

9.1 Adoption of 2024/25 Annual Budget

Location	Town-wide
Reporting officer	Manager Strategic Accounting
Responsible officer	Acting Chief Financial Officer
Voting requirement	Absolute majority
Attachments	<ol style="list-style-type: none">1. 2024/25 Statutory Annual Budget [9.1.1 - 28 pages]2. 2024/25 Schedule of Fees and Charges [9.1.2 - 47 pages]3. 2024/25 Capital Works Projects [9.1.3 - 4 pages]4. 2024/25 Carry Forward Projects [9.1.4 - 3 pages]5. Differential Rates - Public Submissions [9.1.5 - 4 pages]6. Updated - Differential Rates - Public Submissions [9.1.6 - 11 pages]

Summary

The purpose of this report is to facilitate final consideration of the recommended annual budget for 2024/25, enabling the continued operation of the Town's works and service programs.

- As required by Section 6.2 of the Local Government Act 1995, each local government is to prepare and adopt a budget for its municipal fund for the next financial year ending on the 30 June.
- Council has advertised its intention to levy differential rates and minimums for 2024/25, which represents an 8% increase in rate revenue, generating rate revenue of \$53,041,616, contributing to total operating revenue of \$69,913,734.
- The budget statements presented have been prepared in accordance with the Local Government Act 1995 and the Local Government (Financial Management) Regulations 1996 and Australian Accounting Standards (to the extent that they are not inconsistent with the Act). The Annual Budget 2024/25 presents a balanced budget and is recommended for adoption by Council.

Recommendation

That Council:

1. Budget

Pursuant to the provisions of Section 6.2(1) of the Local Government Act 1995 and Part 3 of the Local Government (Financial Management) Regulations 1996, adopts the Town of Victoria Park Annual Budget as detailed in (**Attachment 1**) for the year ended 30 June 2025, which includes:

- (a) Statement of Comprehensive Income by Nature and Type showing a net result for that year of \$25,552,123.
- (b) Statement of Cash Flows showing a net cash provided by operations of \$10,163,580 and net increase in cash held of \$1,712,005;
- (c) Statement of Financial Activity showing an amount required to be raised from rates of \$53,041,616.
- (d) Transfers to/from Reserves as detailed on the Reserves Account note showing a 30 June 2025 closing balance of \$33,627,306;
- (e) Notes to and forming part of the Budget, as included in Attachment 1; and
- (f) Capital Works Program showing a total of \$56,526,883 (including 2023/24 carry forward projects of

\$22,924,849) as detailed in **Attachment 3** and **Attachment 4**;

2. Rates

Differential rates, minimum payments, service charges and instalment payment arrangements:

- (a) Imposes the following differential rates for the 2024/25 financial year for the purpose of yielding the deficiency disclosed by the 2024/25 Annual Statutory Budget pursuant to Sections 6.32, 6.33 and 6.35 of the Local Government Act 1995.
- (b) Residential – GRV of 9.058 cents in the dollar of gross rental value applicable to properties used primarily as a place of residence subject to a minimum rate of \$1,357 per assessment.
- (c) Non-Residential – GRV of 11.000 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 \$1,411 per assessment.
- (d) All Vacant Land - GRV of 17.137 cents in the dollar of gross rental value applicable to properties used primarily as vacant land subject to a minimum rate of \$2,199 per assessment.
- (e) 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 11 September 2024.
 - (ii) Second quarterly instalment due date 12 November 2024.
 - (iii) Third quarterly instalment due date 21 January 2025.
 - (iv) Fourth quarterly instalment due date 28 March 2025.
 - (v) Direct debit due date 20 June 2025.
- (f) Pursuant to Section 6.45(3) 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 a four equal instalment option of \$12 for each instalment after the initial instalment is paid (representing a total of \$36 over the second, third and fourth instalments).
- (g) Pursuant to Section 6.45(3) of the Local Government Act 1995 and Regulation 68 of the Local Government (Financial Management) Regulations 1996, adopts an interest rate of 4.0% where the owner has elected to pay rates and service charges through a four equal instalment option.
- (h) Pursuant to Section 6.45(3) of the Local Government Act 1995 and Regulation 68 of the Local Government (Financial Management) Regulations 1996, adopts an interest rate of 5.5% where the owner has elected to pay rates and service charges through a flexible direct debit option.
- (i) 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, adopts an interest rate of 8.0% for rates and service charges, and costs of proceedings to recover such charges that remain unpaid after becoming due and payable.
- (j) NOTES community submissions were received in response to the Notice published in accordance with section 6.36(1) of the Local Government Act 1995, detailed in **Attachment 5** and **Attachment 6**.

3. Fees and Charges

Pursuant to Section 6.16 of the Local Government Act 1995, adopts the Schedule of Fees and Charges in **Attachment 2**.

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:
- (b) Mayor \$33,072.
- (c) Councillors \$24,726.

- (d) 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.
 - (e) 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 \$68,552 to be paid to the Mayor in addition to the annual meeting allowance.
 - (f) 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 \$17,138 to be paid to the Deputy Mayor in addition to the annual meeting allowance.
5. New loan
- Pursuant to Section 6.20 of the Local Government Act 1995 and authorises the following new loans:
Edward Millen Site - \$2,200,000.
6. Reporting of Budget Variances
- 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 2024/25 for reporting material variances to be (+) or (-) 10%, or \$50,000, whichever is the lowest, for each category of Nature or Type, for both revenue and expenditure.
7. Approves the change of the purpose of the Community Art Awards to include: To be used for the purchasing, placement, and recognition of art for the Council and Community.

Background

1. Local governments are required to prepare and adopt a budget for the financial year. In preparing the budget, the administration has compiled and analysed relevant information, held a series of budget workshops with Council Members, aligned the budget to the priorities in the Town's Strategic Community Plan 2022 – 2032, Long Term Financial Plan, Corporate Business Plan, and other supporting strategies.
2. Over the past five years, Council has endorsed budgets that have resulted in the below annual rates of income over that period.
 - (a) In the 2019/20 budget, Council approved no increase to rates, with rates revenue of \$46,943,703.
 - (b) In the 2020/21 budget, Council decreased rates by 7.88%, with rates revenue of \$43,062,877.
 - (c) In the 2021/22 budget, Council increased rates by 0.88%, with rates revenue of \$44,322,879.
 - (d) In the 2022/23 budget, Council increased rates by 3.5%, with actual rates revenue of \$46,431,117.
 - (e) In the 2023/24 budget, Council increased rates by 5.9% with actual rates revenue of \$49,475,403.
3. The Producer Price Index (PPI) (published by the ABS in March each year) has measured an annualised growth of 3.18% p.a. over the same five-year period. The increase in goods and services over the period has impacted prices in some of our recent construction contracts.
 - (a) In March 2020, the PPI rose 1.3% over the past twelve months.
 - (b) In March 2021, the PPI rose 0.2% over the past twelve months.
 - (c) In March 2022, the PPI rose 4.9% over the past twelve months.
 - (d) In March 2023, the PPI rose 5.2% over the past twelve months.
 - (e) In March 2024, the PPI rose 4.3% over the past twelve months.
4. Price increases have been identified in many core contracts for materials, utilities, insurance, services and capital works.
 - (a) Waste processing gate fees have increased by approximately 22% to \$1,903,000.

- (b)Verge collection costs have increased by 90% and 200% for green and bulk waste collection. The above verge collections' total cost for 2024/25 is estimated at \$309,000 and \$515,000 respectively.
- (c) Various contracts within our Parks Department have increased by either CPI or higher. Some examples include; Tree removal costs have increased due to the long drought period, resulting in a loss of about 35 - 50 mature or approximately \$800 - \$1000 per tree.
- (d)Tree audits, watering, and maintenance contracts have all increased by 4.1%, according to the contract extension agreement.
- (e)Nitrogen based fertilisers and equipment have increased by 30% and 8%, respectively.
- (f) Road resurfacing and roads works have seen a 10 - 15% increase due to material and traffic management cost all increasing over the past 12 months.
- (g)Legislation change that requires tree contractors to use a shadow vehicle, resulting in \$130,000 - \$160,000 per year on top of our \$1,400,000 budget for tree maintenance or around 11%.

Discussion

5. The development of the draft annual budget and presentation for endorsement by Elected Members aimed to find an approach befitting the Town's fiscal position, noting significantly escalating costs.
6. The draft budget was developed through over five workshops which saw Elected Members consider the many facets of the budget with the input and advice of a range of Town staff. The workshops considered the following matters;
 - (a)The Long Term Financial Plan, Corporate Business Plan, and the Strategic Community Plan.
 - (b)Asset Management and Capital Works Programs.
 - (c) Fees & Charges.
 - (d)Operational Management budgets, and
 - (e)New capital and operational requests.
7. Rates
 - (a)Landgate sets the Gross Rental Values (GRV) – the gross annual rental that a property might reasonably be expected to earn annually if it were rented – and Council determines the rate in the dollar to achieve the target rates revenue. The GRV is multiplied by the rate in the dollar to give the total rates payable. The rate in the dollar differs for each differential rate, with Council having three differential rates, being Residential, Non-Residential and Vacant Land. These can be seen in Table 1. There are no recommended changes to the rate categories for 2024/25.
 - (b)Council must also set a minimum payment for each rate category, shown in **Table 1**, which cannot be charged more than 50% of the total properties in each rate category i.e. Residential, Non-Residential and Vacant Land.

Table 1

Rating Category	Rate in the dollar	Minimum rate
Residential	\$0.09058	\$1,357
Non-residential	\$0.11000	\$1,411
Vacant land	\$0.17137	\$2,199

- (c) Differential general rates can only be imposed based on certain characteristics.
- (d)Any other characteristic, such as length of ownership, visual appearance of a lot or building, or length of vacancy or non-development, are not prescribed under the Act, and therefore not a characteristic for which a differential rate can be raised.

- (e) The Town will rate 18,254 properties in the 2024/25 financial year, including 118 newly added rateable properties.
- (f) The total budgeted revenue from rates for the 2024/25 financial year is \$53,041,616 derived from the rate in the dollar and minimum rates outlined in this report.

8. Fees & Charges

- (a) The fees and charges for 2024/25 (Attachment 2) include various regulated fees set by legislation or regulation and fees or charges for which the Town has some discretion as to the amount. For discretionary fees, consideration has been given to the level of fair cost recovery for a service, the ability of the community to pay, and the overall impact on the Town’s budget.
- (b) Total fees & charges revenue for 2024/25 financial year is forecast to be \$10,860,246.

9. Grants

- (a) The Town is anticipating \$26,321,112 (carry forward of \$7,290,981) in grant and contribution funding across a range of projects and services. **Table 2** shows the projects receiving more than \$250,000 in grant funding.

Table 2

Project	Grant Funding
LPRP Zone 1 Community and Sports Club Facility	\$13,200,000
McCallum Park Active Area – Federal Investing in Our Communities Grant	\$2,500,000
Rutland Avenue Shared Path	\$1,678,613
Roads - Black Spot	\$1,521,213
McCallum Park Active Area – State CSRFF Grant	\$926,653
Roads - MRRG - Rutland Avenue - Welshpool Road to Oats Street	\$490,145
Roads - MRRG - Oats Street - Planet Street to Tuckett Street	\$258,893

10. Capital Works Program

In 2024/25 the Town of Victoria Park plans to capital expenditure of \$56,526,883 (**Attachment 3**) including an estimated carry forward of \$22,924,849 from 2023/24 into the 2024/25 budget. The recommended budget includes several multi-year projects that allow the Town to deliver on its strategic programs.

The capital expenditure budget includes significant funding from grants, third party contributions and reserves with the residual \$9,438,418 (carry forward \$2,990,326) from municipal funds. Further details are provided below in relation to some of the capital works programs.

(a) Public Places Program:

McCallum Park and Taylor Reserve: which is to complete the detailed design and construction of the upgraded Skate and Pump Track Facility works with a Federal government grant (liOC) of \$2,500,000, State CSRFF Grant of \$926,653, and \$300,000 from the Town. This will be delivered to fully activate the McCallum Park area with the parallel delivery of the new Causeway Pedestrian and Cyclist Bridge.

Edward Millen Park: which adjoins the Heritage Redevelopment, is a major parkland and playground redevelopment that will feature large event space, various recreation spaces and a playground specifically designed to be neurodiversity inclusive. \$2,000,000 from the Blackoak Capital lease of the Heritage building precinct will contribute to the park redevelopment. The total cost of the park redevelopment is \$7,500,000, the expenditure for the 2024/25 financial year is expected to be \$2,500,000.

Burswood Station East: Stiles Griffiths Reserve Upgrade: In 2023/24 a design was completed for an upgraded Stiles/Griffiths Reserve in the emerging Burswood Station East Precinct. A first stage of upgrades to lighting, paths and the creation of landscape zones will occur in 2024/25 with a total stage 1 project budget of \$540,000.

Higgins Park Playground and Surrounds Upgrade: Stage 2 of the implementation of the Higgins Park and Playfield Reserve Masterplan will see an upgrade to the playground in front of the Higgins Park clubrooms and improvements to the immediate area surrounding the playground in accordance with the Masterplan with an overall project budget of \$250,000.

Old Spaces New Places Project No.4 - State Street and Albany Highway Intersection: The Town has budgeted \$324,000 (\$274,000 from a Federal Government Grant) for an upgrade to the State Street and Albany Highway intersection (near the Victoria Park Hotel) which was identified for improvements in the Albany Highway Precinct Structure Plan Public Realm Strategy approved by Council in 2023. This improvement will result in a more pedestrian friendly, slower and greener outcome.

Better Parks Sub Program: In response to community requests and a growing community group, \$40,000 has been requested to upgrade Duncan Street Reserve. Works will include improved pathway connections, benches and swing, and will be done in collaboration with the community and the Urban Forest Program. A further \$20,000 is requested for upgrades at Millers Crossing.

(b) Social Infrastructure Program:

Lathlain Precinct Redevelopment Project Zone 1: which will deliver the final portion of the broader Lathlain Park Redevelopment Project. The facility will provide a home for the Perth Football Club that meets contemporary standards and facilitates AFLW matches. It will also create a 250m² community space that will be operated by the Town and available for the local community to hire. The project has external funding from the Federal and State government, the West Coast Eagles, and Western Australian Football commission totaling \$15,200,000. The Town's contribution will be \$5,000,000. The expenditure for the 2024/25 financial year is expected to be \$15,000,000 but is still subject to final approvals and funding.

(c) Integrated Transport Program

Archer Street and Mint Street Streetscape Improvement Plan – Stage 2b: The Town will complete the next installment of the Carlisle Town Centre between Planet St and Mars St. This will ensure that the new bike lanes completed in 2023/24 between Gemini Way and Mars St will connect all the way to the Town Centre. This next portion of Carlisle Town Centre has a project budget of \$1,100,000.

Rutland Avenue Shared Path: This project completes the final missing piece of the regionally linked Armadale line principal shared path in the Town of Victoria Park. This project is fully funded

by the Department of Transport and there is ongoing debate as to the preferred arrangement in the road layout to facilitate the shared path due to the overall project costs and benefits.

Skinny Streets and Low-Cost Urban Road Safety Program: The Town is making changes to its local roads to reduce speeds and create safer and more walkable streets for pedestrians. This work is done via the Town's Skinny Streets Sub-Program and \$200,000 (Municipal funds) plus a \$320,000 fully funded allocation on completion of works from Main Roads WA will facilitate these important changes. **Black Spot Projects:** The following new intersections are planned for upgrade works in the 2024/25 Financial Year: Archer Street/ Beatty Avenue; Mint Street/ Hubert Street; and Star Street/ Lion Street. Minister's approval for these projects is still pending. **Burswood South Streetscape Improvement Plan – Detailed Design:** The Town is progressing the approved Concept Plan for the streets in the Burswood South precinct to the Detailed Design phase in preparation for construction in future years. A total of \$240,000 has been allocated for the Detailed Design phase in 2024/25.

(d) Urban Forest Program

Green Basins: \$76,000 has been allocated to the Green Basins Sub-Program. These funds will be focused on progressing work to re-shape and green the 76 Planet Street drainage basin.

Vic Park Leafy Streets: \$220,000 has been allocated to deliver the Town's street tree planting program across a range of streets in the Town. Each year the Town aims to plant approximately 800 new street trees.

Urban Centres Greening: The Urban Forest Program is providing a renewed focus on planting trees in its Urban Centres. Trees are more difficult to plant in hardscaped activity centres and often require a different specification and careful planning and design. But the impact on air temperature, walkability and the local economy of more trees in activity centres is significant. The Town has allocated \$120,000 to this important part of the Urban Forest Program.

(e) Asset Renewal Program

Road Renewals: To maintain critical Town infrastructure, the Town has identified sites that require critical renewal and upgrades to maintain current service levels. The total cost of road renewals and upgrades is \$7,819,194, which is supported by \$2,060,131 from grants and other contributions.

Drainage: Capital works are intended to be undertaken to the drainage network at various hotspot locations. These include Weston Street, Horden Street, Second Avenue, Solar Way, Keyes Street and Albany Highway. The improvements are anticipated to cost \$370,000 and will help mitigate property flooding in these areas.

Right of Way: The upgrade of ROW 130, which is currently an unsealed laneway, is planned for full reconstruction in the 2024-2025 Financial Year. This includes lighting, drainage and new seal. The Municipal funding for this project is \$280,000.

Lighting: The upgrade of Ceres Lane was completed in November 2023 and lighting will be installed in FY2024-2025 at a cost of \$75,000. All conduits have already been laid and ready for poles and luminaires installation.

11. Carry Forward

The Town of Victoria Park plans to carry forward \$22,924,849 (**Attachment 4**) from 2023/24 into the 2024/25 budget, which represents \$1,317,834 from operating and \$21,607,015 from capital/infrastructure projects. The recommended budget includes several projects currently in progress and other large-scale projects that are expected to commence during the 2024/25 financial year.

- (a) The operating carry forward value of \$1,317,834 has been identified to be carried from 2023/24 into the 2024/25 budget. Some of the major operating carry forward projects include;
- (i) Albany Highway Precinct Structure Plan for \$274,017, a multi-year project expected to be completed in 2024/25.
 - (ii) Oats Street Precinct Structure Plan for \$160,005, a multi-year project that has been entirely funded by Public Transport Authority of Western Australia is expected to be completed in 2025/26.
 - (iii) Customer Relations – Consultancy for \$115,000, which is for the transition from the current telephone system (IFPX which is outdated) to Microsoft Teams Calling. It will improve accessibility and service delivery to the community, allowing for video calling and long-term cost reductions (hardware requirements and maintenance agreement). Expected to be delivered in the second quarter of the 2024/25 financial year.
 - (iv) IT Hardware with the value of \$150,000, which is for the replacement of the administration's servers and storage infrastructure with an expected delivery in the first quarter of the 2024/25 financial year.
- (b) The capital/infrastructure carry forward value of \$21,607,015 has been identified to be carried from 2023/24 into the 2024/25 budget. Some of the major capital/infrastructure carry forward projects include;
- (i) The Edward Millen Park Masterplan has a carry forward of \$6,662,000, with \$3,750,000 allocated to be spend towards the parkland and playground redevelopment in the 2024/25 financial year.
 - (ii) Several Road Renewals projects to the value of \$6,025,332, of which \$3,295,287 of the projects are expected to the delivered in the first quarter of the 2024/25 financial year, and a further \$1,348,476 is delayed due to conflicts with the Metronet Project.
 - (iii) A portion of Skinny Street Program funds (incl. Main Roads WA Low-Cost Urban Road Safety Program funding) will be carried forward to 2024/25 (\$340,650) with the majority expended early in the new financial year.
 - (iv) The Lathlain Precinct Redevelopment Project Zone 1 – Perth Football Club/Community Facility of \$4,500,000, of which it is expected that the Early Contractor Involvement (ECI) is completed and the planned construction to commence in the first half of the 2024/25 financial year.
 - (v) The Rutland Avenue Shared Path of \$1,678,613 is carry forward due to ongoing reviews as to the preferred arrangement in the road layout to facilitate the shared path.
 - (vi) Old Spaces New Places Project No.3 - Western Gateway for \$77,805. This project is part way through the Detailed Design phase. Detailed Design will be completed in the first part of 2024/25.
 - (vii) Several Fleet and Machinery vehicles of \$928,408, of which \$306,848 is expected to be delivered in the first quarter and \$450,000 for the Road Sweeper in the third quarter of the 2024/25 financial year.
 - (viii) Kent Street Sandpit Bushland Management Project of \$541,350, of which it's expected that trafficable perimeter and secondary paths, plus site fill, will be completed within the 2024/25 financial year.

12. Operating Expenditure

The Town of Victoria Park has continued to experience inflationary cost pressures due to rising construction costs, changes in legislative requirements, and supply chain issues. Annual PPI for the March 2024 quarter is at 4.3% and in many instances the actual costs have increased much higher.

Operating expenditure has increased by \$4,540,723 or 6.86% compared to the current revised budget, which is mainly attributed to:

- (a) Employee costs are anticipated to increase by \$1,194,753 due to changes in the enterprise bargaining agreement, superannuation payments, and increases in worker's compensation insurance.
- (b) Material and contracts expenditure is expected to rise by \$2,570,687 due to higher inflationary cost pressures across several categories including materials, waste, ICT, and other operating associated operating costs.

13. Reserves

- (a) The proposed transfers detail a net decrease of \$15,115,430 to the Town's reserves. These have been recommended to fund a portion of the capital works program and underground power-related expenses.
- (b) Full detail on the proposed reserve transfers is included within the attached draft annual budget under note 9 and the capital works listing.
- (c) Updated the purpose description for Community Art Reserve to include the following; To be used for the purchasing, placement, and recognition of art for the Council and Community. The purpose change will enable the reserve to support the Town's Community Art Awards, such as the Youth Art Awards and others alike.

14. Loans

- (a) The budget does include a loan to be raised for the Edward Millen project, valued at \$2,200,000. Once works have commenced, this loan will be raised in the 2024/25 financial year. It has been included in previous budgets. This will be raised in the 2024/25 financial year once work has commenced. This loan has been included in previous budgets, but not yet drawn down.

15. Compliance

- (a) The differential rating model and the statement of objects and reasons for each differential rates category was advertised in accordance with statutory requirements for 21 days. There were seven public submissions received and have been included as an attachment to this agenda item.
- (b) In compiling the annual budget officers have, in accordance with the Local Government Accounting Manual produced by the Department of Local Government;
 - (i) identified recurring operating revenue and expenditure.
 - (ii) prepared salary and wages schedules including staff increment changes and enterprise agreement increases.
 - (iii) prepared capital expenditure based, where possible, on long-term asset management plans
 - (iv) confirmed grants for both operating and capital requirements.
 - (v) determined and applied the assumptions for the opening current position from the previous financial year.
 - (vi) identified any carry-forward projects into the new financial year.
 - (vii) flagged committed funds and excluded these from the brought forward balance in the determination of the current position.
 - (viii) established, if there is, a budget deficit or surplus to be carried forward restricted to the prescribed amount.
 - (ix) obtained estimates for non-current assets to be sold or traded in on new assets.
 - (x) obtained estimates for insurance, including workers' compensation.
 - (xi) updated the schedule of fees and charges for the next 12 months.

- (xii) compiled projected cash flows over the next 12 months to ensure there is sufficient liquidity to meet current commitments throughout the year.
 - (xiii) prepared the budget document consistently with comparative financial results for the previous year.
 - (xiv) ensured that any surplus funds invested conform with the short-term requirements for drawdowns as and when the funds are required.
 - (xv) completed all the required statutory schedules for adoption by Council.
- (c) Determination of material variance for reporting purposes.
- (i) Each year Council is required to adopt a percentage or value for the purposes of reporting material variances in the monthly Financial Activity Statement.
 - (ii) 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 Council funds and resources.
 - (iii) 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.
 - (iv) To be compliant with 34 (3)(5) of Local Government (Financial Management) Regulations 1996, this is amended to a variance of (+) or (-) 10%, or \$50,000, whichever is the lowest, for each category of nature or type, for both revenue and expenditure to be included in the Statement of Financial Activity.

16. Summary

- (a) The draft annual budget presented for endorsement to Elected Members has found a balance between rate increases, service delivery, and infrastructure maintenance that is fair for, and benefits, the community, while delivering a capital works program in the face of significant cost pressures.

Relevant documents

Not applicable.

Legal and policy 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](#)

Financial implications

Current budget impact	No impact on the current budget, however, an assessment has been made on likely carried forward budget allocations, and any likely carried forwards surplus or deficit.
Future budget impact	The adoption of the 2024/25 budget will enable the continuity of service delivery, maintenance of existing assets and generation of new assets in line with the Strategic Community Plan.

Risk management consideration

Risk impact category	Risk event description	Risk rating	Risk appetite	Risk Mitigation
Financial	Potential reduction in the quality of assets provided and services delivered if the proposed annual budget is not adopted.	Moderate	Low	Treat risk by ensuring elected members have been involved in the annual budget process to ensure understanding and collaboration in order for the budget to be understood and adopted.
Environmental	Not applicable.			
Health and safety	Not applicable.			
Infrastructure/ ICT systems/ utilities	Potential reduction in the quality of assets provided if the proposed annual budget is not adopted.	Moderate	Medium	Treat risk by ensuring elected members have been involved in the annual budget process to ensure understanding and collaboration in order for the budget to be understood and adopted.
Legislative compliance	Legislative compliance will not be adhered to if the annual budget is not adopted and forwarded as appropriate within the required timeframes.	Moderate	Low	Treat risk by ensuring elected members have been involved in the annual budget process to ensure understanding and collaboration in order for the budget to be understood and adopted.
Reputation	Negative public perception if Council does not adopt the annual budget.	Minor	Low	Treat risk by ensuring elected members have been involved in the annual budget process to ensure understanding and collaboration in order for the budget to be adopted. Community submission periods.
Service delivery	Potential reduction in the quality of services delivered if the annual budget is not adopted.	Possible	Medium	Treat risk by ensuring elected members have been involved in the annual budget process to ensure understanding and collaboration in order for the budget to be understood and adopted.

Engagement

Internal engagement	
Stakeholder	Comments.
Elected Members	Engagement was completed with Elected Members over five workshops with the administration.

Managers	Developed draft budget for towns programs, services and projects. Provided with regular updates.
C Suite	Approval of service area draft budgets. Provided with updates on the budget process its key informing documents and the overall project delivery.
Service Area Leaders	Developed draft budget for towns programs, services and projects. Provided with regular updates.
Strategic Asset Advisory Group	Worked cross functionally to develop and recommend the capital works schedule, based on endorsed strategies, critical asset maintenance, safety considerations and advocacy/council decision.

Strategic alignment

Civic Leadership	
Community Priority	Intended public value outcome or impact
CL1 – Effectively managing resources and performance.	The 2024/25 budget complies with the relevant legislative regulations and adheres to the Town’s own policies and practices to ensure the effective management of resources.
CL2 - Communication and engagement with the community.	Proposed differential rates advertised and public comment sought.
CL3 - Accountability and good governance.	The 2024/25 budget has been developed with Elected Members through a series of workshops to ensure it reflects the communities' current needs.

Economic	
Community Priority	Intended public value outcome or impact
EC1 - Facilitating a strong local economy.	The 2024/25 annual budget facilitates a strong local economy by investing in infrastructure projects, local events, and community services.

Further consideration

- When seeking to impose differential rates, a local government must advertise, in accordance with section 6.36 of the Local Government Act 1995, for public submissions on the proposed differential rates and minimum payments as set out in the Statement of Objects and Reasons for Differential Rates 2024/25.

In the Agenda Briefing Forum report there was some submissions missed in **Attachment 5**, due to a data extraction error in the final report. The error has been resolved and all twenty-four (24) submissions received prior to the survey closing on 17 June 2024 are included in **Attachment 6** for Council’s consideration.