



TOWN OF
VICTORIA PARK

Special Agenda Briefing Forum Agenda – 19 July 2021



WE'RE OPEN
VIC PARK

Please be advised that a **Special Agenda Briefing Forum** will be held at **6.30pm** on **Monday 19 July 2021** in the **Council Chamber**, Administration Centre at 99 Shepperton Road, Victoria Park.

Mr Anthony Vuleta – Chief Executive Officer

14 July 2021

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1 About the Agenda Briefing Forum

The purpose of the Agenda Briefing Forum is to ask questions and seek clarity on the draft Ordinary Council Meeting agenda, in line with the Agenda Briefing, Concept Forum and Council Workshops Policy.

The meeting is open to all members of the public, except during the consideration of matters deemed confidential in line with the *Local Government Act 1995*.

Members of the public that are directly impacted by an item on the agenda may participate in the meeting through any of the following methods.

1. Deputation

A deputation is a presentation made by a group of between two and five people affected (adversely or favourably) by a matter on the agenda. A [Deputation Form](#) must be submitted to the Town no later than 24 hours prior to the meeting and is to be approved by the Chief Executive Officer.

2. Presentation

A presentation is a submission made by an individual affected (adversely or favourably) by a matter on the agenda. A [Presentation Form](#) must be submitted to the Town no later than 24 hours prior to the meeting and is to be approved by the Chief Executive Officer.

All others may participate in the meeting during the allotted Public Participation Time. While it is not required, members of the public are encouraged to submit their questions and statements in advance by [email](#) or by completing the [Public Question/ Statement Form on the Town's website](#). Please note that questions and statements related to an agenda item will be considered first. All those dealing with matters of a general nature will be considered in the order in which they have been received.

For any questions regarding the Agenda Briefing Forum or any item presented in the draft agenda, please contact the Governance team at GovernanceVicPark@vicpark.wa.gov.au

Disclaimer

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Any advice provided by an employee of the Town on the operation of written law, or the performance of a function by the Town, 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 Town. Any advice on a matter of law, or anything sought to be relied upon as representation by the Town, should be requested in writing.

Noting that the Agenda Briefing Forum is only for the purpose of seeking further information on the draft Ordinary Council Meeting Agenda, and does not constitute a decision-making forum, any person or entity who has an application or submission before the Town must not rely upon officer recommendations presented in the draft agenda. Written notice of the Council's decision, and any such accompanying conditions, will be provided to the relevant person or entity following the Ordinary Council Meeting.

2 Opening

3 Acknowledgement of country

Acknowledgement of the traditional owners

Ngany yoowart Noongar yorga, ngany wadjella yorga. Ngany djerapiny Wadjak – Noongar boodja-k yaakiny, nidja bilya bardook.

I am not a Nyungar woman, I am a non-Indigenous woman. I am honoured to be standing on Whadjuk - Nyungar country on the banks of the Swan River.

Ngany kaaditj Noongar moort keny kaadak nidja Wadjak Noongar boodja. Ngany kaaditj nidja Noongar birdiya – koora, ye-ye, boorda, baalapiny moorditj Noongar kaaditjin, moort, wer boodja ye-ye.

I acknowledge the traditional custodians of this land and respect past, present and emerging leaders, their continuing cultural heritage, beliefs and relationship with the land, which continues to be important today.

Ngany youngka baalapiny Noongar birdiya wer moort nidja boodja.

I thank them for the contribution made to life in the Town of Victoria Park and to this region.

4 Announcements from the Presiding Member

4.1 Purpose of the Agenda Briefing Forum

The purpose of this forum is to provide an opportunity for Elected Members to ask questions and obtain additional information on officer reports in the draft Ordinary Council Meeting agenda. It is not a decision-making forum, nor is it open for debate.

Members of the public that may be directly affected by an item on the agenda can make presentations, deputations, statements, and ask questions, prior to the matter being formally considered by Council at the next Ordinary Council Meeting.

4.2 Notice of recording and live-streaming

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

4.3 Conduct of meeting

All those in attendance are expected to extend due courtesy and respect to the meeting by refraining from making any adverse or defamatory remarks regarding Council, the staff or any elected member. No one shall create a disturbance at a meeting by interrupting or interfering with the proceedings through expressing approval or dissent, by conversing, or by any other means.

All questions and statements made by members of the public are not to personalise any elected member or member of staff. Questions and statements are to be directed to the Presiding Member, who may choose to call upon an officer of the Town, or another elected member, to assist with responses.

4.4 Public participation time

There are two opportunities to ask questions and make statements at the beginning and at the end of the meeting. Each public participation time will be held for 30 minutes. Any additional time must be by agreement from the meeting and will be in five-minute increments.

In line with the intended purpose of the Agenda Briefing Forum, questions and statements relating to an agenda item will be considered first. All others will be considered in the order in which they are received.

4.5 Questions taken on notice

Responses to questions taken on notice that relate to an agenda item will be presented in the officer report for the Ordinary Council Meeting agenda under the heading 'Further consideration'.

Responses to general matters taken on notice will be made available in the relevant Ordinary Council Meeting agenda under the section 'Responses to public questions taken on notice'.

5 Attendance

Mayor	Ms Karen Vernon
Banksia Ward	Cr Claire Anderson Cr Ronhhda Potter Cr Wilfred Hendriks Cr Luana Lisandro
Jarraah Ward	Deputy Mayor Bronwyn Ife Cr Vicki Potter Cr Brian Oliver Cr Jesvin Karimi
Chief Executive Officer	Mr Anthony Vuleta
Chief Operations Officer Chief Financial Officer Chief Community Planner	Ms Natalie Adams Mr Michael Cole Ms Natalie Martin Goode
Coordinator Governance and Strategy Finance Manager	Mrs Jasmine Bray Mr Stuart Billingham
Secretary Public liaison	Ms Amy Noon Ms Alison Podmore

5.1 Apologies

5.2 Approved leave of absence

6 Declarations of interest

Declarations of interest are to be made in writing prior to the commencement of the meeting.

Declaration of financial interests

A declaration under this section requires that the nature of the interest must be disclosed. Consequently, a member who has made a declaration must not preside, participate in, or be present during any discussion or decision-making procedure relating to the matter the subject of the declaration. An employee is required to disclose their financial interest and if required to do so by the Council must disclose the extent of the interest. Employees are required to disclose their financial interests where they are required to present verbal or written reports to the Council. Employees can continue to provide advice to the Council in the decision-making process if they have disclosed their interest.

Declaration of proximity interest

Elected members (in accordance with Regulation 11 of the Local Government [Rules of Conduct] Regulations 2007) and employees (in accordance with the Code of Conduct) are to declare an interest in a matter if the matter concerns: a) a proposed change to a planning scheme affecting land that adjoins the person's land; b) a proposed change to the zoning or use of land that adjoins the person's land; or c) a proposed development (as defined in section 5.63(5)) of land that adjoins the persons' land.

Land, the proposed land adjoins a person's land if: a) the proposal land, not being a thoroughfare, has a common boundary with the person's land; b) the proposal land, or any part of it, is directly across a thoroughfare from, the person's land; or c) the proposal land is that part of a thoroughfare that has a common boundary with the person's land. A person's land is a reference to any land owned by the person or in which the person has any estate or interest.

Declaration of interest affecting impartiality

Elected members (in accordance with Regulation 11 of the Local Government [Rules of Conduct] Regulations 2007) and employees (in accordance with the Code of Conduct) are required to declare any interest that may affect their impartiality in considering a matter. This declaration does not restrict any right to participate in or be present during the decision-making process. The Elected Member/employee is also encouraged to disclose the nature of the interest.

- 7 Public participation time**
- 8 Presentations**
- 9 Deputations**
- 10 Method of dealing with agenda business**

11 Chief Financial Officer reports

11.1 Draft Annual Budget 2021-22

Location	Town-wide
Reporting officer	Finance Manager
Responsible officer	Chief Financial Officer
Voting requirement	Absolute majority
Attachments	1. 2021-22 Annual Budget combined [11.1.1 - 110 pages]

Recommendation

That Council:

1. Adopts the municipal fund budget for 2021-2022 pursuant to the provisions of Section 6.2 of the *Local Government Act 1995* (as amended), and Part 3 of the *Local Government (Financial Management) Regulations 1996*, as included in attachments, for the Town of Victoria Park for the 2021-2022 financial year, which includes the following:
Statement of Comprehensive Income by Nature and Type showing a net result for that year of (\$9,351,621)
Statement of Comprehensive Income by Program showing a net result for that year of (\$9351,621)
Rate Setting Statement showing an amount required to be raised from rates of \$44,365,408
Notes to, and forming part of, the budget
Budget program schedules
Transfers to/from reserve accounts as detailed
The Schedule of Fees & Charges for 2021-22
Elected Members' fees and allowances
2. Differential rates, minimum payments, service charges and instalment payment arrangements
 - a. Imposes the following differential rates, representing an average increase of 2.0%, for the 2021-2022 financial year for the purpose of yielding the deficiency disclosed by the 2021-2022 Municipal Fund Budget pursuant to Sections 6.32, 6.33, 6.34 and 6.35 of the *Local Government Act 1995*.
 - i. Residential – GRV of 0.0934 cents in the dollar of gross rental value applicable to properties used primarily as a place of residence subject to a minimum rate of \$1,159 per assessment.
 - ii. Non-Residential – GRV of 0.0988 cents in the dollar of gross rental value applicable to properties not used primarily as a place of residence subject to a minimum rate of \$1,205 per assessment
 - iii. All Vacant Land - GRV of 0.1308 cents in the dollar of gross rental value applicable to properties used primarily as vacant land subject to a minimum rate of \$1,530 per assessment.
 - b. Imposes the following service charges for properties in the State Underground Power Program No 6 :
 - i. Carlisle North - \$3,959
 - ii. Victoria Park East - \$3,849
 - iii. Victoria Park West - \$2,089
 - c. Pursuant to Section 6.45 of the *Local Government Act 1995* and Regulation 64(2) of the *Local Government (Financial Management) Regulations 1996*, nominates the following due dates for rate payment in full and by instalments.

- i. Full payment and first instalment due date 1 October 2021
 - ii. Second quarterly instalment due date 10 December 2021
 - iii. Third quarterly instalment due date 25 February 2022
 - iv. Fourth quarterly instalment due date 28 April 2022.
 - d. Pursuant to Section 6.45 of the Local Government Act 1995 and Regulation 67 of the Local Government (Financial Management) Regulations 1996, adopts an instalment administration charge where the owner has elected to pay rates (and service charges) through an instalment option of \$7.00 for each instalment after the initial instalment is paid (a total of \$21.00)
 - e. Pursuant to Section 6.45 of the Local Government Act 1995 and Regulation 68 of the Local Government (Financial Management) Regulations 1996 and clause 6 of the Local Government (COVID-19 Response) Amendment Order 2021, adopts an interest rate of 2.0% where the owner has elected to pay rates and service charges through an instalment option
 - f. Pursuant to Section 6.51(1) and subject to Section 6.51(4) of the Local Government Act 1995 and Regulation 70 of the Local Government (Financial Management) Regulations 1996 and clause 7 of the Local Government (COVID-19 Response) Amendment Order 2021, adopts an interest rate of 4% for rates (and service charges) and costs of proceedings to recover such charges that remain unpaid after becoming due and payable.
 - g. Notes that the additional charges and interest rate under (e) and (f) above cannot be applied to an excluded person, as defined in the Local Government (COVID-19 Response) Amendment Order 2021, that has been determined as suffering financial hardship as a consequence of the COVID-19 pandemic in accordance with Council's Financial Hardship Policy.
3. Fees and Charges
- a. Pursuant to Section 6.16 of the Local Government Act 1995, Section 245A (8) of the Local Government (Miscellaneous Provisions) Act 1960, Section 67 of the Waste Avoidance and Resources Recovery Act 2007, and Regulation 53(2) of the Building Regulations 2012, adopts the Fees and Charges included in the Annual Budget 2021-2022 as attached to, and forming part of, this report.
4. Elected Members' fees and allowances
- a. Pursuant to Section 5.98 of the Local Government Act 1995 and Regulation 34 of the Local Government (Administration) Regulations 1996, adopts the following annual fees for payment of Elected Members in lieu of individual meeting attendance fees:
 - i. Mayor \$31,149
 - ii. Councillors \$23,230
 - b. Pursuant to Section 5.99A of the Local Government Act 1995 and Regulations 34A and 34AA of the Local Government (Administration) Regulations 1996, adopts the Information and Communication Technology allowance of \$3,500 for Elected Members
 - c. Pursuant to Section 5.98(5) of the Local Government Act 1995 and Regulation 33 of the Local Government (Administration) Regulations 1996, adopts the annual local government allowance of \$63,354 to be paid to the Mayor in addition to the annual meeting allowance
 - d. Pursuant to Section 5.98A of the Local Government Act 1995 and Regulation 33A of the Local Government (Administration) Regulations 1996, adopts the annual local government allowance of \$15,838.50 to be paid to the Deputy Mayor in addition to the annual meeting allowance.
5. New loans
- a. Pursuant to Section 6.20 of the Local Government Act 1995 authorises the following new loans:
 - i. Edward Millen Site - \$2,200,000; and
 - ii. NRUPP - \$1,489,228

6. Change of use of Future Fund reserve
 - a. Pursuant to Section 6.11 of the Local Government Act 1995, authorises the change of use of the Future Fund Reserve to include the funding operational changes arising from the strategic review of Mindarie Regional Council (MRC) to be repaid from expected savings as waste disposal fees over a period of 10 years.
7. Establish new reserves
 - a. In accordance with Sec 6.11 of the Local Government Act 1995 that Council approves the establishment of the following Reserve funds and their purpose as listed:
 - i. Employee Entitlements reserve – purpose To be used to fund the Towns Long Service Leave, Annual Leave and Personal Leave requirements and is maintained by an annual contribution to the reserve.
 - ii. Parking Benefits Reserve - purpose To be used to accumulate funds including those from Parking Operating surpluses; alleviating the impacts of intergenerational equity in funding major facilities.
 - iii. Aqualife Reserve – purpose To be used to accumulate funds for significant Asset Management Plan building capital works at the Aqualife facility; alleviating the impacts of intergenerational equity in funding major capital works at this facility.
 - iv. Leisurelife Reserve – purpose To be used to accumulate funds for significant Asset Management Plan building capital works at the Leisurelife facility; alleviating the impacts of intergenerational equity in funding major capital works at this facility.
8. Material variance reporting for 2021-2022
 - a. Pursuant to Regulation 34(5) of the Local Government (Financial Management) Regulations 1996, and Australian Accountings Standard AASB 1031 Materiality, the level to be used in Statements of Financial Activity in 2021-2022 for reporting material variances of any individual business unit /service area shall be an amount of (+) or (-) \$25,000.

Purpose

The purpose of this report is to facilitate final consideration of the annual budget enabling the continued operation of the Town's works and services programs.

In brief

- The development of the draft Annual Budget for 2021/22 reflects the return to a normal budget post COVID-19.
- Council has advertised its intention to levy differential rates and minimums for 2021/22 which represents a 2% rate rise, plus a new category for vacant land.
- Rate revenue in the order of \$44.4 million.
- Total capital expenses in the order of \$27.4 million, with approximately \$20.6 million representing new capital works, and the remaining \$6.8 million being items carried forward from previous years.
- Total operating expenses in the order of \$85.1 million.
- An estimated surplus of \$1.16 million is anticipated to be brought forward from 30 June 2021. This is an unaudited figure and may be subject to change. Any change will be addressed as part of a future review of the budget.

Background

1. Each year Council is required to adopt an annual budget for the purposes of allocating resources towards the provision of works and services. The development of the 2021-2022 Annual Budget has been undertaken in a participatory manner with Elected Members.
2. While COVID-19 had a significant impact on the development of the 2020-21 Annual Budget, the preparation of the draft Annual Budget for 2021-22 reflects a return to a normal budget, albeit reflecting the new normal for the Town.
3. Recognising the ongoing impacts of COVID-19, Council has advertised its intention to levy differential rates and minimums which represent a 2% rate rise over last year. In addition, the Town proposes to levy a higher differential and minimum rate for vacant property to incentivise development and discourage leaving land vacant. The Town believes this will support the local economy and improve the visual amenity of our neighbourhoods.
4. In general, the majority of fees and charges have remained the same as last year, with the continuation of significant reductions in rates instalment fees and interest charges, below the levels required under the Local Government (COVID-19 Response) Amendment Order 2021.
5. Council has also resolved to issue service charges for State Underground Power program for residents in Carlisle North, Victoria Park East and Victoria Park West in 2021/2022.
6. The development of the budget documentation has involved a series of workshops with Elected Members to identify programs, service levels and projects aligned with the Strategic Community Plan and Corporate Business Plan.
7. Workshops and information supplied to Elected Members included materials sufficient to understand and influence the interdependencies, options and impacts related to:
 - a. the impact of COVID-19 on the community
 - b. rate increases and a new differential category for vacant land
 - c. strategic projects
 - d. discretionary programs or projects
 - e. service levels
 - f. asset management timing options including deferrals
 - g. financial reserves.
8. In accordance with the *Local Government Act 1995*, advertising of proposed Differential Rates and Minimums was undertaken across a range of mediums.

Strategic alignment

Civic Leadership	
Strategic outcome	Intended public value outcome or impact
CL06 - Finances are managed appropriately, sustainably and transparently for the benefit of the community.	The 2021-2022 budget has been developed using a participatory approach with Elected Members, to ensure the budget is reflective of the community's current needs.

Engagement

Internal engagement	
Stakeholder	Comments
All internal service areas	Draft budgets were developed by the Town's service areas. The compiled Draft 2021-2022 Annual Budget represents the resource requirements to deliver the Town's programs, services and projects

External engagement	
Stakeholders	Ratepayers of the Town
Period of engagement	25 June to 19 July 2021
Level of engagement	Inform
Methods of engagement	Local public notice via local newspapers, public noticeboards and the website plus other social media channels.
Advertising	<ol style="list-style-type: none">1. The West Australian2. The Southern Gazette3. Public noticeboards/Website4. Council's online engagement platform5. Social media channels. <p>Submissions invited via "Yourthoughts engagement" on the website, via mail and via email.</p>
Submission summary	To be finalised prior to finalising agenda for Special OCM meeting scheduled for 2 August 2021
Key findings	To be advised once submission period closes

Legal compliance

[Section 6.2 of the Local Government Act 1995](#)

[Part 3 of the Local Government \(Financial Management\) Regulations 1996](#)

[Regulation 34 of the Local Government \(Financial Management\) Regulations 1996](#)

Risk management consideration

Risk impact category	Risk event description	Consequence rating	Likelihood rating	Overall risk level score	Council's risk appetite	Risk treatment option and rationale for actions
Financial	Potential reduction in the quality of assets provided and services delivered if the proposed rates and the annual budget are not adopted.	Moderate	Likely	High	Low	TREAT risk by Adopting the Annual Budget
Environmental	N/A				Medium	
Health and safety	N/A				Low	
Infrastructure/ ICT systems/ utilities	Potential reduction in the quality of assets provided if the proposed rates and the annual budget are not adopted.				Medium	TREAT risk by Adopting the Annual Budget
Legislative compliance	N/A				Low	
Reputation	Negative public perception if Council does not adopt the annual budget.				Low	TREAT risk by Adopting the Annual Budget
Service delivery	Potential reduction in the quality of services delivered if the proposed rates and the annual budget are not adopted.				Medium	TREAT risk by Adopting the Annual Budget

Financial implications

Current budget impact	<ul style="list-style-type: none">The adoption of the 2021-2022 budget will enable the continuity of service delivery, maintenance of existing assets and generation of new assets in line with the Integrated Planning and Reporting Framework.
Future budget impact	Not applicable.

Analysis

9. Unlike last year, COVID-19 had minimal impact on the preparation of the draft Annual Budget 2021/22. However, in considering rates and charges, the Town was mindful of the ongoing effects COVID-19 has had on our community. The Town initially proposed a return to pre-COVID rate levels however this was not supported by Elected Members and was referred back. Council subsequently endorsed the advertising an intention to levy differential rates and minimums that reflect a 2% increase on last year. In addition, the Town proposes to levy a higher differential rate and minimums for vacant land to incentivise development and discourage leaving land vacant.
10. The budget maintains the significant reduction in rates and instalment interest and fees as well as overdue interest. The Council adopted Financial Hardship policy remains in place for 2021/22. These measures are in line with the Local Government (COVID-19 Response) Amendment Order 2021.
11. Council endorsed the proposed rates in the dollar and minimums for 2021/2022 for advertising and during the comment period. The comment period closes on 19 July 2021. A summary of submissions received will be included in the agenda for the Special Council Meeting to adopt the annual budget scheduled for 2 August 2021.
12. Proposed rates to apply for the 2021-2022 financial year are:
 - (a) Residential – GRV of 9.34 cents in the dollar of gross rental value applicable to properties used primarily as a place of residence subject to a minimum rate of \$1,159 per assessment.
 - (b) Non-Residential – GRV of 9.88 cents in the dollar of gross rental value applicable to properties not used primarily as a place of residence subject to a minimum rate of \$1,205 per assessment.
 - (c) Vacant Land - GRV of 13.08 cents in the dollar of gross rental value applicable to properties used primarily as vacant land subject to a minimum rate of \$1,530 per assessment.
13. By applying the above rates in the dollar and minimum payments, an initial rate revenue strike in the order of \$44.8 million will be realised.
14. Council has also agreed that service charges for SUPP6 for properties in Carlisle North, Victoria Park East and Victoria Park West will be raised in 2021/2022. These are:
 - a) Carlisle North - \$3,959
 - b) Victoria Park East - \$3,849
 - c) Victoria Park West - \$2,089
15. Residents in the SUPP6 areas may choose to pay their service charges in full or by instalment over a term of seven years.
16. The Council's policy provides for Elected Members to be paid the maximum Elected Member allowances as determined by the Salaries and Allowances Tribunal. During budget workshops for 2021/2022, Elected Members have supported listing allowances as per the Council policy.

17. After allowing for the proposed carry forward items from the previous year (2020-2021), as detailed and explained in the next section of this item, there is no proposed year end surplus position forecast for 30 June 2022.
18. Each year the Town potentially carries forward works and projects (and in some instances associated project revenues) that are 'in progress' or have been deferred for a specific reason.
19. There are three categories of carry-forward items, these being:
 - a. programs/projects either in progress or yet to commence that are fully or partly funded from sources external to the Town, e.g. grant and/or contribution-funded programs/projects;
 - b. Town funded programs/projects that, as at 30 June, are either in progress or yet to commence, and for which there exists a desire to continue forward with the programs/projects; and
 - c. those other Council works and services where there exists a known outstanding commitment/obligation to complete a specific task, e.g. programs/projects temporarily deferred for a variety of reasons.
20. Carry-forward items from the previous budget included in the 2021-2022 Annual Budget have a net total of \$5.8 million. There is a separate section within the 2021-2022 Annual Budget that provides a complete listing of all items for carry forward.
21. The following is a summary of the matters considered in achieving the proposed 2% rate increase, which is in keeping with the draft Long-Term Financial Plan 2021 to 2036:
 - a) variations have been made to reserve fund transfers
 - b) revenue estimates have been updated based on proposed changes to fees and charges, current service delivery plans and expected grant income.
 - c) rate revenue from larger-scale developments in the district have been considered with regards to anticipated completion dates.
 - d) increased expenses likely to be incurred due to state government price increases.
 - e) and increases in materials and contracts, including Insurance and service charges.
22. Some new initiatives include:
 - a. Road projects totalling \$10.2 million including funding for Blackspot road projects of \$396,667, Archer Mint Street upgrade stage 1 - \$1.5 million and Etwell Street Local Centre revitalisation \$1.15 million
 - b. Continuation of the Urban Forest Strategy \$1.0 million
 - c. Buildings renewal \$2.5 million, includes Lathlain – Perth Football Club LPRP Zone 1 works of \$1.55 million.
 - d. Plant & Machinery replacement program \$1.02 million
 - e. Information Technology renewal projects \$295,471, new projects \$180,000.
 - f. Parks renewal projects \$9.5 million, including completion of GO Edwards – stage 5 C/fwd and new projects \$8.07 million, includes Ed Millen Park masterplan \$7.5M.
 - g. Drainage renewal projects \$260,000
 - h. Pathways renewal projects \$2.65 million with new projects \$1.05 million.
23. Each year Council is required to adopt a percentage or value for the purposes of reporting material variances in the Monthly Financial Activity Statement. This value or percentage is then used throughout the financial year to identify potential areas in Council's actual revenues and expenditures that may not be in keeping with Council's budget. The early identification of these potential issues can assist in better

utilisation and allocation of scarce Council funds and resources. The values chosen should provide a good indication of variances that would not normally be able to be covered through Council's normal operations and should, therefore, be assessed to identify if a potential issue exists or not. Council has previously used a value of (+) or (-) \$25,000, per business unit/service area, for each of the revenue and expenditure areas included in the Statement of Financial Activity. It is recommended that this value continue to be used.

24. In compiling the annual budget, officers have, in accordance with the Local Government Accounting Manual, as produced by the Department of Local Government:
- a.* identified recurring operating revenue and expenditure
 - b.* prepared salary and wages schedules including proposed new staff positions, staff increment changes and enterprise agreement increases
 - c.* prepared capital expenditure based, where possible, on long-term asset management plans;
 - d.* confirmed grants for both operating and capital requirements
 - e.* determined and applied the assumptions for the opening current position from the previous financial year
 - f.* identified any carry forward projects into the new financial year
 - g.* flagged committed funds and excluded these from the brought forward balance in the determination of the current position
 - h.* established if there is a budget deficit or surplus to be carried forward restricted to the prescribed amount
 - i.* obtained estimates for non-current assets to be sold or traded-in on new assets
 - j.* obtained estimates for insurance, including workers' compensation
 - k.* updated the schedule of fees and charges for the next 12 months
 - l.* compiled projected cash flows over the next 12 months to ensure there is sufficient liquidity to meet current commitments throughout the year
 - m.* prepared the budget document consistently with comparative financial results for the previous year
 - n.* ensured that any surplus funds invested conforms with the short-term requirements for drawdowns as and when the funds are required
 - o.* completed all the required statutory schedules for adoption by Council.

Relevant documents

Not applicable.

11.2 Draft Long Term Financial Plan

Location	Town-wide
Reporting officer	Finance Manager
Responsible officer	Chief Financial Officer
Voting requirement	Simple majority
Attachments	1. Draft LTFP 2021 to 2036 [11.2.1 - 27 pages]

Recommendation

That Council

1. Endorses the draft Long-Term Financial Plan
2. Notes that Year 1 of the Long-Term Financial Plan is subject to the adoption of the Annual Budget for 2021/22
3. Notes the Long-Term Financial Plan may need to be revised after the adoption of the Strategic Community Plan

Purpose

For Council to consider and endorse the draft Long-Term Financial Plan 2021 to 2036.

In brief

- The Town of Victoria Park has prepared a draft Long-Term Financial Plan (LTFP) detailing activities and initiatives the Town proposes to do over the next 15 years, ultimately demonstrating that the Town is moving towards financial sustainability.
- The LTFP is aligned to other core planning documents - the Strategic Community Plan and Corporate Business Plan - by which the Town is accountable to the community.

Background

1. The State Government's Integrated Planning and Reporting Framework provides local governments with a framework for establishing local priorities and linking this information to operational functions.
2. Three major parties are involved in the development of an integrated plan: the local government administration, the Council, and the community. Each party has a unique role and responsibilities for effective and sustainable integrated planning and reporting.
3. Integrated planning and reporting is a framework for local governments to:
 - (a) Articulate the community's vision, outcomes and priorities
 - (b) Allocate resources to achieve the vision, striking a considered balance between aspirations and affordability
 - (c) Monitor and report progress.
4. The framework consists of the following "suite" of plans -
 - a) A Strategic Community Plan that clearly shows the community vision, strategic direction, long and medium term priorities and resourcing implications with a horizon of 10+ years.

- b) A Corporate Business Plan (CBP) that contains a 4+ year delivery program, aligned to the Strategic Community Plan, and accompanied by 4+ year financial projections.
 - c) Informing Strategies, consisting of the core Informing Strategies (LTFP, Asset Management Plans and Workforce Plan) and any other issue or area specific Town plans that inform the Strategic Community Plan and CBP.
5. The *Local Government (Administration) Regulations 1996* requires each local government to adopt a Strategic Community Plan and a CBP.
 - a) The LTFP is a 15-year rolling plan that informs the CBP in the activation of Strategic Community Plan priorities. The LTFP includes forecasts for the years accompanying the CBP. From these planning processes, annual budgets, that are aligned with strategic objectives, can be developed.
 6. The Town is undertaking its 4 yearly major review of the Strategic Community Plan during 2021 which is proposed to be presented to Council for adoption by December 2021. Any changes to this LTFP arising as a result of the new Strategic Community will be reflected in the next revision of this Plan.
 7. Other documents have also informed the LTFP, including the Workforce Plan as well as several Asset Management Plans, which cover each of the asset classes included in the Town's financial reporting.

Strategic alignment

Civic Leadership	
Strategic outcome	Intended public value outcome or impact
CL06 - Finances are managed appropriately, sustainably and transparently for the benefit of the community.	. The LTFP details activities and initiatives the Town proposes to do over the next 15 years, ultimately demonstrating that the Town is moving towards financial sustainability.

Engagement

Internal engagement	
Stakeholder	Comments
Managers and Service Area Leaders	Managers and Service Area Leaders have had input into their operating budgets and the forward capital works program and operational programs that have informed the draft LTFP
Elected Members	During workshops for the draft 2021/22 Annual Budget, Elected Members have given a demonstration of the LTFP model and reviewed a draft of the LTFP

Legal compliance

[Local Government \(Administration\) Regulations 1996](#)

Risk management consideration

Risk impact category	Risk event description	Consequence rating	Likelihood rating	Overall risk level score	Council's risk appetite	Risk treatment option and rationale for actions
Financial	Not endorsing the LTFP will mean the Council has not accepted a key informing plan under the IPR Framework	Moderate	Likely	High	Low	TREAT risk by Endorsing the LTFP.
Environmental	N/A				Medium	
Health and safety	N/A				Low	
Infrastructure/ ICT systems/ utilities	N/A				Medium	
Legislative compliance	N/A				Low	
Reputation	There is a reputational risk if the LTFP is not endorsed.				Low	TREAT risk by Endorsing the LTFP.
Service delivery	N/A				Medium	

Financial implications

Current budget impact	Year 1 of the draft LTFP is in line with the draft Annual Budget for 2021/22. As such, sufficient funds exist within the draft annual budget to address this recommendation.
Future budget impact	This plan does not commit Council to any future Budget. The plan will be reviewed each year as part of the preparation of the next draft Annual Budget and will be used to inform future budget decisions.

Analysis

- The LTFP has relied on a range of assumptions and provides the community and Council with information designed to inform workplace and asset management practices to meet strategic objectives.

9. The LTFP covers the financial years 2021 through to 2036 inclusive. The term of 15 years was chosen to provide an initial period of significant accuracy (the first five years), less accuracy for the next five years, and then reasonable estimates for the remaining five years. The Town intends to review the Plan annually to inform the preparation of each Annual Budget.

Key characteristics in the LTFP

10. Rate increases are kept at relatively low levels given current economic conditions. The rates increase proposed for 2021/22 is 2% which follows a 0% increase in 2019/20 and a COVID related reduction of 7.88% in 2020/21.
 - (a) Low inflation and interest rates are assumed for the LTFP. However, these will be reviewed annually and can be amended each year if economic conditions change.
11. Growth in Reserve Funds
 - (a) Reserve funds are drawn down in the first few years of the LTFP to assist in funding capital works projects in addition to proposed funding of the Town's share of the withdrawal from the Resource Recovery Facility Agreement. Reserves will then continue to grow with repayment of the RRFA withdrawal plus proceeds of sale from Tamala Park.
12. Prudent management of debt
 - (a) New loans are proposed for Edward Millen parkland development, Lathlain Zone 1 and NRUPP. The Town will have capacity for further borrowings if required.
13. Moving towards financial sustainability
 - (a) Financial sustainability is measured by the Financial Health Index. The FHI fluctuates over the LTFP with an upward trend towards year 15.
14. The LTFP 2021 to 2036 is the first revision of the LTFP since 2018. It is proposed to review the LTFP annually to help inform the next draft annual budget. The LTFP will be updated to take into account changing economic conditions, Council decisions and updated by other informing plans such as Asset Management Plans and the Workforce Plan.
15. In addition, the Council will be presented with a new Strategic Community Plan at the end of 2021 which may require changes to the LTFP.
16. The LTFP 2021 to 2036 is recommended to Council as an informing plan to assist in the consideration of the draft Annual Budget for 2021/22.

Relevant documents

Not applicable.

12 Public participation time

13 Closure