

agenda

Special Meeting of Council Addendum

NOTICE IS HEREBY GIVEN THAT A SPECIAL MEETING OF THE COUNCIL OF THE CITY OF JOONDALUP WILL BE HELD IN THE COUNCIL CHAMBER, JOONDALUP CIVIC CENTRE, BOAS AVENUE, JOONDALUP

ON TUESDAY 2 APRIL 2024

COMMENCING AT 6.30pm

JAMES PEARSON
Chief Executive Officer
2 April 2024

Acknowledgement of Traditional Custodians

The City of Joondalup acknowledges the traditional custodians of the land, the Whadjuk people of the Noongar nation, and recognises the culture of the Noongar people and the unique contribution they make to the Joondalup region and Australia. The City of Joondalup pays its respects to their Elders past and present and extends that respect to all Aboriginal and Torres Strait Islander peoples.

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11 MOTIONS OF WHICH PREVIOUS NOTICE HAS BEEN GIVEN

11.1 NOTICE OF MOTION NO. 1 - ADOPTION OF ZERO-BASED BUDGETING

In accordance with Clause 4.6 of the *City of Joondalup Meeting Procedures Local Law 2013*, Elected Members have given notice of the intention to move the following Motion at the Special Council meeting to be held on 2 April 2024:

That Council:

- 1 REQUESTS the Chief Executive Officer to give the draft budget to Council at least 28 days prior to any of the following being presented to a Meeting of Council:**
 - 1.1 Any draft budget for adoption;**
 - 1.2 Any proposal for levying differential rates for that that financial year;**
- 2 REQUESTS the Chief Executive Officer in relation to the 2024/25 Budget presents the following:**
 - 2.1 Chief Executive Officer to provide a line item report detailing the 24/25 Budget amounts, to include all costs associated with the functions of the City;**
 - 2.2 Chief Executive Officer to provide written submissions from each department director justifying and providing evidence to support their budget analysis, including the identification of discretionary and nondiscretionary amounts within the 2024/2025 budget;**
- 3 REQUESTS the Chief Executive Officer to prepare the 2025/26 and ongoing annual Budget using a Zero-Based Budgeting method;**
- 4 NOTING that Zero-Based Budgeting in this motion means, a method of budgeting which:**
 - 4.1 starts from a zero-base, and in which all expenses must be justified for the new financial year;**
 - 4.2 does not start with the previous budget, is not based on previous expense levels, or makes adjustments based on the previous budget as needed.**

REASON FOR MOTION

To enable Council to compile an efficient and economically viable budget for the period 2024/2025 and for future years adopt a zero-based budgeting method to effectively set rates to suit the current financial climate for that year.

The operations of the city have grown significantly over the past 25 years and it is believed that council now needs to undertake the budget process in a more holistic method ensuring the council and rate payers receive more transparency in future years to justify the rates setting procedures.

OFFICER'S COMMENT

In relation to Part 1 of the Motion

If the City aims to have a budget adopted prior to 1 July of the budget year, the current practice of presenting a draft budget for adoption to the Council meeting in June would be expected to continue. The City is required to give local public notice of a proposal for levying differential rates which must be available for public comment/consultation for at least 21 days. Comments on the differential rates would therefore be required to be considered by Council either at the same Council meeting at which the budget is considered or at a previous Council meeting.

Currently a proposal for levying differential rates is presented to a Council meeting in May, to allow for the mandatory advertising period for public comment. This follows a last Elected Member budget workshop where the final budget position is presented, and at which Elected Members consider differential rates levy proposals.

If a draft budget, inclusive of the required notes and disclosures, is to be provided to Council at least 28 days before the proposal for levying differential rates, this will need to be provided to Council in April. This will require Elected Member budget workshops to be scheduled and held accordingly, so that a final draft budget position is prepared in March/April, prior to the meeting of Council in April.

The *Local Government Act 1995* restricts the City from giving public notice of a proposal for levying differential rates earlier than 2 months prior to the start of the budget year.

In the current process for considering the budget, a draft budget is made available to Elected Members in February. This budget is used as the basis for budget workshop 2. As the financial year draws to a close further information (such as State and Federal Budgets) becomes available and line items are refined. The final draft budget is compiled following the advertising of differential rates. As Council is not allowed to adopt a budget prior to 1 June, this is seen as the most efficient way of developing a budget.

This part of the Motion is not supported.

In relation to Part 2 of the Motion

At Elected Member Budget workshop 2 in February 2024, as in the previous years, Elected Members were provided a detailed breakdown of the draft budget figures, as presented, which constitutes a line-item report at the individual account level for the City of all operating revenue and expenditure. This information has been placed in the Elected Member portal and continues to be available. This will be updated when the final budget position is presented at the last Elected Member budget workshop in May 2024. Should additional breakdowns of this information be required, this can be provided as required and at the granularity desired by Elected Members.

Discretionary and non-discretionary services, as well as the corresponding budget amounts, that underpin the proposed budget have typically been provided through the Elected Member budget workshop process each year. This is expected to be provided in respect of the draft 2024-25 budget figures at the budget workshop scheduled in May 2024.

Elected Members are also provided with detailed service statements, including identifying if the service is statutory and discretionary, for each service that the City undertakes. This is supported by and linked to the *Corporate Business Plan*, with the draft plan being the subject of a separate workshop with Elected Members in April 2024.

As the *Corporate Business Plan* and Budget are considered in parallel, repeating the list of activities, projects and milestones in the Budget preparation is not supported at this time.

In relation to Parts 3 and 4 of the Motion

Zero-based budgeting, in its purest form, requires that the organisation start the budget process by determining what activities it undertakes in the identified budget year. At present, changing policy or the services provided to the community remains the responsibility of Council. Usually changes to services are only considered after appropriate community consultation, removing the ability of the Administration to simply cease or alter a service on the basis of their own justification.

Currently, the City prepares budgets on a modified zero-based budgeting basis, namely on the basis that unless decided otherwise by Council, services provided in the current year are expected to be maintained in the budget year at those same service levels. This is the premise on which the budgets provided to Elected Members in the budget workshop process are prepared, except where Council has made a decision to modify or cease an existing service or to commence a new one or to amend a current service level. All expenditure is required to be presented to the Executive Leadership Team and all expenditure is questioned and accounted for.

Where services are expected to continue in the budget year, prior experience of activity levels reasonably informs projected activity levels in the budget year and, therefore, estimated costs. Budget preparation also takes into account expected cost pressures in the budget, including expected inflation and contractor price changes. It is not possible to entirely eliminate previous expense levels in the current model; however, budgets are not prepared merely on the basis of previous expense levels; expected activity in the budget year is the basis of current budget preparation.

It is important to recognise that a disadvantage of the zero-based budgeting system is that there can be a lack of continuity and stability in expenditure. This may lead to uncertainty and make it difficult to plan for long-term projects or initiatives. This is particularly important given the Council/City plans activities on a 5-year period with Council adopting the *5-year Corporate Business Plan* which specifies non-capital projects and activities over a 5-year timeframe; and a capital works program developed on a 5-yearly basis with many projects requiring design in early years and construction in later years.

Should Elected Members consider that implementing a true zero-based budgeting system is appropriate, decisions on what activities and service levels apply in the budget year must be considered sufficiently early to allow business units to prepare budgets accordingly before budget figures are then presented to Elected Members for consideration in the budget workshop process. Business Units begin preparing budgets in November. Decisions on activities for the budget year should be undertaken prior to November to facilitate the internal review process, including executive review and thereafter preparation of information for Elected Members budget workshops, which presently commence in early February.

This part of the Motion is not supported.

11.2 NOTICE OF MOTION NO. 2 - AMENDMENTS TO DELEGATED AUTHORITY

In accordance with Clause 4.6 of the *City of Joondalup Meeting Procedures Local Law 2013*, Elected Members have given notice of the intention to move the following Motion at the Special Council meeting to be held on 2 April 2024:

That Council:

- 1 BY AN ABSOLUTE MAJORITY AMENDS the Register of Delegation of Authority as adopted in Attachment 3 to Report CJ096-06/23 with the following amendments:**
 - 1.1 Delete the section 1.1.5 choice of acceptable tender from an expression of interest;**
 - 1.2 Delete the section 1.1.6 choice of tender;**
 - 1.3 Delete the section 1.1.9 disposing of property;**
 - 1.4 Delete the section 1.1.10 acquisition of interest in land by lease or other short term instrument;**
 - 1.5 Delete the section 1.1.16 authorising payment from the trust fund;**
 - 1.6 Amend the section 1.1.12 establishing panels of pre-qualified suppliers:

Amendment to now read “Authority extends to the supply of goods and services valued up to \$100,000.”;**
 - 1.7 Amend the section 1.1.13 extension of existing contracts:

Amendment to now read “Authority to approve any contract extensions on tenders approved by council valued up to \$250,000.”;**
 - 1.8 Amend the section 1.1.23 waiver of fees and granting of concessions:

Amendment to now read “authority to waive or grant a concession in relation to any amount of money under \$2000 which is owed to the city other than rates and service charges.”;**
 - 1.9 Amend the section 1.1.24 write off of monies in CONDITIONS SECTION of 1.1.24 to now read as follows, Subject to:**
 - 1.9.1 individual items to \$3000;**
 - 1.9.2 a report being provided to the audit and risk committee on the next sitting of the audit and risk committee upon the exercising of this delegation.**

REASON FOR MOTION

No reason was provided for this motion.

OFFICER'S COMMENT

Sections 5.18 and 5.46 of the *Local Government Act 1995* (the Act) requires the Council to review delegations at least once every financial year. The Council last performed its annual review of the Register of Delegation of Authority at its meeting held on 27 June 2023 (CJ096-06/23 refers).

In June 2022 (CJ092-06/22 refers), Council resolved in Part as follows:

“3 *REQUESTS the Chief Executive Officer provide a full review of the Register of Delegation of Authority that would include, but not be limited to, comparisons with best practice and other similar sized local governments, as well as explanations and examples of the required delegations, with a subsequent report to be tabled to the Audit and Risk Committee by October 2022.*”

Part 3 of the resolution was carried as an amendment to the Officer's Recommendation.

The City engaged the assistance of a consultant, Conway Highbury, to carry out the review of the City's Register of Delegation of Authority, and a report was presented to the Audit and Risk Committee meeting on 31 January 2023 (Item 2 refers).

A number of the recommendations from the consultants report were incorporated into the 2023 Review of the Register of Delegations and amendments are detailed in Attachments 1 and 2 to Report CJ096-06/23.

With regard to the proposed amendments, in the current Notice of Motion, to the Register of Delegation of Authority, the following comments are provided:

1.1 Delete the section 1.1.5 Choice of acceptable tender from an expression of interest.

The impact of deleting this delegation relates mainly to a delay in the implementation of projects identified for their level of significance by Council. EOI processes are currently reported to Elected Members at the Major Projects and Finance Committee, which follows through to Council via project updates.

1.2 Delete the section 1.1.6 choice of tender.

Deletion of this delegation will impact on the timely delivery of projects between the value of \$250,000 and \$500,000. It would add an additional level of review and decision-making and force decisions into the monthly timetable of Council meetings as opposed to the CEO's ability, under existing delegation, to review and decide as and, if required. It will impact on the City's ability to decline all tenderers should it be deemed of low quality on value to the City.

1.3 Delete the section 1.1.9 Disposing of property.

The City is currently in the process of reviewing all expired and new tenure agreements following Council's adoption of the revised Property Management Framework (PMF) in November 2022. The deletion of this delegation will impact on the timely finalisation of tenure agreements that have been expired and have been held over for several years in anticipation of the PMF being reviewed by Council. The PMF states that "notwithstanding any delegations in place, the City still reserves the right to present lease requests to Council for consideration and approval". A recent example of the City's decision to present a proposed property disposal arrangement to Council that was exempt under the current property disposal requirements of the *Local Government Act 1995*, was the Duncraig Leisure Centre that was leased to the Churches of Christ by way of a decision of Council.

1.4 Delete the section 1.1.10 acquisition of interest in land by lease or other short term instrument.

This delegation was only recently introduced following the major review of the Register of Delegations, as requested by Council, that identified a gap in the City's delegations for entering into short-term leases on properties not owned or managed by the City. The current delegation is limited to only lease, rental or other short-term instruments, not exceeding 5 years. This was for the purpose of enabling the City to obtain additional storage via a lease as and when required.

This delegation is not exercised often, however, should it be changed, it will delay decision-making, for example on opportunities to resolve short-term storage issues for the City.

1.5 Delete the section 1.1.16 Authorising payment from the trust fund.

In Notice of Motion No. 2 – Amendments to Delegated Authority – Elected Members have requested that Delegation 1.1.16 be deleted. However, in Notice of Motion No. 3 – Establishment of a Budget Committee – Elected Members have requested that amendments to delegation 1.1.16 be made to include an additional clause under the conditions section that 'subject to detailed estimates of expenditure to be laid before the Budget Oversight Committee before the power or duty is exercised.'

It is unclear what it is that Elected Members are requesting to be done. Delegation 1.1.16 is exercised very rarely as payments from the Trust Fund are limited to funds that are required to be placed in the Trust Fund. At present the only funds held in Trust are amounts held on behalf of the Connolly Residents Association.

1.6 Amend the section 1.1.12 establishing panels of pre-qualified suppliers. Amendment to now read "Authority extends to the supply of goods and services valued up to \$100,000."

The request to amend the delegated value to under the current tender threshold of \$250,000, may present inconsistency with the requirements of the *Local Government Act 1995* regarding procurement thresholds. Reducing the delegated authority will have limited impact as the City only utilises a few panel contracts below the value of \$500,000.

1.7 Amend the section 1.1.13 extension of existing contracts. Amendment to now read "Authority to approve any contract extensions on tenders approved by council valued up to \$250,000."

The impact of this amendment would increase over time, as most existing service contracts enable options for extension to be applied under delegation. If these contracts require Council approval to extend, the impacts on resourcing to prepare these reports, within the timeframes required under contract, would increase.

1.8 Amend the section 1.1.23 Waiver of fees and granting of concessions. Amendment to now read "Authority to waive or grant a concession in relation to any amount of money under \$2000 which is owed to the City other than rates and service charges."

Amending the delegation will have a detrimental impact to services provided by the City, particular for those people who experience one or more forms of disadvantage. Allowing the exercise of this delegation allows timely decisions to be made and individual needs to be considered when allowing people to receive City services.

**1.9 Amend the section 1.1.24 Write off of monies.
In CONDITIONS SECTION of 1.1.24 to now read as follows,**

Subject to:

(a) Individual items to \$3000.

(b) A report being provided to the Audit and Risk Committee on the next sitting of the Audit and Risk Committee upon the exercising of this delegation.

Delegation 1.1.24 refers to write-off of monies owed, which is not expenditure in the normal sense of the word. Write offs are reported on a half-yearly basis to the Audit and Risk Committee. Write-off of balances over \$100 are specifically highlighted and explained in the report. The majority of write-offs, by volume, are small/minor rates balances arising from balances remaining after settlement of dues, or arising from rounding, the average value is less than a dollar. The most recent Audit and Risk Committee meeting received a report for write-offs from July - December 2023, which included 9,825 minor rates balances, with 3,259 of these being balances of \$0.01 each and the largest balance being \$37.55. Average value was approximately \$0.91. Should it be determined that these write-offs be provided to the proposed Budget Committee before the delegation is exercised, it is then recommended that consideration be given to the current requirement to report the exercise of the delegation to the Audit and Risk Committee. It would be necessary to determine if approval from the proposed Budget Committee to exercise the delegation for all balances presented to it for consideration, which is then provided to Council, should then be further supplemented by a report to the Audit and Risk Committee for the exercise of the delegation for those same balances.

The cumulative effect of the delegation deletions and amendments in this motion, would have significant impact on the timeliness, efficiency and effectiveness and cost of the City's operations and resourcing requirements.

The proposed Motion is not supported.

The next review of the Register of Delegation of Authority is to be submitted to Council in May 2024, and it may be more appropriate for Elected Members to consider the proposals at that time.

11.3 NOTICE OF MOTION NO. 3 - ESTABLISHMENT OF A BUDGET COMMITTEE

In accordance with Clause 4.6 of the *City of Joondalup Meeting Procedures Local Law 2013*, Elected Members have given notice of the intention to move the following Motion at the Special Council meeting to be held on 2 April 2024:

That Council:

1 BY AN ABSOLUTE MAJORITY ESTABLISHES a Budget Oversight Committee, with the role being to:

- 1.1 assist in overseeing the allocation of the local government's finances and resources;
- 1.2 assist in ensuring that there is an appropriate structure for administering the local government;
- 1.3 consider detailed estimates of expenditure laid before the Committee each quarter, or as required;
- 1.4 consider whether the objectives of expenditure are being achieved, or may be achieved more economically;
- 1.5 make recommendations to Council on modifications to the annual budget;

2 BY AN ABSOLUTE MAJORITY APPOINTS the following members and deputy members to the Budget Oversight Committee:

Members

- 2.1 Mayor;
- 2.2 Central Ward - Cr _____;
- 2.3 North Ward - Cr _____;
- 2.4 North Central Ward - Cr _____;
- 2.5 South Ward - Cr _____;
- 2.6 South-East Ward - Cr _____;
- 2.7 South-West Ward - Cr _____;

Deputy Members

- 2.8 Central Ward - Cr _____;
- 2.9 North Ward - Cr _____;
- 2.10 North Central Ward - Cr _____;
- 2.11 South Ward -Cr _____;
- 2.12 South-East Ward - Cr _____;
- 2.13 South-West Ward - Cr _____;

- 3 BY AN ABSOLUTE MAJORITY AMENDS the Register of Delegation of Authority as adopted in Attachment 3 to Report CJ096-06/23, with the following amendments:**
- 3.1 Amend the conditions of each delegation listed at item 3.2 with an additional clause that ‘subject to detailed estimates of expenditure to be laid before the Budget Oversight Committee before the power or duty is exercised.’;**
- 3.2 list of delegations to be amended with the additional clause to their conditions:**
- 3.2.1 Delegation 1.1.15 Payments from Municipal Fund;**
- 3.2.2 Delegation 1.1.16 Authorising Payment from the Trust Fund;**
- 3.2.3 Delegation 1.1.24 Write off of Monies;**
- 3.2.4 Delegation 1.1.21 Payments from Municipal Fund.**

REASON FOR MOTION

The formation of a budget committee to oversee the financial management of municipal funds and ensure that the appropriate funding is being allocated to the works as directed by the Council.

The committee acts as a conduit for the Council by way of assessing the CEO’s quarterly reports and expenditure and advising to the Council on the health of the estimates received from the CEO at those quarterly meetings.

OFFICER’S COMMENT

Legislative requirements

In accordance with the *Local Government Act 1995* (the Act) Council can establish committees to assist with its decision-making functions and responsibilities. The requirements of Part 4 – Division 2 of the *Local Government Act 1995* in respect of Council-created committees are as follows:

Section 5.8 of the Local Government Act 1995 - Establishment of committees:

“A local government may establish committees of 3 or more persons to assist the council and to exercise the powers and discharge the duties of the local government that can be delegated to committees.”*

** Absolute majority required.*

Section 5.9 of the Local Government Act 1995 – Types of Committees:

- “(1) *In this section:*
other person means a person who is not a council member or an employee.
- (2) *A committee is to comprise:*
- (a) *council members only; or*
 - (b) *council members and employees; or*
 - (c) *council members, employees and other persons; or*
 - (d) *council members and other persons; or*
 - (e) *employees and other persons; or*
 - (f) *other persons only.”*

Section 5.10 of the Local Government Act 1995 –Appointment of committee members

- “(1) *A committee is to have as its members:*
- (a) *persons appointed* by the local government to be members of the committee (other than those referred to in paragraph (b)); and*
 - (b) *persons who are appointed to be members of the committee under subsection (4) or (5).*

** Absolute majority required.*

- (2) *At any given time each council member is entitled to be a member of at least one committee referred to in section 5.9(2)(a) or (b) and if a council member nominates himself or herself to be a member of such a committee or committees, the local government is to include that council member in the persons appointed under subsection (1)(a) to at least one of those committees as the local government decides.*
- (3) *Section 52 of the Interpretation Act 1984 applies to appointments of committee members other than those appointed under subsection (4) or (5) but any power exercised under section 52(1) of that Act can only be exercised on the decision of an absolute majority of the council.*
- (4) *If at a meeting of the council a local government is to make an appointment to a committee that has or could have a council member as a member and the mayor or president informs the local government of his or her wish to be a member of the committee, the local government is to appoint the mayor or president to be a member of the committee.*
- (5) *If at a meeting of the council a local government is to make an appointment to a committee that has or will have an employee as a member and the CEO informs the local government of his or her wish:*
- (a) *to be a member of the committee; or*
 - (b) *that a representative of the CEO be a member of the committee,*
- the local government is to appoint the CEO or the CEO's representative, as the case may be, to be a member of the committee.”*

Section 5.11 of the Local Government Act 1995 - Tenure of committee membership:

- “(1) Where a person is appointed as a member of a committee under section 5.10(4) or (5), the person's membership of the committee continues until:*
- (a) the person no longer holds the office by virtue of which the person became a member, or is no longer the CEO, or the CEO's representative, as the case may be; or*
 - (b) the person resigns from membership of the committee; or*
 - (c) the committee is disbanded; or*
 - (d) the next ordinary elections day,*
- whichever happens first.*
- (2) Where a person is appointed as a member of a committee other than under section 5.10(4) or (5), the person's membership of the committee continues until:*
- (a) the term of the person's appointment as a committee member expires; or*
 - (b) the local government removes the person from the office of committee member or the office of committee member otherwise becomes vacant; or*
 - (c) the committee is disbanded; or*
 - (d) the next ordinary elections day,*
- whichever happens first.”*

Section 5.11A of the Local Government Act 1995 - Deputy committee members:

- (1) The local government may appoint* a person to be a deputy of a member of a committee and may terminate such an appointment* at any time.*
- * Absolute majority required.*
- (2) A person who is appointed as a deputy of a member of a committee is to be:*
- (a) if the member of the committee is a council member – a council member; or*
 - (b) if the member of the committee is an employee – an employee; or*
 - (c) if the member of the committee is not a council member or an employee – a person who is not a council member or an employee; or*
 - (d) if the member of the committee is a person appointed under section 5.10(5) – a person nominated by the CEO.*
- (3) A deputy of a member of a committee may perform the functions of the member when the member is unable to do so by reason of illness, absence or other cause.*
- (4) A deputy member of a committee, while acting as a member, has all the functions of and all the protection given to a member.”*

Background

At the Council meeting held on 6 November 2023 (CJ213-11/23 refers), Council resolved to establish a Major Projects and Finance Committee, Policy Committee, Audit and Risk Committee and CEO Recruitment and Performance Review Committee.

It has been normal practice at the City that whenever a committee is formed, that an Elected Member representative from each of the City's six wards, plus the Mayor, is a member on that committee. Under the *Local Government Act 1995* the Mayor is entitled to be on a committee (where there is Elected Member representation and the Mayor so desires to be on the committee) and each Councillor is entitled to be on at least one committee.

It is preferable to hold committee meetings in the first week of the month, thereby enabling committee recommendations to be listed in the Briefing Session agenda and subsequently the Council meeting agenda, however this may not always be possible due to other scheduled meetings.

Should Council resolve to establish a Budget Oversight Committee, it is recommended that the motion be amended to call the first meeting of this new committee to:

- Enable a Presiding Member and Deputy Presiding Member to be appointed;
- Establish meeting dates, times and frequency for the remainder of 2024.

Major Projects and Finance Committee

As mentioned above, the Council at its meeting held on 6 November 2023 (CJ213-11/23 refers), resolved to establish a Major Projects and Finance Committee, with its Terms of Reference as follows:

- 1 oversee the progress of the City's annual capital works program and review of the City's *Five Year Capital Works Program*;
- 2 make recommendations to Council on modifications of capital works projects and major strategic capital projects;
- 3 make recommendations to Council on various elements of major strategic capital projects (such as the Ocean Reef Marina, City Centre Office Development and Joondalup Performing Arts and Cultural Facility), including but not limited to:
 - 3.1 project scope;
 - 3.2 design elements and core project components;
 - 3.3 development models and financial structures;
 - 3.4 on-going management and utilisation models;
- 4 make recommendations to Council on the services to be provided by the City and the standards of service delivery being cognisant of industry best practice;
- 5 oversee the City's financial management activities, funding proposals and long-term strategic financial planning;
- 6 make recommendations to Council on reviews and impacts on the City's *10 Year Strategic Financial Plan*.

It appears there is an overlap of the responsibilities between the Major Projects and Finance Committee and the proposed Budget Oversight Committee and it is suggested that Council give consideration to ensuring that both Terms of Reference for the Major Projects and Finance Committee and the proposed Budget Oversight Committee are clear.

Proposed Delegations

Delegation 1.1.15 – Payments from Municipal Fund – Incurring Liabilities and Making Payments

Delegation 1.1.15 is exercised daily by officers across the City. This facilitates the approximately 16,000 purchase orders issued annually as well as the approximately 30,000 supplier invoices processed annually, with average approximate annual supplier payments value of \$120,000,000. Should it be decided that the proposed Budget Committee consider estimates of expenditure prior to exercise of these delegations, sufficient consideration should be given to the desired mechanism to ensure that operational efficiency is not adversely affected. As currently worded, the amendment suggests that all intended purchases be provided to the Committee before suppliers are engaged (such as; via purchase orders). This implies that frequency of the Committee meeting should be considerably higher than quarterly, or the Council needs to consider appropriate delegations to the Committee members to be exercised in a manner that intended procurement is approved by the Committee/members as delegated within a reasonable timeframe. As procurement occurs on a daily basis, the expectation is that the Committee/members as delegated would consider and authorise procurement on a daily basis as well.

Delegation 1.1.16 – Authorising payment from trust fund

In Notice of Motion No. 2 – Amendments to Delegated Authority – Elected Members have requested that Delegation 1.1.16 be deleted. However, in Notice of Motion No. 3 – Establishment of a Budget Committee – Elected Members have requested that amendments to delegation 1.1.16 be made to include an additional clause under the conditions section that 'subject to detailed estimates of expenditure to be laid before the Budget Oversight Committee before the power or duty is exercised.'

It is unclear what it is that Elected Members are requesting to be done. Delegation 1.1.16 is exercised very rarely as payments from the Trust Fund are limited to funds that are required to be placed in the Trust Fund. At present the only funds held in Trust are amounts held on behalf of the Connolly Residents Association.

Delegation 1.1.24 – Write off of Monies

Delegation 1.1.24 refers to write-off of monies owed, which is not expenditure in the normal sense of the word. Write offs are reported on a half-yearly basis to the Audit and Risk Committee. Write-off of balances over \$100 are specifically highlighted and explained in the report. The majority of write-offs, by volume, are small/minor rates balances arising from balances remaining after settlement of dues, or arising from rounding, the average value is less than a dollar. The most recent Audit and Risk Committee meeting received a report for write-offs from July - December 2023, which included 9,825 minor rates balances, with 3,259 of these being balances of \$0.01 each and the largest balance being \$37.55. Average value was approximately \$0.91. Should it be determined that these write-offs be provided to the proposed Budget Committee before the delegation is exercised, it is then recommended that consideration be given to the current requirement to report the exercise of the delegation to the Audit and Risk Committee. It would be necessary to determine if approval from the proposed Budget Committee to exercise the delegation for all balances presented to it for consideration, which is then provided to Council, should then be further supplemented by a report to the Audit and Risk Committee for the exercise of the delegation for those same balances.

Delegation 1.1.21 – Payments from Municipal Fund – Incurring Liabilities and Making Payments for Court Fees in respect of lodgements of rates claims (WA Magistrates Court)

Delegation 1.1.21 is a delegation exercised when lodging minor case claims with the Magistrates Court for rates debt recovery, as there is a cost imposed by the courts. Provision to the proposed Budget Committee prior to exercising the delegation would require that the Committee will be available to consider such claims as and when this stage of debt recovery arises, or at least be meeting sufficiently regularly to allow this debt recovery process to proceed in a timely manner.

The Motion is not supported.

The creation of a Budget Committee and amendments to delegations as proposed would have significant impact on the timeliness, efficiency, effectiveness and cost of decision-making.