately 2031 this is not a relevant measure.

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	\$300,000

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

The forecast stormwater expenditure currently listed in the Draft Stormwater Asset Management Plan is a single upgrade project staged over two years and is related to road projects and developments. It is therefore recommended that the Storm Water Upgrade Program not be altered.

For a copy of the Draft Storm Water Expansion and Upgrade 10 Year Program please refer to (Appendix IPC: 8.14B)

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	50	50	50	50	400

Council Role - Executive/Strategic.

Voting Requirements - Simple Majority.

Change to Officer Recommendation

No Change. **OR:**

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

OFFICER RECOMMENDED RESOLUTION TO THE INTEGRATED PLANNING COMMITTEE

THAT the Integrated Planning Committee recommends that Council adopts the following Annual Transfers to Reserve for the delivery of the Stormwater 10 Year Programs:

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	50	50	50	50	400

8.15 Title: Draft Infrastructure Plant and Vehicles 2021/22 – 2030/31

<i>Reporting Department:</i>	<i>Corporate & Governance</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 Annual Transfer to Reserve for the Infrastructure Plant and Vehicle Asset Management Plan 2021/22 - 2030/31 (PVAMP) which has been updated as part of the annual review of the Long Term Financial Plan and Corporate Business Plan.

Background

This report is presented to the Integrated Planning Committee to consider and endorse the annual Transfer to Reserve for the Plant & Vehicle Replacement Program in the PVAMP.

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 PVAMP 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.

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 in the 10 Year Program are in accordance with Policy CP048– *Plant & Vehicle Acquisition and Disposal Policy*.

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: 8.15) for full assessment document.

Tier 2 – 'Low' or 'Moderate' Inherent Risk.							
Risk Event	Plant & 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	<table border="0"> <tr> <td>Financial</td> <td>Risk that assets are not renewed at the end of their useful lives.</td> </tr> <tr> <td>Financial</td> <td>Risk that plant and vehicle fleet does not meet demand.</td> </tr> <tr> <td>Reputational</td> <td>Risk that customer levels of service are reduced or maintained to meet public expectation.</td> </tr> </table>	Financial	Risk that assets are not renewed at the end of their useful lives.	Financial	Risk that plant and vehicle fleet does not meet demand.	Reputational	Risk that customer levels of service are reduced or maintained to meet public expectation.
Financial	Risk that assets are not renewed at the end of their useful lives.						
Financial	Risk that plant and vehicle fleet does not meet demand.						
Reputational	Risk that customer levels of service are reduced or maintained to meet public expectation.						

Officer Comment

In addition to the scheduled replacement of existing plant and vehicles that reach their respective replacement trigger, the following new plant and vehicles were also included in the 10 Year Program

New Plant or Vehicle	Forecast Cost	Scheduled
3 Tonne Truck (Parks & Environment Team)	\$80,408	2025-26
Skid Steer Loader	\$122,509	2028-29

The Annual Transfer to Reserve for the Plant & Vehicle 10 Year Replacement Program has been adjusted slightly and is compared to the transfers adopted in 2020-2021.

	21-22	22-23	23-24	24-25	25-26	26-27	27-28	28-29	29-30	30-31	Total
	(x \$1,000)										
Previous Transfers	205.5	206	250	256.5	276.5	280	317	327.5	347.5		
Proposed Transfers	205.5	206	250	256.5	276.5	290	317	300	300	353	2,755

The replacement of existing plant and vehicles has been scheduled in accordance with Council’s Policy CP048 – Plant & Vehicle Acquisition and Disposal Policy. This Policy was established and adopted by Council to ensure that the Shire’s plant and vehicle fleet is replaced at an optimal time, striking a balance between lifecycle cost and serviceability for each class of plant and vehicle. The slight adjustment in the Annual Transfer to Reserve has not required the program to be rescheduled and basically a continuation of the program that was adopted in 2020-2021.

Officers therefore recommend that the Integrated Planning Committee endorse the annual Transfer to Reserve for the Plant & Vehicle Replacement Program in the PVAMP.

Council Role - Executive/Strategic.

Voting Requirements - Simple Majority.

Change to Officer Recommendation

No Change. **OR:**

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

OFFICER RECOMMENDED RESOLUTION TO THE INTEGRATED PLANNING COMMITTEE

THAT the Integrated Planning Committee recommends that Council adopts the following Annual Transfers to Reserve for the Infrastructure Plant & Vehicle 10 Year Replacement 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)										
205.5	206	250	256.5	276.5	290	317	300	300	353	2,755

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

<i>Reporting Department:</i>	<i>Corporate & Governance</i>
<i>Reporting Officer:</i>	<i>Mr Allan Hutchinson – 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 Annual Transfer to Reserve for the Compliance & Executive 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.

This will enable staff to update and reschedule where required the 10 Year Vehicle Replacement Program for further consideration and adoption at the next meeting of the Integrated Planning Committee.

Background

The Compliance & Executive Vehicle 10 Year Asset Management Plan is reviewed annually and provides a structured acquisition and replacement program for the compliance and executive vehicles utilised by the Council's office based staff. The Program covers the following:

1. Replacement of the Council's existing vehicle fleet – vehicles are replaced at the optimal point in their serviceable life, the triggers being as adopted by Council in Policy CP048 – *Plant & Vehicle Acquisitions and Disposal Policy*:

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 vehicles where required for new positions.

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. 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. Year one of the Asset Management Plan will be incorporated into the 2021/22 Annual Budget.

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 Compliance & Executive Vehicles AMP as and when amendments are made.

Budget Implications

The information contained in the Compliance & Executive Vehicle 10 Year Program will be used annually to update the Council's Long Term Financial Plan, Corporate Business Plan and Annual Budget. The following summary table from the Compliance & Executive Vehicle 10 Year Asset Management Plan is provided with the agenda and indicates the projected expenditure and income for the next ten years (Appendix IPC: 8.16A).

- Consolidated Summary (Expenditure);
- Sales Revenue Summary; and
- Compliance Vehicle Reserve Fund Summary.

The following shows the proposed 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
	Annual Transfer (x \$1,000)										
2020/2021 LTFP	0	80	85	150	100	120	145	200	150	150	
Draft 2021/2021 LTFP		80	85	150	100	120	145	200	150	150	155

Budget – Whole of Life Cost -

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

Council Policy Compliance -

Replacement triggers used are in accordance with Policy CP048 - *Plant & Vehicle Acquisitions and Disposal Policy*.

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: 8.16B) for full assessment document.

Tier 2 – ‘Low’ or ‘Moderate’ Inherent Risk.	
Risk Event	Compliance & Executive 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	<p>Health Keeping our fleet updated ensures that vehicles have the latest emissions and safety controls fitted.</p> <p>Financial Risk that assets are not renewed at the end of their useful lives. Older vehicles breaking down, which leads to vehicles not being available to provide the required services to the community.</p> <p>Service Interruption Council not being complaint with its own policies an associate Acts and regulations.</p> <p>Legal and Compliance Council staff not driving up to date quality vehicles may lead to reputational risk.</p> <p>Reputational Keeping our fleet updated ensures that vehicles have the latest emission and an environmental controls fitted.</p> <p>Environmental</p>

Officer Comment

The Program has been revised using odometer readings and the age of the vehicles as well as their usage patterns. Officers’ have also reviewed the prices used in the Program for both new vehicle acquisitions and trade values.

A budget request to engage a consultant in 2021/22 to undertake a full review of Council’s Motor Vehicle Fleet including Compliance, Executive, Manager and Plant vehicles – examining electric vehicle options while recommending a selected range and type of vehicle based on optimum value for money, is included in an earlier agenda report. This review will also include examining running and changeover costs, changeover periods, FBT, Novate Leasing, motor vehicle allowances options, and a review and update of existing Motor Policies.

Council Role - Executive/Strategic.

Voting Requirements - Simple Majority.

Change to Officer Recommendation

No Change. **OR:**

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

THAT the Integrated Planning Committee recommends that Council adopts the following Annual Transfers to Reserve for the delivery of the Compliance and Executive Vehicle 10 Year Replacement 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)									
2021/2022 Draft LTFP	80	85	150	100	120	145	200	150	150	155

8.17 Title: Draft Eaton Recreation Centre Equipment Asset Management Plans 2021/22 – 2030/31

<i>Reporting Department:</i>	<i>Sustainable Development Directorate</i>
<i>Reporting Officer:</i>	<i>Mr Gary Thompson – Manager Recreation Centre</i>
<i>Legislation:</i>	<i>Local Government Act 1995</i>

Overview

The Committee is requested to consider and endorse the Annual Transfer to Reserve for 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.

This will enable staff to update and reschedule where required the 10 Year Equipment Replacement Program for further consideration and adoption at the next meeting of the Integrated Planning Committee.

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 2021/22 Long Term Financial Plan and Corporate Business Plan process and is provided for Council consideration and adoption. Year one of the Asset Management Plan will be incorporated into the 2021/22 Annual Budget.

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 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 update the Council's Long Term Financial Plan, Corporate Business Plan and Annual Budget. The following summary table from the Eaton Recreation Centre Equipment 10 Year Asset Management Plan is provided with the agenda and indicates the projected expenditure and income for the next ten years. (Appendix IPC: 8.17A).

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

The following shows the proposed 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
	Annual Transfer (x \$1,000)										
2020/2021 LTFP	110	120	130	140	130	130	130	130	130	130	
Draft 2021/2021 LTFP		120	130	140	130	130	130	130	130	130	130

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: 8.17B) for full assessment document.

8.18 Title: Draft IT Asset Management Plans 2021/22 – 2030/31

<i>Reporting Department:</i>	<i>Corporate & Governance</i>
<i>Reporting Officer:</i>	<i>Mr Sudi Mishra – Manager Information Services</i>
<i>Legislation:</i>	<i>Local Government Act 1995</i>

Overview

The Committee is requested to consider and endorse the Annual Transfer to Reserve for 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.

This will enable staff to update and reschedule where required the 10 Year IT Replacement Program for further consideration and adoption at the next meeting of the Integrated Planning Committee.

Background

The Information Technology 10 Year Asset Management Plan is reviewed annually and provides a structured acquisition and replacement program for the IT equipment, software systems and licences.

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.

Year one of the Asset Management Plan will be incorporated into the 2021/22 Annual Budget.

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 IT AMP as and when amendments are made.

Budget Implications

The information contained in the IT 10 Year Program will be used annually to update the Council's Long Term Financial Plan, Corporate Business Plan and Annual Budget. The following summary table from the IT 10 Year Asset Management Plan is provided with the agenda and indicates the projected expenditure and income for the next ten years. (Appendix IPC: 8.18A).

The following table shows the proposed 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
	Annual Transfer (x \$1,000)										
2020/2021 LTFFP	400	400	400	400	400	450	500	500	500	500	
Draft 2021/2021 LTFFP		400	400	400	400	450	500	500	500	500	500

The balance of required funds each year is budgeted to come from general operating revenue.

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: 8.18B) for full assessment document.

Tier 2 – ‘Low’ or ‘Moderate’ Inherent Risk.							
Risk Event	Draft 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 similar size. For this reason the Shire of Dardanup is regarded within the local government sector as a high achiever in the application of IT business services.

- *Future – 10 year ICT Plan*

The strategic focus of IT over the next 5-10 years needs to align with the 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 information technology and smart business systems.

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

The new ERP system will replace the existing SynergySoft software system (primarily used for core financial services) and some of the additional software systems ie: AssetFinda, Zoodata, etc. A report to Council seeking endorsement to proceed toward a new ERP system will be presented to the Ordinary Council Meeting in March 2021. It is anticipated that the outcome of this review and decision will be incorporated into the 2021/22 IT Asset Management Plan, assuming Council resolves to support the proposed changes.

Council Role - Executive/Strategic.

Voting Requirements - Simple Majority.

Change to Officer Recommendation

No Change. OR:

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

**OFFICER RECOMMENDED RESOLUTION TO THE
INTEGRATED PLANNING COMMITTEE**

THAT the Integrated Planning Committee recommends that Council adopts the following Annual Transfers to Reserve for the delivery of the 2021/22 10 year Information Technology Asset Management Plan:

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

9 MATTERS BEHIND CLOSED DOORS

None.

10 CLOSURE OF MEETING

The Chairperson advises that the date of the next Integrated Planning Committee Meeting will be Wednesday, 14 April 2021 commencing at 1.00pm at the Shire of Dardanup - Administration Centre Eaton.

There being no further business the Chairperson to declare the meeting closed.

