

CCS647: 2024-2025 BUDGET ADOPTION-VERSION TWO

Proponent : City of Albany
Attachments : Draft 2024-2025 Budget
Report Prepared by : Business Analyst/Management Accountant (D Harrison)
Authorising Officer : Chief Executive Officer (A Sharpe)
Executive Director Corporate & Commercial Services
(M Gilfellon)

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.
 - **Outcome:** A well informed and engaged community.
2. This proposed budget aligns with the City’s Corporate Business Plan where possible.

IN BRIEF:

- Approve the 2024/2025 budget, noting that the proposed budget is a result of a series of elected member and staff workshops.

RECOMMENDATION

**CCS647: AUTHORISING OFFICER RECOMMENDATION 1
VOTING REQUIREMENT: ABSOLUTE MAJORITY**

THAT Council ADOPT the following municipal rates in the dollar on gross rental valuations and unimproved valuations and minimum rate values for the 2024-2025 financial year:

(1) Rating Category 1 – GRV General

- The General Rate on Gross Rental Values for the 2024/2025 financial year on Rating Category (1) including all GRV rateable land be 11.0873 cents in the dollar.

(2) Rating Category 3 – UV

- The General Rate on current unimproved values for the 2024/2025 financial year on Rating Category (3) including all UV rateable land be 0.2815 cents in the dollar.

(3) Minimum Rate

- The Minimum Rate for Rating Category 1 – GRV General rateable properties within the City of Albany will be \$1,222.00
- The Minimum Rate for Rating Category 3 – UV rateable properties within the City of Albany will be \$1,316.00

**CCS647: AUTHORISING OFFICER RECOMMENDATION 2
VOTING REQUIREMENT: ABSOLUTE MAJORITY**

THAT Council APPROVE the following Waste Collection charges for the City of Albany (including general waste collection, one bulk green waste collection, one bulk hard waste collection, collection of recyclables and fogo waste) be adopted for the 2024-2025 financial year:

(1) Residential Services

- | | |
|------------------------------------|--|
| • Full Residential Waste Service | \$426.00 |
| • Waste Collection 140 Ltr MGB | Fortnightly |
| • Recycling Collection 240 Ltr MGB | Fortnightly |
| • FOGO Waste Collection 240Ltr MGB | Fortnightly (and weekly between mid December and mid February) |

(2) Additional Services

Additional Services (up to a maximum of two but can only include one collection type) with a full residential waste service.

- | | |
|--|--|
| • Waste Collection 140 Ltr MGB (Inc GST) | Fortnightly \$137.00 |
| • Recycling Collection 240 Ltr MGB (Inc GST) | Fortnightly \$77.00 |
| • FOGO Waste Collection 240Ltr MGB (Inc GST) | Fortnightly \$77.00 (and weekly between mid December and mid February) |

(3) Waste Facilities Maintenance Rate (Section 66(1) Waste Avoidance and Resource Recovery Act 2007)

In addition to the full domestic refuse service the City will be raising an annual rate under section 66(1) of the *Waste Avoidance and Resource Recovery Act 2007* (WARR Act) and, in accordance section 66(3) of the WARR Act, apply the minimum payment provisions of section 6.35 of the *Local Government Act 1995*. The rate is proposed to be called the 'Waste Facilities Maintenance Rate'. The minimum payment will be \$58.

The proposed rates are:

- GRV General Properties – Rate in the dollar: 0.01 Cents, minimum \$58.00
- UV General Properties – Rate in the dollar: 0.0022 Cents, minimum \$58.00

**CCS647: AUTHORISING OFFICER RECOMMENDATION 3
VOTING REQUIREMENT: ABSOLUTE MAJORITY**

THAT Council ADOPT:

- (1) Pursuant to the provisions of section 6.2 of the *Local Government Act 1995* and Part 3 of the *Local Government (Financial Management) Regulations 1996*, the Municipal and Trust Fund Budgets as contained in the Attachment to this agenda and the minutes, for the City of Albany for the 2024/2025 financial year which includes the following:
- Statement of Comprehensive Income by Nature and Type on page (v) showing a net result for that year of \$20,987,390
 - Statement of Comprehensive Income by Program on page (vi) showing a net result for that year of \$20,987,390
 - Statement of Cash Flows showing cash & cash equivalents at year-end of \$15,684,023 on page (vii)
 - Rate Setting Statement on page (viii) showing an amount required to be raised from rates of \$46,387,060
 - Notes to and Forming Part of the Budget on pages (1 to 56)
 - Fees and Charges and Capital Works Schedule as detailed on pages (57 to 96)
 - Transfers to / from Reserve Accounts as detailed in pages (44 to 49)
- (2) Pursuant to section 6.11 of the *Local Government Act 1995*, maintain the following reserves (noting the purpose of each reserve detailed in page 44 to 49 of the budget):
- Airport Reserve
 - Albany's Bicentennial Reserve
 - Building Restoration Reserve
 - Capital Seed Funding for Sporting Clubs Reserve
 - Centennial Park Stadium and Pavilion Renewal Reserve
 - Parking, Bridges & Marine Infrastructure Reserve
 - Coastal Management Reserve
 - Debt Management Reserve
 - Emu Point Marina Reserve 42964 Reserve
 - Great Southern Contiguous Local Authorities Group Reserve
 - Information Technology Reserve
 - Land Acquisition Reserve
 - National Anzac Centre Reserve
 - Parks, Recreation Grounds and Trails Reserve
 - Plant & Equipment Reserve
 - Public Open Space Reserve
 - Refuse Collection & Waste Minimisation Reserve
 - Roadwork's, Drainage & Paths Reserve
 - Developer Contributions (Non-Current) Reserve
 - Unspent Grants Reserve
 - Waste Management Reserve

**CCS647: AUTHORISING OFFICER RECOMMENDATION 4
VOTING REQUIREMENT: ABSOLUTE MAJORITY**

THAT Council APPROVE the due dates for payment of Rates and Waste Collection Charges for 2024-2025 be as follows:

- (1) Pay rates in full 19th September 2024.**
- (2) Pay by two instalments:**
 - (a) First Instalment Payment 19th September 2024; and**
 - (b) Second Instalment: 20th January 2025.**
- (3) Pay by four instalments:**
 - (a) First Instalment Payment 19th September 2024;**
 - (b) Second Instalment: 20th November 2024;**
 - (c) Third Instalment: 20th January 2025; and**
 - (d) Fourth Instalment: 20th March 2025.**

**CCS647: AUTHORISING OFFICER RECOMMENDATION 5
VOTING REQUIREMENT: ABSOLUTE MAJORITY**

THAT Council IMPOSE the following Rates and Charges to provide for Administration and Interest Charges on Rating, Waste Collection and General Debtor Collection charges during the 2024-2025 financial year:

- (1) Instalment Plan Administration Fee**
In accordance with section 6.45(3) of the Local Government Act 1995, an Instalment Plan Administration fee of \$7.00 for the second and each subsequent instalment notice issued will apply for rates and rubbish collection charges.
- (2) Late Payment Interest Charge**
In accordance with section 6.51(1) of the Local Government Act 1995, a charge on outstanding rates and rubbish collection accounts (including amounts owed on ad hoc Payment Plans) of 7% p.a. will be calculated daily at 0.01918% on a simple interest basis for the number of days from the account due date until the day prior to the day on which the payment is received.
- (3) Instalment Plan Interest Charge**
In accordance with section 6.45(3) of the Local Government Act 1995, an interest rate of 5.5% p.a. will be calculated on a daily basis at 0.0151% by simple interest basis from the due date of the first instalment as shown on the rate notice to the due date of each respective instalment.
- (4) Late Payment Interest Charge (Excluding Rates & Charges)**
In accordance with section 6.13 of the Local Government Act 1995, a charge of 7% p.a. interest, calculated on a simple interest basis for the number of days outstanding, may apply on unpaid debts (other than rates and rubbish collection charges) outstanding 35 days from the date of invoices raised after 1 July 2024. In respect to the Late Payment Interest Charge on rates and charges, the method of calculating the interest charge is on the daily balance outstanding.

Waivers

Where a small balance remains on a property assessment due to circumstances such as a delay in the receipt of mail payments or monies from property settlements and additional daily interest has accumulated, amounts outstanding of \$2.00 and under will be waived, as it is not considered cost effective or equitable to recover from the new property owner. Estimated loss of revenue from this waiver is \$1,100.

**CCS647: AUTHORISING OFFICER RECOMMENDATION 6
VOTING REQUIREMENT: ABSOLUTE MAJORITY**

THAT Council APPROVE the Schedule of Fees and Charges (which forms part of the 2024-2025 Budget) be adopted effective from 24th July 2024.

**CCS647: AUTHORISING OFFICER RECOMMENDATION 7
VOTING REQUIREMENT: ABSOLUTE MAJORITY**

THAT Council SET the Elected Member Sitting Fees and Allowances as prescribed by the *Local Government (Administration) Regulations 1996* per annum, being:

- (1) Councillor Meeting Attendance Fee: \$34,278**
- (2) Mayoral Meeting Attendance Fee: \$51,412**
- (3) Councillor and Mayoral ICT Allowance: \$3,500**
- (4) Annual Travel and Accommodation Allowance (allowable claims in excess of this allowance will be reimbursed): \$100**
- (5) Total Mayoral Allowance is: \$97,115**
- (6) Deputy Mayoral Allowance: \$24,279 - being 25% of the Mayoral Allowance**

**CCS647: AUTHORISING OFFICER RECOMMENDATION 8
VOTING REQUIREMENT: ABSOLUTE MAJORITY**

THAT Council APPROVE a variance between actual and budget-to-date of greater than \$100,000 is considered to be a material variance for reporting purposes in the Statement of Financial Activity for 2024/2025.

BACKGROUND

3. Council has considered strategic and operational issues which will impact on the 2024-2025 budget.
4. Under section 6.36 of the *Local Government Act 1995*, the City is not required to advertise the proposed rates amounts for the 2024-2025 financial year.

DISCUSSION

5. Through Council workshops, Council members have considered various factors in developing a financially responsible budget, while ensuring compliance with Local Government legislation, work health and safety requirements, continuation of the various services provided by the City, cost-saving initiatives and new capital projects that are “project ready” or will be required to be undertaken this financial year, given commitments previously made by Council.
6. An important consideration in preparing any budget is to ensure that Council works towards achieving financial sustainability for the future.
7. The draft budget reflects a number of factors to maintain financial sustainability, which will impact not only on this year’s budget but will have a compounding effect in future budgets.

GOVERNMENT & PUBLIC CONSULTATION

8. The Department of Local Government, Sport and Cultural Industries is not consulted prior to budget adoption. Once the Budget is adopted, a copy is sent to the Department for review.

PUBLIC CONSULTATION / ENGAGEMENT

9. Budget information will be published on the City of Albany website.

STATUTORY IMPLICATIONS

10. This item directly relates to, and contributes to achievement of, the Strategies within the Community Strategic Plan – Albany 2023.

POLICY IMPLICATIONS

11. Nil.

RISK IDENTIFICATION & MITIGATION

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

Risk	Likelihood	Consequence	Risk Analysis	Mitigation
Financial & Reputation: <i>Council does not endorse the 2024/2025 Budget, with the consequential risk of deferred cash flow, and thus inability to meet financial commitments.</i>	<i>Unlikely</i>	<i>Extreme</i>	<i>Extreme</i>	<i>Delegated authority to the CEO to incur expenditure under the Local Government Act 1995 until Budget endorsement.</i> <i>Reconsideration of the budget paper at a Council meeting prior to 31 August 2024.</i>

FINANCIAL IMPLICATIONS

13. The 2024/2025 Budget sets the parameters for expenditure of City resources.
14. The City must meet its legislative and debt obligations through endorsement of a budget. Failure to do so incurs considerable financial and other risks to the City.

LEGAL IMPLICATIONS

15. Nil.

ALTERNATE OPTIONS

16. Council adopt the 2024-2025 Annual Financial Budget with changes.

SUMMARY CONCLUSION

17. Endorsement of the budget provides delegated authority to the CEO to incur expenditure from 1 July 2024 until 30 June 2025.

Consulted References	:	<ul style="list-style-type: none"> Local Government Act 1995 Local Government (Financial Management) Regulations 1996.
File Number	:	FM.BUG.12
Previous Reference	:	<ul style="list-style-type: none"> Budget Workshop – 04 June 2024 OCM July 2023 Resolution CCS545