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# AGENDA

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## COMMUNITY AND CORPORATE SERVICES COMMITTEE

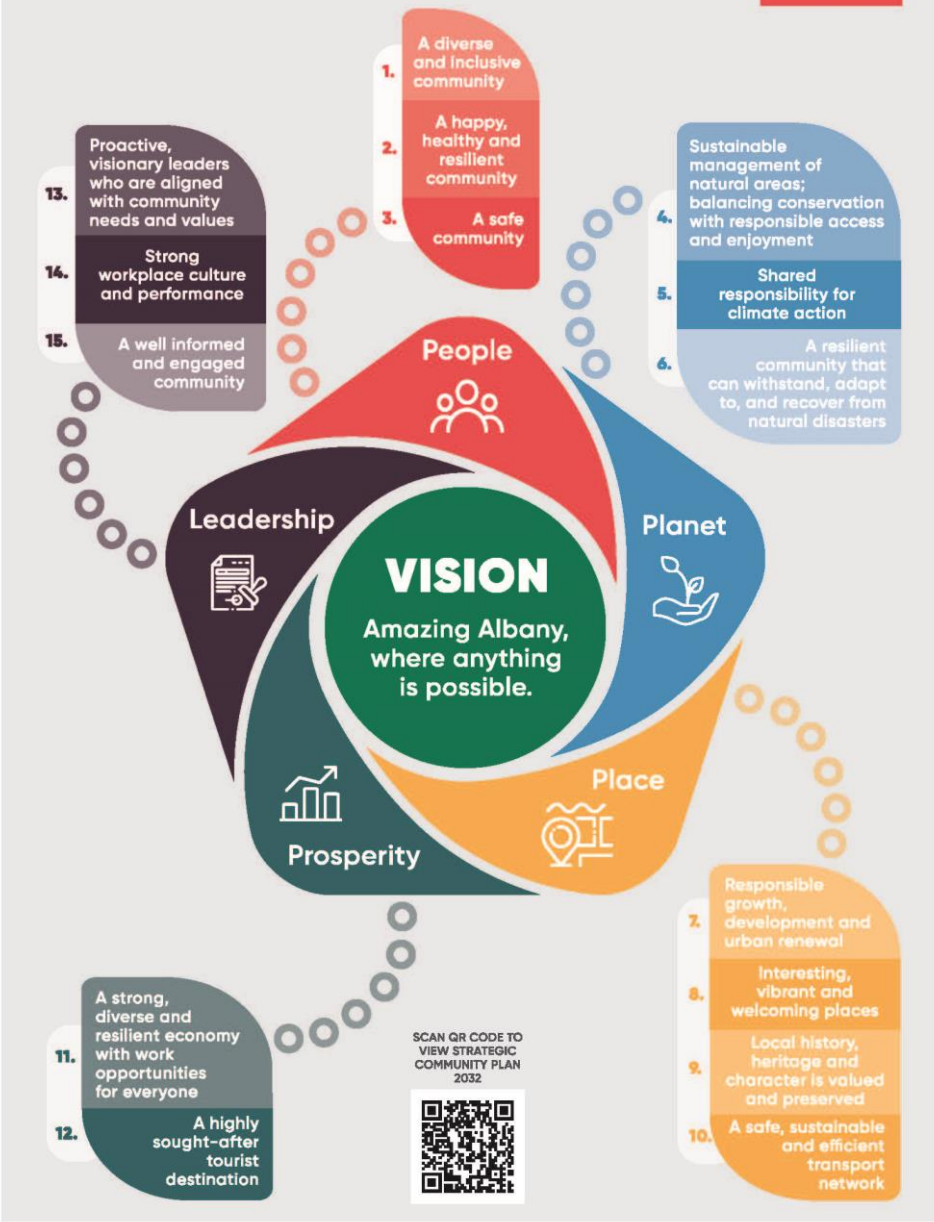
**Tuesday 12 September 2023**

6.00pm

Council Chambers



**STRATEGIC COMMUNITY PLAN 2032**



**Community & Corporate Services Committee**  
**Terms of Reference**

**Functions:** The Committee is responsible for the following functions:

The Community and Corporate Services Committee is responsible for the following functions:

- **Community Services** – delivery of the outcomes defined in the Strategic Community Plan 2032 under the **People Pillar** and the **Leadership Pillar**:
  - Diverse and inclusive community;
  - Happy, healthy and resilient community; and
  - A well-informed and engaged community.
- **Corporate Services** – delivery of the outcomes defined in the Strategic Community Plan 2032 under the **Leadership Pillar** and **Prosperity Pillar**:
  - A safe community;
  - A resilient community that can withstand, adapt to and recover from natural disasters;
  - A strong diverse and resilient economy with work opportunities for everyone;
  - A highly sought after tourist destination;
  - Proactive, visionary leaders who are aligned with community needs and values; and
  - Strong workplace culture and performance.
- Monitoring and commenting on the financial health and strategies of the City.
- Service Complaint Internal Review.

**It will achieve this by:**

- Developing policies and strategies;
- Establishing ways to measure progress;
- Receiving progress reports;
- Considering officer advice;
- Debating topical issues;
- Providing advice on effective ways to engage and report progress to the Community; and
- Making recommendations to Council.

<b>Membership:</b>	Open to all elected members
<b>Meeting Schedule:</b>	Monthly
<b>Meeting Location:</b>	Council Chambers
<b>Directorates:</b>	Corporate & Community Services
<b>Executive Officer(s):</b>	Executive Director Corporate & Commercial Services, Executive Director Community Services
<b>Delegated Authority:</b>	None

COMMUNITY AND CORPORATE SERVICES COMMITTEE  
AGENDA – 12/09/2023

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1. **DECLARATION OF OPENING**

2. **PRAYER AND ACKNOWLEDGEMENT OF TRADITIONAL LAND OWNERS**

*“Heavenly Father, we thank you for the peace and beauty of this area. Direct and prosper the deliberations of this Council for the advancement of the City and the welfare of its people. Amen.”*

*“We would like to acknowledge the Noongar people who are the Traditional Custodians of the Land.*

*We would also like to pay respect to Elders past, present and emerging”.*

3. **RECORD OF APOLOGIES AND LEAVE OF ABSENCE**

Mayor

D Wellington

**Councillors:**

Breaksea Ward

A Cruse

Breaksea Ward

P Terry (Chair)

Frederickstown Ward

M Traill

Frederickstown Ward

G Stocks

Kalgan Ward

T Brough

Kalgan Ward

M Benson-Lidholm JP

Vancouver Ward

J Shanhun

Vancouver Ward

D Baesjou

West Ward

S Smith (Deputy Chair)

West Ward

S Grimmer

Yakamia Ward

R Sutton

Yakamia Ward

C Thomson

**Staff:**

Chief Executive Officer

A Sharpe

Executive Director Community Services

N Watson

Executive Director Corporate & Commercial Services

M Gilfellow

Manager Recreation Services

M Green

Manager Facilities

L Stone

Meeting Secretary

C Crane

**Apologies:**

4. DISCLOSURES OF INTEREST

Name	Committee/Report Item Number	Nature of Interest

5. RESPONSE TO PREVIOUS PUBLIC QUESTIONS TAKEN ON NOTICE Nil

At the Corporate & Community Services Meeting held on 8 August 2023, questions by Ms Liz Adamson were taken on notice. The questions and response are detailed below:

Where does Policy 13 fit into this determination?

**Response:**

*Under the Local Government Act, where a local law is inconsistent with any State or Federal law, it becomes inoperative. Noting the legal weight of Policy 13, the determination is seeking to align the local law with the State law so that the local law remains operative. This also responds to the recommendation of the Tredwell Report to update the relevant City of Albany Local Laws with respect to the use of the Stidwell Bridle Trail and the PDWSA.*

Does the City have to adhere to Policy 13 for this area?

**Response:**

*Policy 13 is part of the State's legal framework for the protection of PDWSA's on crown land (refer to previous response). The City has taken guidance from DWER and other relevant State departments regarding compliance with Policy 13 in relation to the Stidwell Bridle Trail and the development of the local law determination.*

*DWER and its delegated agents (Water Corporation) are responsible for the enforcement of PDWSA legislation and by-laws, including Policy 13.*

*DWER and other relevant State departments will be invited to provide further guidance and feedback on the determination's adherence to Policy 13 as part of the public comment period.*

At the Corporate & Community Services Meeting held on 8 August 2023, questions by Ms Samantha Stevens were taken on notice. The questions and response are detailed below:

Where does the Off-Road Vehicle Act fit into this now?

**Response:**

*The Off-Road Vehicle Act (ORV Act) is a key consideration. The ORV Act's application has been confirmed to encompass the entire City of Albany Municipality, including public land and areas vested with the City.*

*The ORV Act does not prohibit licenced vehicles from the land seaward side of South Coast Hwy in the City of Albany, noting Off-Road vehicles are defined as any vehicle that is not fully road registered (Class A) under the Road Traffic (Vehicles) Act 2012 (WA).*

Does the City believe it is appropriate and responsible to permit off-road vehicle use in the vicinity of equestrian trails?

**Response:**

*Off-road vehicles as defined by the ORV Act are not permitted in this area.*

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*The City recognises the importance of making responsible decisions that consider the safety of all trail users, environmental preservation, and the intended use of specific trail sections.*

*The question of permitting licensed vehicle use near equestrian trails is a multifaceted issue that involves balancing the diverse needs of different user groups, ensuring a safe and enjoyable trail experience, and safeguarding the environment.*

*If the Minister can approve a prohibited area. Is this something the City would consider to protect the towns drinking water, the environment and a safe trail experience for the equestrians, pedestrians, dogs on leads and authorised vehicles?*

**Response:**

*The City places a high priority on environmental protection, public safety, and ensuring the well-being of the community, however it is not responsible for the management and protection of public water supply catchment.*

*DWER and its delegated agents (Water Corporation) are responsible for PDWSAs. If these State agents are of the view that the area needs to be declared as “prohibited” under the ORV Act to provide greater protection to the PDSWA, they can request the Minister to consider this.*

**6. PUBLIC QUESTION TIME**

In accordance with *City of Albany Standing Orders Local Law 2014* (as amended) the following points apply to Public Question Time:

- Clause 5) The Presiding Member may decide that a public question shall not be responded to where—*
- (a) the same or similar question was asked at a previous Meeting, a response was provided and the member of the public is directed to the minutes of the Meeting at which the response was provided;*
  - (b) the member of the public asks a question or makes a statement that is offensive, unlawful or defamatory in nature, provided that the Presiding Member has taken reasonable steps to assist the member of the public to rephrase the question or statement in a manner that is not offensive, unlawful or defamatory.*

**7. PETITIONS AND DEPUTATIONS Nil.**

**8. CONFIRMATION OF MINUTES**

**DRAFT MOTION**

**THAT the unconfirmed minutes of the Community and Corporate Services Committee meeting held on 8 August 2023, as previously distributed, be CONFIRMED as a true and accurate record of proceedings.**

**9. PRESENTATIONS Nil**

**10. UNRESOLVED BUSINESS FROM PREVIOUS MEETINGS Nil.**

## CCS560: FINANCIAL ACTIVITY STATEMENT – JULY 2023

<b>Proponent / Owner</b>	: City of Albany
<b>Attachments</b>	: Monthly Financial Report – July 2023
<b>Report Prepared By</b>	: Manager Finance (S van Nierop)
<b>Authorising Officer:</b>	: Executive Director Corporate & Commercial Services (M Gilfellon)

*The Officer Recommendation has been reviewed in context of the City of Albany's Electoral Caretaker Period Policy, and the CEO has determined that it does not constitute a major policy decision. The CEO therefore recommends this report for Council's consideration.*

### STRATEGIC IMPLICATIONS

1. This item relates to the following elements of the City of Albany Strategic Community Plan or Corporate Business Plan informing plans or strategies:
  - **Pillar:** Leadership.
  - **Outcome:** Strong workplace culture and performance

### IN BRIEF

- Under the Local Government Financial Management Regulations, a local government is to prepare monthly a statement of financial activity that is presented to Council.
- Under changes to the Regulations in June 2023, a local government is now required to also prepare monthly a statement of financial position that is presented to Council.
- The City of Albany's Monthly Financial Report (inclusive of the statement of financial activity and the statement of financial position) for the period ending 31 July 2023 has been prepared and is attached.
- In addition, the City provides Council with a monthly investment summary to ensure the investment portfolio complies with the City's Investment of Surplus Funds Policy.
- The financial information included within the Monthly Financial Report for the period ended 31 July 2023 is preliminary and has not yet been audited.

### RECOMMENDATION

#### CCS560: AUTHORISING OFFICER RECOMMENDATION

**THAT the Monthly Financial Report for the period ending 31 July 2023 be RECEIVED.**

### DISCUSSION

2. To fulfil statutory reporting obligations, the Monthly Financial Report prepared provides a snapshot of the City's year to date financial performance. The report provides the:
  - (a) Statement of Financial Activity by nature classifications (satisfying Regulation 34 of the Local Government (Financial Management) Regulations 1996);
  - (b) Statement of Financial Position (satisfying Regulation 35 of the Local Government (Financial Management) Regulations 1996);
  - (c) Basis of Preparation
  - (d) Explanation of material variances to year-to-date budget;
  - (e) Net Current Asset & Funding Position;
  - (f) Investment Portfolio Snapshot;
  - (g) Receivables; and
  - (h) Capital Acquisitions.



3. Additionally, each year a local government is to adopt a percentage or value to be used in the Statement of Financial Activity for reporting material variances. Under Council item CCS545, Council approved that a variance between actual and budget-to-date of greater than \$100,000 is a material variance for reporting purposes in the Statement of Financial Activity for 2023/2024.
4. The Statement of Financial Activity and Statement of Financial Position may be subject to year-end adjustments and have not been audited.
5. It is noted that rounding errors may occur when whole numbers are used, as they are in the reports that follow. The 'errors' may be \$1 or \$2 when adding sets of numbers. This does not mean that the underlying figures are incorrect."

### STATUTORY IMPLICATIONS

6. The Local Government (Financial Management) Regulations 1996 were amended (SL2023/106) and published on 30 June 2023. The changes, effective from 1 July 2023, have an impact on the reporting of the financial activity statement required each month (Section 34). The below outlines the new reporting requirement under Section 34:

34(1) A local government is to prepare each month a statement of financial activity reporting on the revenue and expenditure, as set out in the annual budget under regulation 22 (1)(d), for the previous month (the "relevant month") in the following detail:

- (a) annual budget estimates, taking into account any expenditure incurred for an additional purpose under section 6.8(1)(b) or (c); and
- (b) budget estimates to the end of the relevant month; and
- (c) actual amounts of expenditure, revenue and income to the end of the relevant month; and
- (d) material variances between the comparable amounts referred to in paragraphs (b) and (c); and
- (e) the net current assets at the end of the relevant month and a note containing a summary explaining the composition of the net current assets.

34(1B) The detail included under subregulation (1)(e) must be structured in the same way as the detail included in the annual budget under regulation 31(1) and (3)(a).

34(1C) Any information relating to exclusions from the calculation of a budget deficiency that is included as part of the budget estimates referred to in subregulation (1)(a) or (b) must be structured in the same way as the corresponding information included in the annual budget.

34(2) Each statement of financial activity is to be accompanied by documents containing-

- (b) an explanation of each of the material variances referred to in subregulation (1)(d); and
- (c) such other supporting information as is considered relevant by the local government.

34(3) The information in a statement of financial activity may be shown according to nature classification.

34(4) A statement of financial activity, and the accompanying documents referred to in subregulation (2), are to be —

- (a) presented at an ordinary meeting of the council within 2 months after the end of the relevant month; and
- (b) recorded in the minutes of the meeting at which it is presented.

- 34(5) Each financial year, a local government is to adopt a percentage or value, calculated in accordance with the AAS, to be used in statements of financial activity for reporting material variances.
7. An amendment to the *Local Government (Financial Management) Regulations 1996*, effective from 1 July 2023, is the addition of Regulation 35, with Local Governments now required to report a financial position statement each month. The additional Regulation 35 is as follows:
- 35(1) A local government must prepare each month a statement of financial position showing the financial position of the local government as at the last day of the previous month (the previous month) and —
- (a) the financial position of the local government as at the last day of the previous financial year; or
  - (b) if the previous month is June, the financial position of the local government as at the last day of the financial year before the previous financial year.
- 35(2) A statement of financial position must be —
- (a) presented at an ordinary meeting of the council within 2 months after the end of the previous month; and
  - (b) recorded in the minutes of the meeting at which it is presented.

#### **POLICY IMPLICATIONS**

8. The City's 2023/24 Annual Budget provides a set of parameters that guides the City's financial practices.
9. The Investment of Surplus Funds Policy stipulates that the status and performance of the investment portfolio is to be reported monthly to Council.

#### **FINANCIAL IMPLICATIONS**

10. Expenditure for the period ending 31 July 2023 has been incurred in accordance with the 2023/24 budget parameters.
11. Details of any budget variation more than \$100,000 (year to date) is outlined in the Statement of Financial Activity. There are no other known events, which may result in a material non-recoverable financial loss or financial loss arising from an uninsured event.

#### **LEGAL IMPLICATIONS**

12. Nil.

#### **ENVIRONMENTAL CONSIDERATIONS**

13. Nil.

#### **ALTERNATE OPTIONS**

14. Nil.

#### **CONCLUSION**

15. The Authorising Officer's recommendation be adopted.
16. It is requested that any questions regarding this report are submitted to the Executive Director Corporate & Commercial Services by 4pm of the day prior to the scheduled meeting time. All answers to submitted questions will be provided at the Committee meeting. This allows a detailed response to be given to the Committee in a timely manner.

<b>Consulted References</b>	:	<i>Local Government (Financial Management) Regulations 1996</i>
<b>File Number (Name of Ward)</b>	:	FM.FIR.7 - All Wards

**CCS561: LIST OF ACCOUNTS FOR PAYMENT – AUGUST 2023**

**Business Entity Name** : City of Albany  
**Attachments** : List of Accounts for Payment  
**Report Prepared By** : Manager Finance (S Van Nierop)  
**Authorising Officer:** : Executive Director Corporate and Commercial Services (M Gilfellon)

*The Officer Recommendation has been reviewed in context of the City of Albany’s Electoral Caretaker Period Policy, and the CEO has determined that it does not constitute a major policy decision. The CEO therefore recommends this report for Council’s consideration.*

**STRATEGIC IMPLICATIONS**

1. This item relates to the following elements of the City of Albany Strategic Community Plan or Corporate Business Plan informing plans or strategies:
  - **Pillar/Priority:** Leadership.
  - **Outcome:** Strong workplace culture and performance.

**IN BRIEF**

2. Council has delegated to the Chief Executive Officer the exercise of its power to make payments from the City's municipal and trust funds.
3. In accordance with Regulation 13 of the *Local Government (Financial Management) Regulations 1996*, a list of accounts paid by the Chief Executive Officer is to be provided to Council.
4. Commencing 1 September 2023, Local Governments are required to report on payments by employees via purchasing cards, under new Regulation 13(A).

**RECOMMENDATION**

**CCS561: AUTHORISING OFFICER RECOMMENDATION**

**THAT the list of accounts authorised for payment under delegated authority to the Chief Executive Officer for the period ending 15 August 2023 totalling \$4,820,383.75 be RECEIVED.**

**DISCUSSION**

5. The table below summarises the payments drawn from the City’s Municipal and Trust funds for the period ending 15 August 2023. Please refer to the Attachment to this report.

<b>Fund</b>	<b>Transaction Type</b>	<b>Amount (\$)</b>
Municipal	Credit Cards	\$32,939.26
Municipal	Payroll	\$1,774,717.22
Municipal	Cheques	\$200.00
Municipal	Electronic Funds Transfer	\$3,012,427.27
Trust	N/A	\$0.00
<b>TOTAL</b>		<b>\$4,820,383.75</b>

6. Included within the Electronic Funds Transfers from the City’s Municipal account are Purchasing Card transactions, required to be reported under Regulation 13(A), totalling: \$7,895.52.

7. The table below summaries the total outstanding creditors as at 15 August 2023.

<b>Aged Creditors</b>	<b>Amount (\$)</b>
Current	\$528,305.29
30 Days	\$1,194,537.65
60 Days	\$15,105.71
90 Days	\$41,357.00
<b>TOTAL</b>	<b>\$1,779,305.65</b>

### STATUTORY IMPLICATIONS

8. Regulation 12(1)(a) of the *Local Government (Financial Management) Regulations 1996*, provides that payment may only be made from the municipal fund or a trust fund if the Local Government has delegated this function to the Chief Executive Officer or alternatively authorises payment in advance.
9. The Chief Executive Officer has delegated authority to make payments from the municipal and trust fund.
10. Regulation 13 of the *Local Government (Financial Management) Regulations 1996* provides that if the function of authorising payments is delegated to the Chief Executive Officer, then a list of payments must be presented to Council and recorded in the minutes.
11. As part of the *Local Government Regulations Amendment Regulations 2023 (SL2023/106)*, additional reporting is now required by Local Governments. Regulation 13(A), a new regulation, is required, as follows:

*13A. Payments by employees via purchasing cards*

*(1) If a local government has authorised an employee to use a credit, debit or other purchasing card, a list of payments made using the card must be prepared each month showing the following for each payment made since the last such list was prepared*

- (a) the payee's name;*
- (b) the amount of the payment;*
- (c) the date of the payment;*
- (d) sufficient information to identify the payment.*

*(2) A list prepared under subregulation (1) must be*

- (a) presented to the council at the next ordinary meeting of the council after the list is prepared; and*
- (b) recorded in the minutes of that meeting.*

12. Regulation 13(A) comes into operation from 1 September 2023.

### POLICY IMPLICATIONS

13. Expenditure for the period to 15 August 2023 has been incurred in accordance with the 2023/2024 budget parameters.

### FINANCIAL IMPLICATIONS

14. Expenditure for the period to 15 August 2023 has been incurred in accordance with the 2023/2024 budget parameters.

### LEGAL IMPLICATIONS

15. Nil

**ENVIRONMENTAL CONSIDERATIONS**

16. Nil

**ALTERNATE OPTIONS**

17. Nil

**CONCLUSION**

18. That the list of accounts have been authorised for payment under delegated authority.

19. It is requested that any questions on specific payments are submitted to the Executive Director Corporate Services by 4pm of the day prior to the scheduled meeting time. All answers to submitted questions will be provided at the Committee meeting. This allows a detailed response to be given to the Committee in a timely manner.

<b>Consulted References</b>	:	<i>Local Government (Financial Management) Regulations 1996</i>
<b>File Number (Name of Ward)</b>	:	FM.FIR.2 – All Wards

**CCS562: DELEGATED AUTHORITY REPORTS – 16 JULY 2023 TO 15 AUGUST 2023**

<b>Proponent / Owner</b>	: City of Albany
<b>Attachments</b>	: Executed Document and Common Seal Report
<b>Report Prepared By</b>	: PA to Mayor and Councillors (D Clark)
<b>Authorising Officer:</b>	: Chief Executive Officer (A Sharpe)

*The Officer Recommendation has been reviewed in context of the City of Albany's Electoral Caretaker Period Policy, and the CEO has determined that it does not constitute a major policy decision. The CEO therefore recommends this report for Council's consideration.*

**STRATEGIC IMPLICATIONS**

1. This item relates to the following elements of the City of Albany Strategic Community Plan or Corporate Business Plan informing plans or strategies:
  - **Pillar:** Leadership.
  - **Outcome:** A well informed and engaged community.

**RECOMMENDATION**

**CCS562: AUTHORISING OFFICER RECOMMENDATION**

**THAT the Delegated Authority Reports 16 July 2023 to 15 August 2023 be RECEIVED.**

**BACKGROUND**

2. In compliance with Section 9.49A of the *Local Government Act 1995* the attached report applies to the use of the Common Seal and the signing of documents under Council's Delegated Authority:
  - **Delegation: 006** – Sign Documents on Behalf of the City of Albany (Authority to Executive Deeds & Agreements and apply the Common Seal)
  - **Delegation: 009** – Provide Donations, Sponsorship, Subsidies & Authority to Apply for Grant Funding (Including the provision of sponsorship through the waiver of fees & charges)
  - **Delegation: 018** – Award Contracts (Supply of Equipment, Goods, Materials & Services)

**CCS563: ADOPTION OF THE BUDGET REVIEW FOR THE PERIOD  
ENDING -31 JULY 2023**

<b>Proponent</b>	:	City of Albany
<b>Attachments</b>	:	Budget Review for the period ending 31 July 2023
<b>Report Prepared by</b>	:	Business Analyst/Management Accountant (D Harrison)
<b>Authorising Officer</b>	:	Executive Director Corporate & Commercial Services (M Gilfellon)

*The Officer Recommendation has been reviewed in context of the City of Albany's Electoral Caretaker Period Policy, and the CEO has determined that it does not constitute a major policy decision. The CEO therefore recommends this report for Council's consideration.*

**STRATEGIC IMPLICATIONS**

1. This item relates to the following elements of the City of Albany Strategic Community Plan or Corporate Business Plan informing plans or strategies:
  - **Pillar:** Leadership.
  - **Outcome:** Strong workplace culture and performance.

**In Brief:**

- This review is for the period ending 31 July 2023, and therefore is outside the requirements of regulation 33A of the Local Government (Financial Management) Regulations 1996. A further budget review is required to satisfy this regulatory obligation.
- This budget review achieves a balanced budget inclusive of the proposed Carry Forward Budget Review amendments.

**RECOMMENDATION**

**CCS563: AUTHORISING OFFICER RECOMMENDATION**

**THAT the Budget Review for the period ending 31 July 2023 be ADOPTED.**

**BACKGROUND**

2. Local Governments are required to conduct a budget review between 1 January and the last day of February each financial year in accordance with regulation 33A(1) of the Local Government (Financial Management) Regulations 1996. The Department recommends a review of the budget early in the financial year to amend carry forward projects from forecast to actual.
3. Council adopted the FY2023/24 budget on 25 July 2023. The total adopted budget of \$142.2m comprised of:
  - a. \$52.4m capital works;
  - b. \$1.8m debt reduction; and
  - c. \$88.0m in operating expenditure.
4. Included within the \$142.2m budget was \$24.9m of carried forward projects. That is, projects that were not anticipated to be completed by 30 June 2023, and the estimated remaining expenditure relating to these projects was carried forward into the FY2023/24 budget.
5. At the time of preparing the budget, the amount remaining of these carried forward projects was not known, and hence an estimate was provided within the FY2023/24 budget.

6. Now that the financial accounts for FY2022/23 have been completed (although not yet audited), the remaining expenditure relating to the carried forward projects is realised, and the FY2023/24 budget is to be amended to reflect these corrected figures.

### DISCUSSION

7. After the completion of the FY2022/23 financial accounts, the City estimates expenditure of \$24,775,280 required to complete carried forward projects, equating to a decrease of \$160,671 relative to the figure estimated in the FY2023/24 budget adopted by Council.
8. The funding impact relating to the decrease in carried forward project of \$160,671 is as follows:
- a. \$196,432: Increase in Grant Funding required.
  - b. \$31,177: Increase in Reserves Funding required.
  - c. \$(388,280): Decrease in Municipal Funds required (Opening balance adjustment).
9. A copy of the Budget Review for the period ending 31 July 2023 is attached.
10. Budget adjustments thereafter of an urgent nature will be brought to a Council Meeting as an item to be discussed when required and actioned outside of this review.

### GOVERNMENT & PUBLIC CONSULTATION

11. Department of Local Government guidelines were followed in the preparation of this report.
12. City of Albany Executives, Managers and Officers with budget responsibility were consulted in the preparation of the Budget Review.

### STATUTORY IMPLICATIONS

13. Under the *Local Government Act 1995*, section 6.8, a local government is not to incur expenditure from its municipal fund for an additional purpose except where the expenditure:
- a. is incurred in a financial year before the adoption of the annual budget by the local government
  - b. is authorised in advance by a resolution (absolute majority required) or;
  - c. is authorised in advance by the Mayor in an emergency.
14. 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 7 days and (a) its intention to do so; and (b) the date from which it is proposed the fees or charges will be imposed.
15. The voting requirement of Council is **Absolute Majority**.

### POLICY IMPLICATIONS

16. There are no policy implications related to this report.

### RISK IDENTIFICATION & MITIGATION

17. The risk identification and categorisation relies on the City's Enterprise Risk & Opportunity Management Framework.

Risk	Likelihood	Consequence	Risk Analysis	Mitigation
<b>Reputation &amp; Organisation's Operations.</b> Non approval of the budget review may result in significant delays to achieving deliverables.	<i>Unlikely</i>	<i>Moderate</i>	<i>Medium</i>	<i>In the short term the existing Annual Budget would apply, and proposed amendments would not apply. Adopt the Budget Review with amendments (as specified by Council).</i>
<b>Opportunity:</b> Provides Council with an additional opportunity to review the City's current budget position.				



**FINANCIAL IMPLICATIONS**

18. Please refer to the attachment: Budget Review for the period ending 31 July 2023.

**LEGAL IMPLICATIONS**

19. Nil.

**ENVIRONMENTAL CONSIDERATIONS**

20. Nil.

**ALTERNATE OPTIONS**

21. For the period ending 31 July 2023, Council may consider to:

- a. Adopt the Budget Review as recommended; or
- b. Adopt the Budget Review with amendments (as specified by Council)

**SUMMARY CONCLUSION**

22. It is recommended that the Authorising Officer's Recommendation is adopted.

<b>Consulted References</b>		<ul style="list-style-type: none"><li>• Adopted Budget 2023/2024</li><li>• Local Government Act 1995</li></ul>
<b>File Number (Name of Ward)</b>	:	FM.BUG.12
<b>Previous Reference</b>	:	Adopted Budget 2023/2024 – OCM 25/07/2023 Resolution CCS546

## CCS564: ENVIRONMENTAL AND SOCIAL IMPACT OF THE INVESTMENT OF SURPLUS FUNDS POLICY

<b>Business Entity Name</b>	: City of Albany
<b>Attachments</b>	: 1) ESG Impact Report: Investment of Surplus Funds 2) CBA Green, Social & Sustainability Funding Framework 3) CBA 2023 Green, Social and Sustainability Funding Impact Report
<b>Report Prepared By</b>	: Manager Finance (S van Nierop) Financial Services Coordinator (P Martin)
<b>Authorising Officer:</b>	: Executive Director Corporate & Commercial Services (M Gilfellon)

*The Officer Recommendation has been reviewed in context of the City of Albany's Electoral Caretaker Period Policy, and the CEO has determined that it does not constitute a major policy decision. The CEO therefore recommends this report for Council's consideration.*

### STRATEGIC IMPLICATIONS

1. This item relates to the following elements of the City of Albany Strategic Community Plan or Corporate Business Plan informing plans or strategies:
  - **Pillar:** Planet  
**Outcome:** Shared responsibility for climate action.
  - **Pillar:** Leadership  
**Outcome:** Strong workplace culture and performance.  
**Outcome:** A well-informed and engaged community.

### In Brief:

- In March 2022, the review of the Investment of Surplus Funds Policy ("**the Policy**") was brought to and adopted by Council.
- An amendment to the Authorising Officer Recommendation was put forward: *The Chief Executive Officer be requested to prepare a report for presentation to the Ordinary Council Meeting September 2023 on the impact of the new environmental and/or socially responsible investments element of the Investment of Surplus Funds Policy.*
- This report brings to Council the impact report requested in March 2022.

### RECOMMENDATION

#### CCS564: AUTHORISING OFFICER RECOMMENDATION

**THAT the report on the impact of the environmental and/or socially responsible investments be NOTED.**

### BACKGROUND

2. It is a role of Council to determine policy positions.
3. The City has a long-standing policy on the Investment of Surplus Funds.
4. In March 2022, the Policy was reviewed by City Officers, and then subsequently brought to the Audit & Risk Committee and the Ordinary Council Meeting (under item AR108), proposing to be adopted.
5. A summary of the proposed amendments made to the Policy were as follows:
  - a. This policy must be reviewed by the document owner every two years.

- b. Addition of reference to the City's Strategic Community Plan.
  - c. Removal of Fitch ratings (policy will only follow the Standard & Poor's ratings) to remove any issue if there are differences between the ratings agencies.
  - d. Added section on environmentally and socially responsible investments. This contributes to the City's objective under 14.2.2 of the Corporate Business Plan 2021-25, being: *Provide a sustainable procurement and investment framework to ensure financial processes and service contracts are aligned with the City's social, economic and environmental outcomes.*
  - e. Formatting and minor editorial edits applied.
6. Council adopted the revised policy, with an agreed upon amendment to the section on environmentally and socially responsible investments, being:
- Investing in environmentally and socially responsible investments is preferred by the City, but is not a mandatory requirement. The necessity being to select the investment that best meets the City's overall investment objectives.*
7. The Council also resolved:
- The Chief Executive Officer be requested to prepare a report for presentation to the Ordinary Council Meeting September 2023 on the impact of the new environmental and/or socially responsible investments element of the Investment of Surplus Funds Policy.*
8. It is now September 2023, and as such City Officers are bringing to Council the requested impact report on the new environmental and/or socially responsible investments element of the Investment of Surplus Funds Policy.

## DISCUSSION

9. The City approached its eligible deposit taking institutions (per the Investment of Surplus Funds Policy: those that have an office presence in Albany) enquiring on ESG investment products it could invest in.
10. Resulting from enquiries, the City was aware of only one ESG type product they could invest in, being an Environmental, Social and Governance Term Deposit (ESG TD), offered by the Commonwealth Bank of Australia (CBA). We are aware of other ESG type products offered by deposit taking institutions, such as climate bonds, however City officers note that some products aren't permissible per the Regulations or the City's Investment of Surplus Funds Policy. i.e. Under the Regulations, a local government may not invest in bonds that are not guaranteed by the Commonwealth Government, or a State or Territory Government (r.19C(2)(c)).
11. The funds raised by CBA through their ESG TD product offering are used to finance sustainability-linked loans. These loans, offered to incentivise companies to achieve ESG outcomes, set sustainability performance targets (such as reductions in greenhouse gas emissions or increases in Indigenous employment), and incentivise borrowers to achieve those goals over the course of the loan through financial incentives and/or penalties.
12. The City invested in CBA's ESG TD product from February 2022 through to March 2023.
13. In March 2023, CBA advised that their existing ESG TD offering would be grandfathered. This was based on: *In light of evolving ESG frameworks, clearer regulatory guidance and investor needs, we are working on a new design for ESG and Green Term Deposits which segregates these deposits more clearly and enables them to be as impactful as possible. We are aiming to bring updated ESG and Green TD products to market as soon as possible and will contact you once this occurs.*
14. The City's final CBA ESG TD matured in May 2023.

15. An attachment to this agenda item is the financial performance of the CBA ESG TD relative to the City's total term deposit portfolio, dating back to February 2022. The CBA ESG TD has on average contributed 22% of the City's total investment portfolio, and interest rates achieved on the ESG TD product have been broadly in line with other 'vanilla' term deposit products on offer by CBA and other deposit taking institutions.
16. The CBA has a Green, Social & Sustainability Funding Framework (attached).
17. The framework outlines the Use of Proceeds from CBA's Sustainable Funding Instruments, going towards financing or refinancing, in whole or in part, the following new and/or existing eligible assets:
  - a. CBA assets that promote the transition to a low-carbon, climate resilient and sustainable economy, including: renewable energy, green commercial buildings, green residential buildings, energy efficiency assets, clean transportation, sustainable water and wastewater management, pollution prevention & control, environmentally sustainable management of living natural resources and land use, and climate change adaptation; and
  - b. CBA assets that aim to address or mitigate a specific social issue and/or seek to achieve positive social outcomes, including: health healthcare & wellbeing, education and vocational training, affordable housing, and affordable basic infrastructure.
18. Assets excluded from CBA's proceeds of Sustainable Funding Instruments include those focused on:
  - a. Aviation and shipping
  - b. Defence and security
  - c. Fossil fuels
  - d. Gambling
  - e. Mining
  - f. Tobacco.
19. Of note, CBA's framework references specific UN Sustainable Development Goals, all of which are referred to in the City's Corporate Business Plan where the City has aligned its outcomes to these relevant sustainability goals.
20. CBA has also released its 2023 Green, Social and Sustainability Funding Impact Report (attached), outlining eligible asset allocations, impact assessments, and their eligible asset pool.
21. The content of this agenda item has focused on the Commonwealth Bank of Australia and specifically the purpose and outcomes of investing in their ESG TD product. This is not to say that the other deposit taking institutions that the City invests in does not focus on ESG, (we are aware that they do), it is that they don't have specific ESG investment *products* in place that the City is eligible to invest in.
22. The City will continue to explore and research ESG investment opportunities that align to the City's objectives and strategies whilst ensuring adherence to the Council endorsed Investment of Surplus Funds Policy.

#### **GOVERNMENT & PUBLIC CONSULTATION**

23. No government or public consultation was required in preparing this report.

#### **STATUTORY IMPLICATIONS**

24. Nil.

**POLICY IMPLICATIONS**

25. Nil.

**RISK IDENTIFICATION & MITIGATION**

26. The risk identification and categorisation relies on the City’s Enterprise Risk Management Framework.

Risk	Likelihood	Consequence	Risk Analysis	Mitigation
<i>Legal &amp; Compliance Policy positions are inconsistent with legislation.</i>	<i>Possible</i>	<i>Moderate</i>	<i>Medium</i>	<i>Policy positions are reviewed against applicable legislation.</i>

**FINANCIAL, LEGAL IMPLICATIONS & ENVIRONMENTAL CONSIDERATIONS**

27. Nil

**ALTERNATE OPTIONS**

28. Nil

**CONCLUSION**

29. It is recommended that the Authorising Officer’s Recommendation is adopted.

<b>Consulted References</b>	:	<ul style="list-style-type: none"> <li>• Local Government Act 1995</li> <li>• Investment of Surplus Funds Policy</li> <li>• City of Albany Corporate Business Plan 2022 - 2026</li> </ul>
<b>File Number</b>	:	CM.STD.7
<b>Previous Reference</b>	:	OCM 22/03/2022 Resolution AR108

**CCS565: NEW COMMERCIAL LEASE AND LICENCE – REGIONAL EXPRESS PTY LTD (REX) – ALBANY REGIONAL AIRPORT**

**Land Description** : Lot 5643 on Deposited Plan 157458 the subject of Certificate of Title Volume 2088 Folio 492, Drome

**Proponent** : Regional Express Pty Ltd (REX) ACN 101 325 642

**Owner** : City of Albany

**Report Prepared By** : Team Leader Property and Leasing (T Catherall)

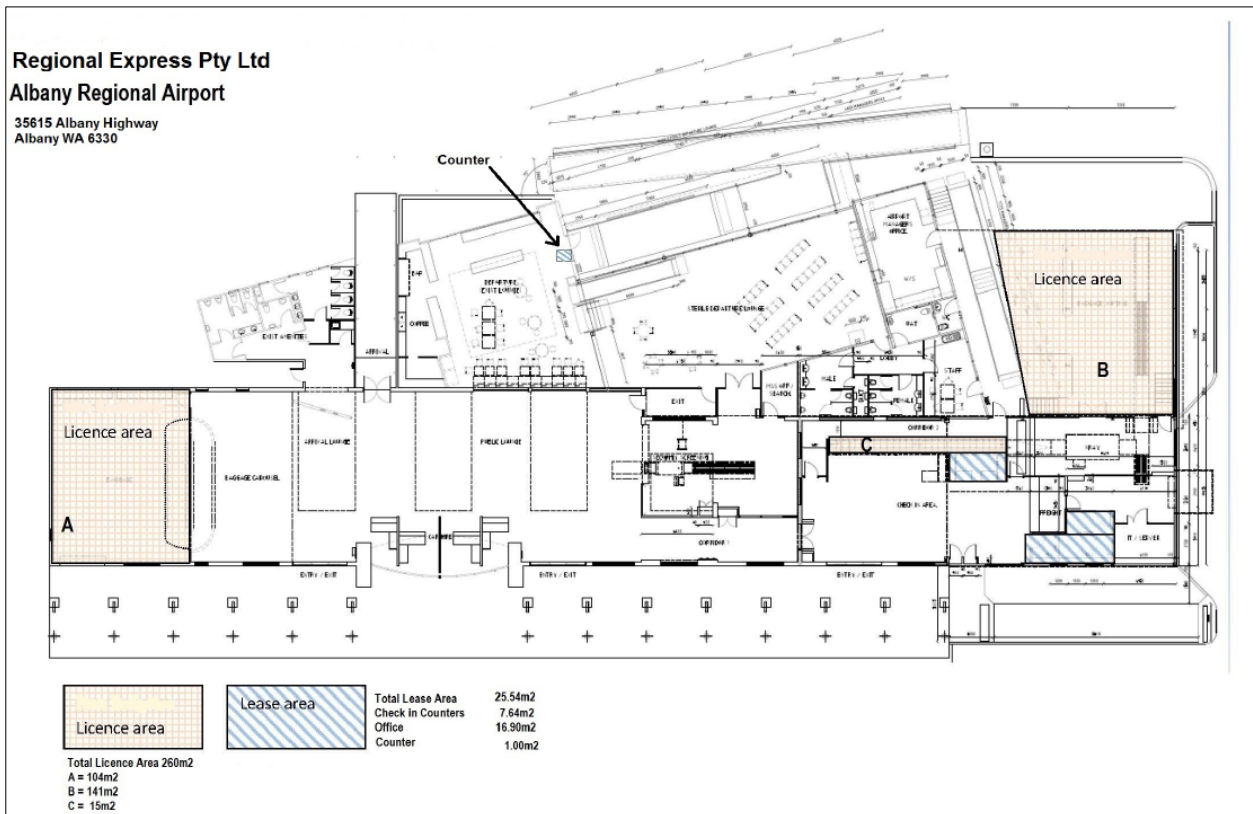
**Authorising Officer:** : Executive Director Corporate & Commercial Services (M Gilfellon)

*The Officer Recommendation has been reviewed in context of the City of Albany’s Electoral Caretaker Period Policy, and the CEO has determined that it does not constitute a major policy decision. The CEO therefore recommends this report for Council’s consideration.*

**STRATEGIC IMPLICATIONS**

- This item relates to the following elements of the City of Albany Strategic Community Plan 2032 or Corporate Business Plan informing plans or strategies:
  - Pillar:** Prosperity.
  - Outcome:** A highly sought-after tourist destination.

**Maps and Diagrams:**



**In Brief:**

- Council is requested to consider a new lease and licence to Regional Express Pty Ltd (REX) for a portion of the Airport terminal. This will ensure REX continue delivering Regular Public Transport (RPT) airline services.
- The Minister for Transport recently announced that REX has been awarded the exclusive rights to operate the RPT route between Perth and Albany.

- The proposed lease and licence will align with the RPT Deed of Agreement between REX and the Department of Transport (DoT) from 2 October 2023 to 2 July 2028.
- REX has been occupying the Airport terminal under their current lease and licence since 2016.
- The City's Executive Management Team supports the lease and licence to ensure uninterrupted RPT services by REX.
- It is recommended that the proposed new lease and licence be approved.

## **RECOMMENDATION**

### **CCS565: AUTHORISING OFFICER RECOMMENDATION**

**THAT Council APPROVE a new lease and licence to Regional Express Pty Ltd over part of the Albany Regional Airport terminal located at 35615 Albany Highway, Drome, subject to the terms and conditions outlined in section 14 in this report.**

## **BACKGROUND**

2. The City of Albany owns and operates the Albany Regional Airport located at 35615 Albany Highway, Drome.
3. At Ordinary Council Meeting on 15 December 2015, Council was informed that the State Government had appointed REX to operate the Perth to Albany RPT air route under a new agreement. The previous agreement with Virgin, the former operator had expired. In that meeting, Council agreed to waive the lease rental considering REX already incurs landing fees and charges.
4. At Ordinary Council Meeting on 22 March 2016, Council approved a new lease and licence to REX as the successful RPT operator. This allowed them to use the Airport Terminal facilities for a term to align with the State Government RPT agreement. The rent was waived consistent with Council decision in December 2015.
5. The current lease and licence with the City expired on 30 June 2023. REX will continue operating under holding over provisions until the proposed new lease and licence commences.
6. Due to the RPT agreement between the State Government and REX due to expire in October 2023, DoT recently held a competitive tender process to select an operator for the Perth to Albany RPT air service route.
7. On 15 August 2023 the Minister for Transport announced that REX has been awarded the exclusive rights to operate the RPT route between Perth and Albany commencing on 2 October 2023 and expiring on 2 July 2028.
8. The City has received a request from REX for a new lease and licence to continue using the Airport terminal for RPT services.

## **DISCUSSION**

9. The lease area consists of the flight reception area with two desks for customer check in service, an office space and a counter for exiting passengers.
10. The licence area covers the section where baggage is managed for both arriving and departing flights, including the conveyor belt.
11. REX will only continue to use the Airport terminal if they maintain the exclusive rights to operate RPT services to Albany.
12. All REX staff and contractors must adhere to the laws, regulations and procedures governing air transportation and the use of Albany Airport facilities.

13. Consultation has taken place with the Airport team who support the new lease and licence.
14. The table below summarises the essential terms of the proposed lease and licence.

Item	Details
Tenant	Regional Express Pty Ltd.
Land Description	Lot 5643 on Deposited Plan 157458 the subject of Certificate of Title Volume 2088 Folio 492, Drome
Lease Area	Approx 25m <sup>2</sup>
Licence Area	Approx 260m <sup>2</sup>
Land Ownership	City of Albany
Permitted Use	<ul style="list-style-type: none"> <li>• Lease: Airline reception, office space and associated airline operations to accommodate the Albany RPT air service</li> <li>• Licence: Transfer terminal, baggage handling and associated airline activities to accommodate the Albany RPT air service</li> </ul>
Term of Lease	4 years, 9 months and 1 day (from 2 October 2023 to 2 July 2028) to align with the expiry of the RPT Agreement
Rent	\$1.00 plus GST payable on demand
Outgoings	Tenant responsible for all outgoings, including insurance
Special Conditions	REX remains the exclusive operator of the RPT Perth to Albany route to retain the lease and licence

15. REX has agreed in-principle to the above terms, subject to Council approval.

#### GOVERNMENT & PUBLIC CONSULTATION

16. Section 3.58 of the *Local Government Act 1995* (Act) prescribes the process by which the City can dispose of property. For the purposes of this section, a lease is considered to be a disposal. The Act requires the following:
  - a. A local government must give local public notice of the proposed lease/licence inviting submissions from the public, for a period of two weeks.
  - b. Any submissions are to be considered by Council and their decision with regard to those submissions, to be recorded in the minutes.
  - c. A local government can then proceed with the lease/licence.
17. The proposed lease and licence will be advertised to comply with the requirements of the Act.
18. The City owns the land being disposed of in freehold title and therefore no approval from the Minister for Lands is required under the provisions of the *Land Administration Act 1997*.
19. Community Engagement

Type of Engagement	Method of Engagement	Engagement Dates	Participation (Number)	Statutory Consultation
Consult	Advertise proposed lease and licence in local newspaper and City's website inviting submissions from the public	A two-week period following Council endorsement of agenda item	Open	Section 3.58 of the <i>Local Government Act 1995</i>

#### STATUTORY IMPLICATIONS

20. Section 3.58 of the *Local Government Act 1995* allows for the disposal of property, including leased/licenced land and buildings, including advertising requirements.



## POLICY IMPLICATIONS

21. The City's Property Management (Leases and Licences) Policy aims to support the equitable access, and the efficient management of City owned and managed properties in line with statutory procedures.
22. Under this policy, rent reviews be conducted annually, with market valuations of the lease every three years and CPI increases in between.
23. Council has previously agreed to waive lease rental for REX under the current lease and licence agreement. Council's continued support of this variation for REX is requested.
24. All other terms of the lease and licence agreement will be in line with the policy.

## RISK IDENTIFICATION & MITIGATION

25. The risk identification and categorisation relies on the City's Enterprise Risk and Opportunity Management Framework.

Risk	Likelihood	Consequence	Risk Analysis	Mitigation
<i>Reputation: New Lease and Licence not approved – disruption to RPT services.</i>	<i>Unlikely</i>	<i>Major</i>	<i>Medium</i>	<i>Seek to negotiate terms to Council satisfaction.</i>
<i>Reputation: RPT Agreement between DoT and REX not signed.</i>	<i>Unlikely</i>	<i>Major</i>	<i>Medium</i>	<i>New lease and licence with REX not initiated. Liaise with DoT to understand reasons for delay or establish a new RPT operator.</i>
<i>Opportunity: Support the City and State Government commitment to provide a RPT service from Perth to Albany</i>				
<i>Opportunity: The lease aligns with the City's Strategic Community Plan 2032 objective, which aims to improve access to marine, rail and aviation transport to support population growth, tourism, and economic development. It also contributes to creating a competitive and sustainable tourism offering.</i>				

## FINANCIAL IMPLICATIONS

26. All costs associated with the development, execution and completion of the lease and licence documentation will be met by the City in support of the RPT service.

## LEGAL IMPLICATIONS

27. The lease and licence will be prepared by City's lawyers with enforceable terms and conditions to ensure any risk to the City is appropriately mitigated.

## ENVIRONMENTAL CONSIDERATIONS

28. There are no environmental considerations related to this report.

## ALTERNATE OPTIONS

29. Council may:
  - a. Approve the new lease and licence;
  - b. Support some parts of the new lease and licence although not in its entirety; or
  - c. Not agree to the new lease and licence request.
30. If Council does not agree to the new lease and licence, it could cause disruptions to RPT services.
31. REX will need to work with the City to find another location within the terminal to continue offering flight reception and baggage handling services. However, there is a possibility that REX may not be able to provide all necessary terminal services during this process.

**CONCLUSION**

32. REX currently operate the RPT Perth to Albany air service route under an agreement with the DoT. They also hold a lease and licence with the City allowing use of the Airport terminal facilities. Both of these arrangements are due to expire.
33. The Minister for Transport has announced REX as the successful operator for the RPT Perth to Albany air service route following a competitive State Government tender process.
34. REX has formally requested a new lease and licence to continue using Airport facilities to provide RPT services. The term of the new lease and licence will align with the RPT agreement between REX and DoT commencing 2 October 2023 to 2 July 2028.
35. The proposed lease and licence support the City's Strategic Community Plan 2032 objective, aiming to create a competitive and sustainable tourism offer and to improve access to marine, rail and aviation transport to support population growth, tourism and economic development.
36. Council is requested to support the granting of a new lease and licence to REX, following the terms and conditions outlined in this report.

<b>Consulted References</b>	:	<ul style="list-style-type: none"><li>• Property Management (Leases and Licences) Policy</li><li>• <i>Local Government Act 1995</i></li><li>• <i>Land Administration Act 1997</i></li></ul>
<b>File Number (Name of Ward)</b>	:	PRO415, A64802 (Kalgan)
<b>Previous Reference</b>	:	OCM 15.12.2015 Item ED029 OCM 22.03.2016 Item CSF227

11. **MOTIONS OF WHICH PREVIOUS NOTICE HAS BEEN GIVEN – Nil.**
12. **MEETING CLOSED TO THE PUBLIC**
13. **CLOSURE**