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## CITY OF BUSSELTON

### MINUTES FOR THE COUNCIL MEETING HELD ON 22 AUGUST 2017

#### TABLE OF CONTENTS

ITEM NO.	SUBJECT	PAGE NO.
1.	DECLARATION OF OPENING AND ANNOUNCEMENT OF VISITORS.....	3
2.	ATTENDANCE .....	3
3.	PRAYER .....	3
4.	PUBLIC QUESTION TIME.....	4
5.	ANNOUNCEMENTS WITHOUT DISCUSSION.....	4
6.	APPLICATION FOR LEAVE OF ABSENCE.....	4
7.	PETITIONS AND PRESENTATIONS .....	4
8.	DISCLOSURE OF INTERESTS .....	4
9.	CONFIRMATION AND RECEIPT OF MINUTES .....	4
	Previous Council Meetings .....	4
	9.1 Minutes of the Council Meeting held 9 August 2017 .....	4
	Committee Meetings.....	5
	9.2 Minutes of the Finance Committee Meeting held 3 August 2017 .....	5
	<b>ITEMS BROUGHT FORWARD AND ADOPTION BY EXCEPTION RESOLUTION .....</b>	<b>5</b>
	En Bloc Motion .....	5
10.	<b>REPORTS OF COMMITTEE .....</b>	<b>6</b>
	10.3 Finance Committee - 3/08/2017 - FINANCIAL ACTIVITY STATEMENTS - PERIOD ENDING 30 JUNE 2017 .....	6
11.	<b>PLANNING AND DEVELOPMENT SERVICES REPORT .....</b>	<b>12</b>
12.	<b>ENGINEERING AND WORKS SERVICES REPORT.....</b>	<b>13</b>
	12.1 SUPPLY AND DELIVERY OF PREMIXED CONCRETE - AWARD OF TENDER RFT14/17 .....	13
	12.2 TENDER AWARD RFT 12-17 - DESIGN & CONSTRUCT OF BUSSELTON JETTY PRECINCT HIGH AMENITY AREA .....	17
13.	<b>COMMUNITY AND COMMERCIAL SERVICES REPORT .....</b>	<b>23</b>
	13.1 COMMUNITY SPORT AND RECREATION FACILITIES FUND - SMALL GRANT ROUND APPLICATIONS WINTER 2017/2018.....	23
	13.2 ARTGEO RESIDENT ARTIST LEASE - STUDIO 1 AND STUDIO 2 .....	27
	13.3 PROPOSED DUNSBOROUGH FORESHORE CAFE/KIOSK (A CLASS RESERVE R22965): REVISION OF CONCEPT DESIGN AND FUNCTION .....	32
14.	<b>FINANCE AND CORPORATE SERVICES REPORT .....</b>	<b>40</b>
	14.1 COMMUNITY SURVEY CONDUCTED BY CATALYSE .....	40

<b>15.</b>	<b>CHIEF EXECUTIVE OFFICER'S REPORT .....</b>	<b>45</b>
	15.1 <b>COUNCILLORS' INFORMATION BULLETIN .....</b>	<b>45</b>
<b>16.</b>	<b>MOTIONS OF WHICH PREVIOUS NOTICE HAS BEEN GIVEN .....</b>	<b>47</b>
<b>17.</b>	<b>CONFIDENTIAL REPORTS .....</b>	<b>47</b>
<b>18.</b>	<b>QUESTIONS FROM MEMBERS .....</b>	<b>47</b>
<b>19.</b>	<b>PUBLIC QUESTION TIME .....</b>	<b>47</b>
<b>20.</b>	<b>NEXT MEETING DATE .....</b>	<b>47</b>
<b>21.</b>	<b>CLOSURE .....</b>	<b>47</b>

## MINUTES

MINUTES OF A MEETING OF THE A MEETING OF THE BUSSELTON CITY COUNCIL HELD IN THE COUNCIL CHAMBERS, ADMINISTRATION BUILDING, SOUTHERN DRIVE, BUSSELTON, ON 22 AUGUST 2017 AT 5.30PM.

### 1. DECLARATION OF OPENING AND ANNOUNCEMENT OF VISITORS

The Presiding Member opened the meeting at 5.31pm.

### 2. ATTENDANCE

#### Presiding Member:

Cr Grant Henley Mayor

#### Members:

Cr Coralie Tarbotton Deputy Mayor  
Cr Ross Paine  
Cr Terry Best  
Cr John McCallum  
Cr Rob Bennett  
Cr Paul Carter  
Cr Robert Reekie  
Cr Gordon Bleechmore

#### Officers:

Mr Mike Archer, Chief Executive Officer  
Mr Paul Needham, Director, Planning and Development Services  
Mrs Naomi Searle, Director, Community and Commercial Services  
Mr Cliff Frewing, Director, Finance and Corporate Services  
Miss Kate Dudley, Administration Officer, Governance

#### Apologies

Mr Oliver Darby, Director, Engineering and Works Services

#### Approved Leave of Absence

#### Media:

“Busselton-Dunsborough Times”  
“Busselton-Dunsborough Mail”

#### Public:

4

### 3. PRAYER

The prayer was delivered by Major Sharon Dannock of The Salvation Army.

**4. PUBLIC QUESTION TIME****Response to Previous Questions Taken on Notice**

Nil

**Public Question Time**

Nil

**5. ANNOUNCEMENTS WITHOUT DISCUSSION****Announcements by the Presiding Member**

Nil

**Announcements by other Members at the invitation of the Presiding Member**

Cr Gordon Bleechmore advised the group of his intention to resign at the October 2017 election, after serving for an eight year term.

**6. APPLICATION FOR LEAVE OF ABSENCE**

Nil

**7. PETITIONS AND PRESENTATIONS****7.1 Presentations**

Mr Chris Hosking, Neighbouring Property presented to Council regarding item 13.3 Proposed Dunsborough Foreshore Café/Kiosk (A Class Reserve R22965): Revision of Concept Design and Function. Mr Hosking was generally opposed to the Café/Kiosk.

**8. DISCLOSURE OF INTERESTS**

Nil

**9. CONFIRMATION AND RECEIPT OF MINUTES****Previous Council Meetings****9.1 Minutes of the Council Meeting held 9 August 2017****Council Decision**

**C1708/197**

Moved Councillor J McCallum, seconded Councillor R Bennett

That the Minutes of the Council Meeting held 9 August 2017 be confirmed as a true and correct record.

**CARRIED 9/0**

**Committee Meetings**9.2 Minutes of the Finance Committee Meeting held 3 August 2017**Council Decision****C1708/198**

Moved Councillor G Bleechmore, seconded Councillor P Carter

That the minutes of the Finance Committee Meeting held on 3 August 2017 be confirmed as true and correct.

**CARRIED 9/0****ITEMS BROUGHT FORWARD AND ADOPTION BY EXCEPTION RESOLUTION**

At this juncture the Mayor advised the meeting that with the exception of the items identified to be withdrawn for discussion, that the remaining reports, including the Committee and Officer Recommendations, will be adopted en bloc.

**En Bloc Motion****COUNCIL DECISION/COMMITTEE RECOMMENDATION AND OFFICER RECOMMENDATION****C1708/199**

Moved Councillor G Bleechmore, seconded Councillor C Tarbotton



That the Committee and Officer Recommendations in relation to the following agenda items be carried en bloc:

- 10.3 Finance Committee - 3/08/2017 - FINANCIAL ACTIVITY STATEMENTS - PERIOD ENDING 30 JUNE 2017
- 12.1 SUPPLY AND DELIVERY OF PREMIXED CONCRETE - AWARD OF TENDER RFT14/17
- 12.2 TENDER AWARD RFT 12-17 - DESIGN & CONSTRUCT OF BUSSELTON JETTY PRECINCT HIGH AMENITY AREA
- 13.1 COMMUNITY SPORT AND RECREATION FACILITIES FUND - SMALL GRANT ROUND APPLICATIONS WINTER 2017/2018
- 13.2 ARTGEO RESIDENT ARTIST LEASE - STUDIO 1 AND STUDIO 2
- 13.3 PROPOSED DUNSBOROUGH FORESHORE CAFE/KIOSK (A CLASS RESERVE R22965): REVISION OF CONCEPT DESIGN AND FUNCTION
- 14.1 COMMUNITY SURVEY CONDUCTED BY CATALYSE
- 15.1 COUNCILLORS' INFORMATION BULLETIN

**CARRIED 9/0**

## 10. REPORTS OF COMMITTEE

### 10.3 Finance Committee - 3/08/2017 - FINANCIAL ACTIVITY STATEMENTS - PERIOD ENDING 30 JUNE 2017

<b>SUBJECT INDEX:</b>	Budget Planning and Reporting
<b>STRATEGIC OBJECTIVE:</b>	Governance systems, process and practices are responsible, ethical and transparent.
<b>BUSINESS UNIT:</b>	Finance and Corporate Services
<b>ACTIVITY UNIT:</b>	Finance and Corporate Services
<b>REPORTING OFFICER:</b>	Manager Financial Services - Kim Dolzadelli
<b>AUTHORISING OFFICER:</b>	Director, Finance and Corporate Services - Cliff Frewing
<b>VOTING REQUIREMENT:</b>	Simple Majority
<b>ATTACHMENTS:</b>	Attachment A Statement of Financial Activity as at 30 June 2017 
	Attachment B Investments Report as at 30 June 2017 

**This item was considered by the Finance Committee at its meeting on 3 August 2017, the recommendations from which have been included in this report.**

#### **PRÉCIS**

Pursuant to Section 6.4 of the Local Government Act ('the Act') and Regulation 34(4) of the Local Government (Financial Management) Regulations ('the Regulations'), a local government is to prepare, on a monthly basis, a statement of financial activity that reports on the City's financial performance in relation to its adopted/ amended budget.

This report has been compiled to fulfil the statutory reporting requirements of the Act and associated Regulations, whilst also providing the Council with an overview of the City's financial performance on a year to date basis for the period ending 30 June 2017.

#### **BACKGROUND**

The Regulations detail the form and manner in which financial activity statements are to be presented to the Council on a monthly basis; and are to include the following:

- Annual budget estimates
- Budget estimates to the end of the month in which the statement relates
- Actual amounts of revenue and expenditure to the end of the month in which the statement relates
- Material variances between budget estimates and actual revenue/ expenditure/ (including an explanation of any material variances)
- The net current assets at the end of the month to which the statement relates (including an explanation of the composition of the net current position)

Additionally, and pursuant to Regulation 34(5) of the Regulations, a local government is required to adopt a material variance reporting threshold in each financial year. At its meeting of 21 July 2016, the Council adopted (C1607/160) the following material variance reporting threshold for the 2016/17 financial year:

*That pursuant to Regulation 34(5) of the Local Government (Financial Management) Regulations, the Council adopts a material variance reporting threshold with respect to financial activity statement reporting for the 2016/17 financial year to comprise variances equal to or greater than 10% of the year to date budget amount as detailed in the Income Statement by Nature and Type/ Statement of Financial Activity report, however variances due to timing differences and/ or seasonal adjustments are to be reported on a quarterly basis.*

## **STATUTORY ENVIRONMENT**

Section 6.4 of the Local Government Act and Regulation 34 of the Local Government (Financial Management) Regulations detail the form and manner in which a local government is to prepare financial activity statements.

## **RELEVANT PLANS AND POLICIES**

Not applicable.

## **FINANCIAL IMPLICATIONS**

Any financial implications are detailed within the context of this report.

### **Long-term Financial Plan Implications**

Any financial implications are detailed within the context of this report.

## **STRATEGIC COMMUNITY OBJECTIVES**

This matter principally aligns with Key Goal Area 6 – ‘Open and Collaborative Leadership’ and more specifically Community Objective 6.1 - ‘Governance systems, process and practices are responsible, ethical and transparent’. The achievement of the above is underpinned by the Council strategy to ‘ensure the long term financial sustainability of Council through effective financial management’.

## **RISK ASSESSMENT**

Risk assessments have been previously completed in relation to a number of ‘higher level’ financial matters, including timely and accurate financial reporting to enable the Council to make fully informed financial decisions. The completion of the monthly Financial Activity Statement report is a control that assists in addressing this risk.

## **CONSULTATION**

Not applicable

## **OFFICER COMMENT**

In order to fulfil statutory reporting requirements, and to provide the Council with a synopsis of the City’s overall financial performance on a full year basis, the following financial reports are attached hereto:

- Statement of Financial Activity

This report provides details of the City’s operating revenues and expenditures on a year to date basis, by nature and type (i.e. description). The report has been further extrapolated to include details of non-cash adjustments and capital revenues and expenditures, to identify the City’s net current position; which reconciles with that reflected in the associated Net Current Position report.

- Net Current Position

This report provides details of the composition of the net current asset position on a full year basis, and reconciles with the net current position as per the Statement of Financial Activity.

- Capital Acquisition Report

This report provides full year budget performance (by line item) in respect of the following capital expenditure activities:

- Land and Buildings
- Plant and Equipment
- Furniture and Equipment
- Infrastructure

- Reserve Movements Report

This report provides summary details of transfers to and from reserve funds, and also associated interest earnings on reserve funds, on a full year basis.

Additional reports and/or charts are also provided as required to further supplement the information comprised within the statutory financial reports.

## COMMENTS ON FINANCIAL ACTIVITY TO 30 June 2017

### Operating Activity

- Operating Revenue

As at 30 June 2017, there is a variance of -23.49% (-\$26M) in total operating revenue, with the following categories exceeding the 10% material variance threshold:

Description	2016/2017 Amended Budget	2016/2017 Actual	2016/17 YTD Bud (A) Variance \$	2016/17 YTD Bud (A) Variance %
Operating Grants, Subsidies and Contributions	5,171,217	6,364,207	1,192,990	+23.07%
Interest Earnings	3,330,887	2,542,850	(788,037)	-30.99%
Non-Operating Grants, Subsidies and Contributions	45,891,102	17,605,369	(28,285,723)	-61.64%
Profit on Asset Disposals	30,617	47,614	17,447	57.83%

The variances are predominantly attributable to the following activities:

#### **Operating Grants, Subsidies and Contributions +\$1.19M**

- Financial Assistance Grants prepayment of \$1.15M

#### **Interest Earnings -\$788k**

- Reserves -\$517k
- Restricted Assets -\$239k

#### **Non-Operating Grants, Subsidies and Contributions -\$28.3M**

- Donated Assets -\$7.2M
- Airport Development -\$19.6M
- Community Youth Building/SLSC -\$1.3M



Due to the offset nature with Capital Expenditure the Capital Revenue (Non-Operating Grants, Subsidies and Contributions) category had minimal impact on the overall year end surplus position. Furthermore the Financial Assistance Grants prepayment will be restricted and bought into the 2017/2018 Budget.

### Operating Expenditure

Against an amended budget of \$65M, total operating expenditure of \$64.1M was achieved as at 30 June 2017, reflecting a favourable variance of -\$0.9M, or -1.4%.

However due to their nature, most variances had limited impact on the closing surplus position. Whilst depreciation expense is fully discounted from the surplus/ deficit calculation, so are employee provisions, which accounted for the majority of the Employee Costs variance at financial year end.

Description	2016/2017 Amended Budget	2016/2017 Actual	2016/17 YTD Bud (A) Variance \$	2016/17 YTD Bud (A) Variance %
Other Expenditure	(3,099,864)	(2,591,693)	508,171	16.39%

### **Other Expenditure +\$508**

The variances are predominantly attributable to the following activities:

- Community Services Administration, namely Marketing & Promotion \$156K, events Sponsorship (Diff Rates) \$15K, Airport Development project expense \$30K
- Office of the CEO, namely CAPEROC - Regional Development \$22k and CEO Discretionary Funding \$39K
- Public Relations, Marketing & Promotions and Catering \$31K
- Members of Council, namely Elected Members Refreshment & Functions \$18k, Training \$5k, Catering \$6k meeting expenses 19k and Elected members attire \$4k
- Rates Administration, namely Rating Valuations \$14k
- Winderlup Court Aged Housing, namely Payout of resident Funded Unit \$58k
- Financial Services, Valuation Expenses (Fair Value) \$49K
- Planning Administration, namely Façade Refurbishment Policy \$20K

### **Capital Activity**

#### ▪ Capital Revenue

As at 30 June 2017, capital revenue fell short of annual budget estimates by approximately -\$30.4M, or -32%. This is primarily the result of the items following items.

- Donated Assets -\$7.2M
- Airport Development -\$19.7M
- Community Youth Building/SLSC -\$1.3M

Performance in this category had limited impact on the closing surplus position, due to the offset nature of the associated expenditure related transactions.

- Capital Expenditure

As at 30 June 2017, total capital expenditure was underspent against annual budget estimates by approximately -\$49.7M, or -34%. This is primarily the result of underspend against the following items:

- Airport Development -\$34.5M
- Busselton Foreshore Precinct -\$2.5M
- Youth Precinct Community Youth Building/SLSC -\$1.3M
- Dunsborough Town Centre Carparking -\$1.35M
- Waste Infrastructure -\$1.3M
- MRWA Roads -\$1.49M
- Foreshore Parade and Queen Street upgrades - \$0.76m
- Road Construction -\$0.62M
- Vasse Community Recreation Precinct -\$0.42M
- Port Geographe Boat Trailer Parking Layout Redevelopment -\$0.2M

Due to the offset nature with Capital Revenue the Capital Expenditure category had minimal impact on the overall year end surplus position.

### **Investment Report**

*Pursuant to the Council's Investment Policy, a report is to be provided to the Council on a monthly basis, detailing the investment portfolio in terms of performance and counterparty percentage exposure of total portfolio. The report is also to provide details of investment income earned against budget, whilst confirming compliance of the portfolio with legislative and policy limits.*

As at 30 June 2017, the value of the City's invested funds totalled \$85.77M, decreasing from \$94.7M as at 1st June. The decrease is due to funds being utilised for operational purposes including the Admin Building and Airport projects.

During the month of June \$25.5M in term deposit funds matured. Deposits totalling \$19.5M were renewed for an average of 126 days at an average rate of 2.37%. Deposits totalling \$6.0M were closed.

The balance of the 11am account (an intermediary account which offers immediate access to the funds compared to the term deposits and a higher rate of return compared to the cheque account) decreased by \$5.0M due to funds being required for operational purposes. The balance of the Airport development ANZ cash account increased by \$2.1M at month's end, with the balance fluctuating as term deposits are closed and then the funds utilised on the project.

The RBA left official rates on hold during June and July with future rate movements are unclear at this stage.

**Chief Executive Officer – Corporate Credit Card**

Details of monthly (June) transactions made on the Chief Executive Officer’s corporate credit card are provided below to ensure there is appropriate oversight and awareness of credit card transactions made.

<b>Date</b>	<b>Amount</b>	<b>Payee</b>	<b>Description</b>
31-May-17	\$14.50	Firestation, Busselton	Beverages, meeting with Local Member
15-Jun-17	\$12.42	City of Perth	Parking: WARCA Meeting
15-Jun-17	\$100.00	Pullman Resort, Bunker Bay	Gif Voucher for Staff Reward & Recognition

**CONCLUSION**

As at 30 June 2017, the City’s financial performance is considered satisfactory with a closing surplus position in the order of \$1,839K being achieved. The figure includes approximately \$1,186K in identified carry-over items, to be funded from the surplus and is contained within the 2017/2018 Draft Annual Budget. This has enabled a residual \$653K in surplus funds to be transferred to Reserve funds as savings, as per Council’s resolution.

**COUNCIL DECISION/COMMITTEE RECOMMENDATION AND OFFICER RECOMMENDATION**

**C1708/200** Moved Councillor G Bleechmore, seconded Councillor C Tarbotton

That the Council receives the statutory financial activity statement reports for the period ending 30 June 2017, pursuant to Regulation 34(4) of the Local Government (Financial Management) Regulations.

**CARRIED 9/0**

**EN BLOC**

**11. PLANNING AND DEVELOPMENT SERVICES REPORT**

Nil

## **12. ENGINEERING AND WORKS SERVICES REPORT**

### **12.1 SUPPLY AND DELIVERY OF PREMIXED CONCRETE - AWARD OF TENDER RFT14/17**

<b>SUBJECT INDEX:</b>	RFT14/17 - Supply and Delivery of Premixed Concrete
<b>STRATEGIC OBJECTIVE:</b>	Assets are well maintained and responsibly managed.
<b>BUSINESS UNIT:</b>	Operation and Works Services
<b>ACTIVITY UNIT:</b>	Maintenance and Construction
<b>REPORTING OFFICER:</b>	Maintenance and Construction Coordinator - Matthew Twyman
<b>AUTHORISING OFFICER:</b>	Director, Engineering and Works Services - Oliver Darby
<b>VOTING REQUIREMENT:</b>	Simple Majority
<b>ATTACHMENTS:</b>	Attachment A Confidential Tender Evaluation & Recommendation Report

**Attachment A is confidential under Section 5.23 - 2(c) of the Local Government Act 1995 in that it deals with “a contract entered into or which may be entered into, by the local government”. Copies have been provided to Councillors, the Chief Executive Officer and Directors Only.**

#### **PRÉCIS**

The Council is requested to consider the tenders received in response to Request for Tender RFT14/17 – Supply and Delivery of Premixed Concrete. The purpose of this report is to obtain the Council’s consent to award Tender – RFT14/17 in accordance with the Tender Evaluation panel recommendation.

#### **BACKGROUND**

A suitably qualified supplier is required for the supply and delivery of premixed concrete within the City of Busselton local government boundary.

Subject to the Principal’s right to early termination the term is for a period of three (3) years from the date of award, with two (2) optional one (1) year extensions to be exercised at the Principal’s discretion.

Two (2) submissions were received in response to this Request for Tender. Submissions were received from Holcim (Australia) Pty Ltd and Hanson Construction Materials Pty Ltd.

The review process of all submissions for RFT14/17 has been completed by the Tender Evaluation Panel that comprised of the following:

- Engineering Technical Officer
- Maintenance & Construction Coordinator
- Contracts & Tendering Officer

It should be noted that the City has requested rates for the supply of specific concrete mixes. Where a specific product is specified for use in a project, the City reserves the right to seek that product outside of this tender.

## **STATUTORY ENVIRONMENT**

Part 4 (Tenders) of the Local Government (Functions and General) Regulations 1996 apply. In particular, Regulation 14 (2a).

*"If a local government –*

*(a) is required to invite a tender; or*

*(b) not being required to invite a tender, decides to invite a tender.*

*The local government must, before tenders are publicly invited, determine in writing the criteria for deciding which tender should be accepted."*

## **RELEVANT PLANS AND POLICIES**

The following Council policies have relevance to the Tender process.

Policy 239 – Purchasing:

The procurement process complies with this policy.

Policy 049/1 –Regional Price Preference:

The Regional Price Preference was applied to this tender.

Policy 031 – Tender Selection Criteria:

The procurement process complies with this policy.

## **FINANCIAL IMPLICATIONS**

Application of appropriate selection criteria to the tender has contributed to ensuring that tenderers are offering the "best value" with respect to the supply of services.

In order to evaluate the pricing component of the tender a representative annual supply scenario for premixed concrete was applied to the tendered rates. This shows that there has been a two (2) percent decrease in the recommended Tenderer's rates, when compared against the City's existing tender submitted for these services in 2013.

In comparison the Consumer Price Index for Perth (all groups) has increased by six (6) percent between June 2013 and June 2017.

It should also be noted that the index for Automotive Fuel (Perth) has decreased by nine (9) percent between June 2013 and June 2017. Fuel price is one of the major factors in overall cost for this industry.

Based on the previous three years it is estimated that expenditure relating to this tender will be approximately \$1,000,000 over the full term, including all extension options. This equates to approximately \$200,000 per annum. These are estimates only and are subject to annual operational and capital budgets.

The costs of services within this tender are provided for in capital works and operational budgets for each financial year. Purchasing under this contract will be in accordance with these adopted budgets.

## STRATEGIC COMMUNITY OBJECTIVES

Key Goal Area 2: Well Planned, Vibrant and Active Places.  
 Community Objective 2.3: Infrastructure assets that are well maintained and responsibly managed to provide for future generations.

## RISK ASSESSMENT

The recommended tenderer is a national company with over thirty five (35) years' experience in the required services in Western Australia, is supplying from a batching plant in Busselton and has suitable supply contingency measures in place to fulfil the requirements of the tender. The risk of poor service or the tenderer going out of business is therefore considered low.

<i>Risk</i>	<i>Controls</i>	<i>Consequence</i>	<i>Likelihood</i>	<i>Risk Level</i>
Poor service	Project quality control	Minor	Unlikely	L5
Insolvency	Financial profile information request	Minor	Unlikely	L5

## CONSULTATION

Nil

## OFFICER COMMENT

As part of the tender evaluation an initial compliance check was conducted to identify submissions that were non-conforming with the immediate requirements of the Request for Tender (RFT). This included compliance with contractual requirements and provision of requested information. All tender submissions were found to be compliant with the specified requirements.

The assessments of the tenders were based on the following Qualitative Criteria as included in the Request for Tender Document:

- (a) Relevant Experience: 10%;
- (b) Tenderers Resources: 20%; and
- (c) Demonstrated Understanding: 10%

The Tendered price was given the following weighting and has been assessed in conjunction with the Qualitative Criteria.

- Tendered Price: 60%

A representative annual supply scenario for premixed concrete was applied to the tendered rates and scored using the 'Average Based Scoring Method' recommended by WALGA in the 'Local Government Purchasing and Tender Guide'.

Regional Price preference was applicable to both tender submissions.

The panel members individually assessed the compliance and qualitative criteria and then applied an average to provide a final rating. The scores were then added together to indicate the rankings for the tender. The Confidential report attached provides further detail in relation to the relative merits of each of the individual tenderers. Following this evaluation, Hanson Construction Materials Pty Ltd is the preferred tenderer for the reasons outlined in the confidential report.

## **CONCLUSION**

This report seeks the Council's endorsement of the officer's recommendation to award all requirements of the Contract RFT14/17 – Supply and Delivery of Premixed Concrete to Hanson Construction Materials Pty Ltd. The submission received from Hanson Materials Pty Ltd represents the best value for money option for the City of Busselton and demonstrates the company's ability to complete the contract requirements to the standard required and within the time frames required at a competitive price.

## **OPTIONS**

The Council may consider the following options:

1. The Council choose not to accept the officers recommendation and award the Tender to an alternate tenderer. In the view of the officers this could result in a Tender being awarded to a tenderer that has not presented the "best value" for money offer.

## **TIMELINE FOR IMPLEMENTATION OF OFFICER RECOMMENDATION**

The award of the tender to the successful tenderer can be announced immediately after the Council has endorsed the officer's recommendation. The successful Tenderer will receive formal written notification within seven (7) days of the decision being handed down. The unsuccessful tenderer will also be notified in this time.

## **COUNCIL DECISION AND OFFICER RECOMMENDATION**

**C1708/201** Moved Councillor G Bleechmore, seconded Councillor C Tarbotton

That the Council:


1. Endorses the outcomes of the evaluation panel's assessment in relation to Tender RFT14/17 – Supply and Delivery of Premixed Concrete which has resulted in the tender submitted by Hanson Construction Materials Pty Ltd being ranked as the best value for money.
2. Delegate authority to the CEO to award the contract resulting from RFT14/17 – Supply and Delivery of Premixed Concrete to Hanson Construction Materials Pty Ltd, in accordance with the terms and conditions contained within the tender for a period of three (3) years from the date of award, with two (2) optional one (1) year extensions to be exercised at the Principal's discretion.

**CARRIED 9/0**

**EN BLOC**



12.2 TENDER AWARD RFT 12-17 - DESIGN & CONSTRUCT OF BUSSELTON JETTY PRECINCT HIGH AMENITY AREA

<b>SUBJECT INDEX:</b>	Tender Recommendation
<b>STRATEGIC OBJECTIVE:</b>	Assets are well maintained and responsibly managed.
<b>BUSINESS UNIT:</b>	Engineering and Works Services
<b>ACTIVITY UNIT:</b>	
<b>REPORTING OFFICER:</b>	Director, Engineering and Works Services - Oliver Darby
<b>AUTHORISING OFFICER:</b>	Director, Engineering and Works Services - Oliver Darby
<b>VOTING REQUIREMENT:</b>	Simple Majority
<b>ATTACHMENTS:</b>	Attachment A Confidential Tender Evaluation & Recommendation Report Attachment B Map of Proposed Works 

**Attachment A is confidential under section 5.23 - 2(c) of the Local Government Act 1995 in that it deals with “a contract entered into or which may be entered into, by the local government”. Copies have been provided to Councillors, the Chief Executive Officer and Directors only.**

**This item is presented for Council consideration for acceptance as a late Item for the 16 August 2017 Agenda Council Meeting so that the award of Tender can be awarded and construction can commence.**

### **PRÉCIS**

The City of Busselton invited RFT 12-17 – Design and Construction of Busselton Jetty Precinct High Amenity Area and received six submissions. This report summarises the tender responses and makes recommendation to award the tender.

Please see attached map of proposed works (Attachment B).

### **BACKGROUND**

The objectives of this Request for Tender are to appoint a suitably qualified contractor for the Design and Construction of Busselton Jetty Precinct High Amenity Area located at the Busselton Foreshore for the City of Busselton.

This Request for Tender specified the requirements of the City and invited suitably qualified and experienced contractors to submit bids to enter into a Contract for the design and construct of a high amenity landscaped area in the Jetty Precinct at the Busselton Foreshore, in accordance with the concept design and specification sent out in the request for tender.

The Jetty Precinct is generally located between the Queen Street abutment to the west, the Jetty Way Pedestrian Link to the east, Foreshore Parade to the south and the promenade and seawall to the north.

The high amenity areas are dispersed across the site and consist of picnic settings, grassed areas and irrigation, limestone walls including seatings, exposed aggregate paving, street furniture, trees and shrubs and lighting. The scope also includes:

- Construction of an amphitheatre and stage and carousel hardstand;
- Supply and installation of picnic/barbeque shelters, drinking fountains and showers, shade sails, a flagpole, deck, lighting and bollards; and
- Installation of services to and landscaping of these areas.

The works do not include the construction of the new nature based playground which will be the subject of a separate tender, although works surrounding the Playspace are included in the Contract.

The successful tenderer will be reporting to the Major Projects Unit to fulfil the requirements as described in this report.

The contract will be a design and construction contract.

The Request for Tender was advertised from 30 June 2017 for a period of 27 days, closing on the 27th July 2017.

The tender documents were made available on the Tenderlink tendering system and the City received six (6) tender responses. A tender evaluation panel was formed to evaluate all tender submissions and prior to the evaluation meeting, each panel member was provided with a copy of each submitted tender and a copy of the Evaluation Score sheet and Panel Guide. Each panel member then scored each tender, with the scores being averaged to determine a final score.

The Evaluation Panel met on 11th August 2017 to discuss and evaluate each tender submission. The basis for the scoring and rationale for each score was discussed and final comments for the averaged scores agreed upon.

A rating scale of zero to five (0 – 5) was used for evaluating each tender submission in accordance with the Qualitative Criteria, with 0 being lowest and 5 being highest. The scoring has taken place in accordance with the RFT – Evaluation Scoring Guide and Procedural Fairness Guidelines as published by WALGA.

A comprehensive summary of these responses and pricing schedules has been included in the confidential attachment A.

## **STATUTORY ENVIRONMENT**

Section 3.57 of Local Government Act 1995 requires “A local government to invite tenders before it enters into a contract of a prescribed kind under which another person is to supply goods and services”.

Part 4 (Tenders) of the Local Government (Functions and General) Regulations 1996 require that tenders be publicly invited for such contracts where the estimated cost of providing the total service exceeds \$150,000.

Compliance with the Local Government Act 1995 section 3.57 is required in the issuing and tendering of contracts.

## **RELEVANT PLANS AND POLICIES**

The City’s Busselton Foreshore Master Plan includes the landscaping of the Jetty Precinct between the Equinox Restaurant and the Goose Restaurant as part of the Busselton Foreshore Development.

The City’s purchasing, tender selection criteria, occupational health and safety and engineering technical standards and specifications, were all relevant to this tender and have been adhered to in the process of requesting and evaluating tenders including the Regional Preference Pricing Policy 049.

## **FINANCIAL IMPLICATIONS**

Funding for these works within the City’s 2017-18 budget is from a variety of funds including loan borrowings, municipal funds and grants (Federal)

The total budget for the delivery of the works under this RFT is \$2,550,000.

Based on the delivery of the full scope of works in the RFT, the preferred tender contract value will be \$2,708,264.97 (ex GST) which is above budget.

The above contract value includes the transplant of 15 mature Norfolk Island pine trees.

One option to reduce project costs is to:

- delete the existing tree relocations and the provision of new trees from the contract scope of works and
- arrange for existing tree relocations and the provision of new trees to be planted by the City,
- This will result in a substantial saving to the project whilst not altering the ranking of the tenders submitted.

1.

2. Based on the scope of works excluding the tree relocations and the provision of new trees, the contract award amount would then be **\$2,361,584.95** ex GST. This is the recommendation from the evaluation panel.

The above contract amount does not include any contingency for the payment of variations, should they be required. Due to the nature of these works there is the potential of an unforeseen element which may require a variation to be paid to the contractor.

It is expected that any variations will be paid from the \$2,550,000 budget, but will not exceed the budget due to the risk being partially offset by a design and construct contract arrangement, apart from unknown latent conditions.

### **Long-term Financial Plan Implications**

This is incorporated in the 2017/18 budget and Long Term Financial Plan onwards.

### **STRATEGIC COMMUNITY OBJECTIVES**

The landscaping of the Busselton Jetty Precinct High Amenity Area is consistent with the following City of Busselton's strategic objectives:

- Well Planned, Vibrant and Active Places;
- Infrastructure Assets that are well maintained and responsibly managed to provide for future generations.

### **RISK ASSESSMENT**

An assessment of the potential implications of implementing the Officers Recommendation has been undertaken using the City's risk assessment framework. The assessment sought to identify 'downside' risks only rather than 'upside' risks and where the risk, following implementation of controls has been identified as medium or greater are included below;

<i>Risk</i>	<i>Controls</i>	<i>Consequence</i>	<i>Likelihood</i>	<i>Risk Level</i>
The contractor fails to complete the project by specified deadline.	Weekly project meetings to monitor progress.	Medium	Likely	Medium
The costs associated with the construction is over the Council endorsed budget due to variations to the contractors scope of work.	Tender contract terms & conditions; Weekly project meetings to monitor progress and any variations to scope. Avoid scope or design changes as much as possible	Medium	Likely	Medium

The contractor fails to construct the works in accordance with the design.	This is a design and construction contract. City to be part of the detailed design review and approval process Contractor to provide sign off on construction in accordance with approved design. Implement hold points for City Inspections. Regular City supervision.	High	Unlikely	Medium
Proposed staging of works not able to be achieved	Review of all delivery/staging plans within design coordination meetings and stakeholder meetings. Any changes in staging requirements to be identified in advance, to be controlled through weekly PMT meetings. Contractor to be engaged on a Design and Construction basis with contractor responsible for ensuring staging to meet operational requirements is adhered to.	High	Unlikely	Medium
Unauthorised personnel entering the construction site.	Construction project processes to be developed, followed and reviewed: - Work areas are secured. - Toolbox meetings held daily. - Safe Work Method Statement (SWMS) detail requirements, signage in place identifying construction site/work area.	Medium	Likely	Medium

## CONSULTATION

Reference checking of the Preferred Tenderer has been undertaken.

The preferred tenderer will be required to permanently close down the carpark in this area to enable to works to be done. The works will also cause disruption between September and December 2017, and then again from February 2017 to about April 2017.

Key stakeholders such as the owners of the Equinox, the Goose, BJECA and MRBTA have been regularly consulted and are being kept informed.

## OFFICER COMMENT

The tender assessment was carried out by a tender review panel consisting of Rob Penfold, Manager of Major Projects, Leon Kruger, Contract Admin and Technical Officer (Major Projects) and Lisa McDonald, Contract and Tendering Officer. Tender submissions were received from the following organisations:

- BCL Group Pty Ltd
- BCP Contractors Pty Ltd
- Environmental Industries Pty Ltd
- Metrocon Pty Ltd
- MG Group
- Perkins Pty Ltd

All tenders were found to comply with the terms and conditions and mandatory requirements of the RFT. Accordingly, each tender was scored according to the qualitative criteria endorsed by Council and included in the tender documentation as follows:

#### Criteria Weighting

(a)	Relevant Experience	10%
(b)	Key Personnel Skills and Experience	15%
(c)	Tenderer's Resources	10%
(d)	Demonstrated Understanding	25%

The net tendered price was scored using the 'Average Based Scoring Method' recommended by WALGA in the 'Local Government Purchasing and Tender Guide'.

The panel members individually assessed the compliance and qualitative criteria and then applied an average to provide a final rating. The scores were then added together to indicate the rankings for the tender. The Confidential report attached provides further detail in relation to the relative merits of each of the individual tenderers.

Following this evaluation, Perkins Pty Ltd is the preferred tenderer for the reasons outlined in the confidential report.

#### **CONCLUSION**

The tender evaluation panel have completed their assessment in line with the City's tender process and Officers now recommend the Council award RFT 12-17 to Perkins Pty Ltd, after amending the scope of works to exclude the relocation of existing trees and provision of new trees.

Based on the above amended scope of works, the contract award amount is **\$2,361,584.95** ex GST.

#### **OPTIONS**

The Council may consider the following alternate options:

1. The Council choose not to accept the Officers Recommendation and award the Tender to an alternate tenderer. In the view of the Officers this could result in a Tender being awarded to a tenderer that has not presented the "best value" for money offer.
2. The Council may choose not to accept the Officers Recommendation and not award the tender. This would mean going back out to tender, resulting in significant delays to the contract award and potential significant delays to the Busselton Foreshore Development project

#### **TIMELINE FOR IMPLEMENTATION OF OFFICER RECOMMENDATION**

The award of the tender can be made immediately after the Council has endorsed the Officers recommendation. Subject to finalisation of a number of minor non contractual issues, the successful tenderer will receive formal written notification within seven (7) days of the resolution. All unsuccessful tender applicants will also be notified at this time.

**COUNCIL DECISION AND OFFICER RECOMMENDATION**

**C1708/202** Moved Councillor G Bleechmore, seconded Councillor C Tarbotton

That the Council:

1. Endorse Perkins Pty Ltd as the successful tenderer for the purpose of Regulation 20 of the Local Government (Functions and General) Regulations 1986.
2. Delegates to the CEO the authority:
  - a. to propose variations to the required works and services which variations are considered minor by the CEO;
  - b. to determine whether the variations are minor in accordance with Regulation 20;
  - c. to agree to any other variations to be included in the contract as a result of the varied works and services and which are considered reasonable by the CEO; and
  - d. to enter into a contract with the chosen tenderer to supply the varied works and services.
3. Decides that BCL Group Pty Ltd is the next most advantageous tenderer for the purpose of Regulation 20.

**CARRIED 9/0**

**EN BLOC**

### 13. COMMUNITY AND COMMERCIAL SERVICES REPORT

#### 13.1 COMMUNITY SPORT AND RECREATION FACILITIES FUND - SMALL GRANT ROUND APPLICATIONS WINTER 2017/2018

<b>SUBJECT INDEX:</b>	CSRFF 2017
<b>STRATEGIC OBJECTIVE:</b>	A community with access to a range of cultural and art, social and recreational facilities and experiences.
<b>BUSINESS UNIT:</b>	Community Development
<b>ACTIVITY UNIT:</b>	Community Services
<b>REPORTING OFFICER:</b>	Community Development Coordinator - Vicki James
<b>AUTHORISING OFFICER:</b>	Director, Community and Commercial Services - Naomi Searle
<b>VOTING REQUIREMENT:</b>	Simple Majority
<b>ATTACHMENTS:</b>	Attachment A CSRFF application SWFDC plus site map 

#### PRÉCIS

Each year Local Government Authorities are required to rate and prioritise the Community Sport and Recreation Facilities Fund (CSRFF) submissions received within their municipality.

Small Grant applications must be submitted by local government authorities to the Department of Local Government, Sport and Cultural Industries (DLGSCI) by 31 August 2017. The purpose of this report is to meet the CSRFF criteria, by outlining the submissions received for projects within the District for this current funding round and request that Council rates and ranks these applications, prior to forwarding to DLGSCI for final consideration.

#### BACKGROUND

The Department of Local Government, Sports and Cultural Industries (DLGSCI) administers the CSRFF program, with the purpose of providing State Government financial assistance to Local Government Authorities and local community groups (up to one third of the total capital cost), to develop well-planned facilities for sport and recreation.

In June 2009 several changes were made to the CSRFF program to improve the level of support the State Government provides to the sporting community. Of particular note, is the introduction of the Small Grant Round, which has a different timeline to standard grant rounds. Small Grant Applications must be submitted to DLGSCI from Local Government Authorities by the end of March and August each year. In 2017/2018 the maximum total project cost for the Small Grant Round is \$5,000 to \$200,000 (excluding GST).

This requires local governments to assess and prioritise applications prior to submission. In order to assist with the evaluation of submissions and to ensure projects are viable and appropriate, DLGSCI has developed “Key Principles of Facility Provision”. Accordingly, each submission is to be assessed against those criteria.

Under the provision, Local Government Authorities are required to rate and prioritise local submissions using the following guide;

RATE	DESCRIPTION
A	Well planned and needed by the municipality
B	Well planned and needed by the applicant
C	Needed by the municipality, more planning required
D	Needed by the applicant, more planning required
E	Idea has merit, more preliminary work needed
F	Not recommended

Submissions for the current funding round closed for submission to Local Governments on 31 July 2017. Following this date the Local Government Authority is required to assess and prioritise the applications before forwarding all documentation to the South West Office of the DSR no later than 31 August 2017.

During September to November 2017, local applications (along with others received throughout the State) will be evaluated and ranked by relevant State Sporting Associations and the CSRFF Assessment Panel, prior to the outcome being announced by the Minister for Local Government, Sport and Cultural Industries. Funds for successful applications will become available around December 2017.

One (1) application was received for the winter small grants round as follows:

1. *South West Regional Football Development Council (Inc.) – Construction of multi-sports club storage facility for Bovell User Groups, (Sir Stewart Bovell Park, Portion of Lot 20, 28 Vasse Highway, Bovell)*

## **STATUTORY ENVIRONMENT**

Nil.

## **RELEVANT PLANS AND POLICIES**

Social Plan 2015-2025. A key goal of this plan is to “create needed, quality, sustainable recreation and leisure facilities and services for our community.”

Strategic Community Plan 2017. Key Goal Area 1.3 - A community with access to a range of cultural and art, social and recreational facilities and experiences.

## **FINANCIAL IMPLICATIONS**

One (1) application has been received for consideration in the current round of funding.

The application from the South West Regional Football Development Council Inc. (SWRFDC) is on behalf of four (4) user groups to provide eligibility for GST exemption. The application is for the construction of a multi-sports club storage facility for four (4) Bovell User Groups that consists of the following clubs – Saints Junior Football Club, Towns Junior Football Club, Busselton Master Football Club, and Bombers Football Club. The multi-user storage facility has a total project cost of \$43,970 (ex GST). The Saints Junior Football Club (SJFC) on behalf of the groups successfully applied for a \$20,000 (ex GST) grant through the City of Busselton Community Bids programme which is the clubs contribution towards the cost of the project.

There are no further financial implications in relation to the grant application.

## **STRATEGIC COMMUNITY OBJECTIVES**

This matter aligns with the City of Busselton Strategic Community Plan 2017 and principally with the following strategic goal:

Community – Welcoming, friendly and healthy

- 1.3 A community with access to a range of cultural and art, social and recreational facilities and experiences.



## **RISK ASSESSMENT**

An assessment of the potential risks of implementing the Officers recommendation was undertaken, and as a result, no risks were rated as 'medium' or above were identified.

## **CONSULTATION**

Consultation has taken place between City Officers and staff from the South West Office of DLGSCI in regards to the funding submission received. Consultation has also taken place between City Officers assessing the application and key contacts from the SWRFDC and the four (4) user groups (Saints Junior Football Club, Bombers Football Club, Masters Football Club and Towns Junior Football Club.

## **OFFICER COMMENT**

The application for the construction of a multi-sports storage facility has been submitted by the SWRFDC on behalf of the four (4) Bovell User Groups, to provide eligibility for GST exemption.

Construction of a multi-sports club storage facility for four (4) Bovell User Groups consists of the following clubs – Saints Junior Football Club, Towns Junior Football Club, Busselton Masters Football Club, and Bombers Football Club.

The storage facility is essential to provide alternative storage to current arrangements that include, club volunteer's garages, living rooms, sheds, work places etc. It is very difficult to access and maintain club equipment due to the various users within each club and the changes to club volunteers from year to year. With a long term, central and common facility this will significantly reduce the need for volunteers to provide a "home" storage facility for each club. The facility comprises of four (4) storage areas under a common roof.

This project will provide the users of Sir Stewart Bovell Park an external storage area large enough to cater for current and on-going needs. The facility will be located on a site that will give access to each user to adequately store sporting equipment permanently for all seasonal activities

The project on completion will provide the following facility improvements:

- storage of sporting equipment for weekly games and training, along with the majority of larger sports equipment onsite at all times, in an area adjacent to the sports playing fields
- co-location of resources providing the ability for all users to share equipment and aids
- reduce the impact on volunteers having to store and transport equipment from their own homes.

This project will provide a much needed storage facility on site for four (4) of the Bovell User Groups at Bovell Park.

It is recommended that this project be assessed as a 'high' priority and that it is a (B) Well planned and needed by the applicant and number one (1) priority of the only application received for consideration.

## **CONCLUSION**

The one application received for the 2017/18 CSRFF Small Grants funding round shows sound reasoning and justification, as such it is recommended that Council adopts the Officers Recommendation to allow the project to proceed, should funding from DLGSCI be forthcoming.

**OPTIONS**

The Council could decide not to support the application received for the 2017/18 CSRFF Small Grants funding, alternatively Council may choose to re-prioritise the project.

**TIMELINE FOR IMPLEMENTATION OF OFFICER RECOMMENDATION**

DLGSCI, South West Office staff will be advised in writing of the Council's decision immediately following the determination of Council.

**COUNCIL DECISION AND OFFICER RECOMMENDATION**



**C1708/203** Moved Councillor G Bleechmore, seconded Councillor C Tarbotton

That the Council submits the South West Regional Football Development Council's (Inc) Application – One (1) Construction of Multi-Club storage Facility at Bovell Park, Busselton to the Department of Local Government, Sport and Cultural Industries' Community Sport and Recreation Facilities Fund and rates the Application as a priority one (1) project, ranked number 1.

**CARRIED 9/0**

**EN BLOC**

### 13.2 ARTGEO RESIDENT ARTIST LEASE - STUDIO 1 AND STUDIO 2

<b>SUBJECT INDEX:</b>	Art Gallery Operations
<b>STRATEGIC OBJECTIVE:</b>	A community with access to a range of cultural and art, social and recreational facilities and experiences.
<b>BUSINESS UNIT:</b>	Community Services
<b>ACTIVITY UNIT:</b>	Community Services
<b>REPORTING OFFICER:</b>	Manager, Community Services - Maxine Palmer
<b>AUTHORISING OFFICER:</b>	Director, Community and Commercial Services - Naomi Searle
<b>VOTING REQUIREMENT:</b>	Simple Majority
<b>ATTACHMENTS:</b>	Attachment A ArtGeo Studio 1 and Studio 2  Attachment B Market Valuation - 11 September 2015 

#### PRÉCIS

The two stables located at the rear of the Old Courthouse Courtyard at ArtGeo Cultural Complex ('the Complex') have been used as artists' studios since the 1980s. The existing leases for both studios expire on 30 September 2017. The current tenant of Studio 1 does not wish to renew their lease.

This report outlines the outcomes of the EOI process and makes recommendations to Council to advertise its intention to enter into a lease under section 3.58 of the Local Government Act 1995 (LGA)

Officers also recommend that there is a sufficient basis for using an existing market valuation that is more than 6 months old for the purpose of carrying out the statutory process under section 3.58 of the LGA for the reasons outlined in this report.

#### BACKGROUND

ArtGeo Complex comprises ArtGeo Gallery, the Old Courthouse and Gaol Cells, the Stables Studios, Fodder Room, Police Sergeants' Cottages, and the Woodturners' shed. These buildings are located on three different parcels of land that make up the Complex.

Studio 1 (Stable 1) and Studio 2 (Stable 2) are located at the rear of the courtyard and form part of the Old Courthouse buildings, as shown marked on Attachment A. The Old Courthouse is located at Lot 361, and the Stables and Courtyard on Lot 453, Queen Street Busselton, which is crown land vested with the City for the purpose of "Community and Cultural Purposes".

Various arrangements have been in place since the 1980s for hire or lease of the studio spaces. Current rents are \$64 per week for Studio 1 and \$107 per week for Studio 2. The current rents for both studios align with a market valuation (attachment B), dated 11 September 2015.

On April 3, 2017, the City called for Expressions of Interest (EOI) from artists seeking studio space for a period of up to two years. The call for EOIs ran for a period of 13 weeks closing on the 29 June 2017.

Four proposals were received in total. Each application was assessed by Officers using a selection criteria matrix developed over a number of years for the Resident Artist leases. The assessment of each applicant is detailed in this report.

## **STATUTORY ENVIRONMENT**

Section 3.58 of the Local Government Act 1995 (LGA) relates to the disposal of property by a local government and disposal is defined to include leasing. This requires the publishing of the proposed disposition which describes the property concerned, gives details of the proposal and invites submissions to be made before a specified date.

Section 3.58(4) of the LGA requires that the disposition includes either a valuation not more than six months old or a declaration by resolution that a valuation older than 6 months is considered a true indication of the value at the time of the disposition.

Studios 1 and 2 are located on a portion of Reserve 35361, being Lot 453, Plan 182761, Volume LR3013 Folio 834, 4 Queen Street, Busselton. The land is vested with the City with the power to lease for any term not exceeding 21 years, subject to the consent of the Minister for Lands, for the designated purpose of 'Community and Cultural Purposes'.

## **RELEVANT PLANS AND POLICIES**

The provision of resident artist opportunities at the Complex is in line with the ArtGeo Cultural Complex Business Plan 2017/18 – 2020/21 and the designated purpose of the land for community and cultural purposes.

## **FINANCIAL IMPLICATIONS**

Current rents are \$64 per week for Studio 1 and \$107 per week for Studio 2, inclusive of GST and outgoings.

A market valuation provided by an independent valuer on 11 September 2015 indicated a rental value of between \$57.69 to \$62.46 per week for Studio 1, and \$75 to \$82.69 per week for Studio 2, inclusive of GST and outgoings (Attachment B). Rents offered under the proposed new leases are \$64.00 per week for Studio 1 and \$85.00 per week for Studio 2, which considering the low CPI growth over the past two years are in line with the 2015 valuation.

### **Long-term Financial Plan Implications**

The recommended rental income supports the achievement of revenues forecast in the Long Term Financial Plan.

## **STRATEGIC COMMUNITY OBJECTIVES**

The request to enter into a lease with the proposed proponents is consistent with the following City of Busselton Strategic Priorities:

- 1.3 A community with access to a range of cultural and art, social and recreational facilities and experiences.
- 1.4 Community services and programs that support people of all ages and backgrounds
- 6.4 Assets are well maintained and responsibly managed

## **RISK ASSESSMENT**

There are no identified risks of medium or greater associated with the officer recommendation, with the recommendation serving to mitigate the risks associated with there not being a lease in place.

## CONSULTATION

City Staff have kept the applicants informed about the process and consulted with them on their submissions.

### OFFICER COMMENT

Four expressions of interest were received in total, including one from the current tenant of Studio 2, Ms. Nalda Hoskin. Each applicant was assessed by Officers using a selection criteria matrix developed over a number of years for the Resident Artist leases. Two of the applicants expressed a preference to lease Studio 1, Tracy Anderson and Pam Brittain.

#### Submission 1 – Studio 1

Tracy Anderson has practiced as a ceramic and mixed media artist for many years. She has a Diploma in Visual and Fine Art. She has exhibited at ArtGeo, Bunbury Regional Art Galleries, in Mandurah, Fremantle and Margaret River. In addition to developing her practice and selling her ceramic objects, Ms Anderson proposes to increase her audience by showcasing her work and conducting workshops. Her initial aim is to complete a body of work for her forthcoming exhibition in the Courthouse in October 2017. She is keen to contribute to Busselton's tourist industry, network with other artists, and use the studio as a space to stimulate discussion. Ms Anderson is interested in leasing Studio 1 for twelve months with an option to extend for a further twelve months.

#### Submission 2 – Studio 1

Pam Brittain is a visual artist and educator with a Diploma in Education. Ms. Brittain has since stated her intention to rent alternative studio space in Dunsborough nearer to where she lives.

Tracy Anderson ranked highest in the selection criteria due to the artistic merit of her artwork, the extent of her existing commitment to the Complex as a volunteer, supplier of retail craft products, past exhibitor and forthcoming plans to exhibit in the Courthouse in October 2017. She also scored well due to her intent to engage with proactively with other artists and community members. Ms Anderson is a well-known and respected member of the South West arts community. Her ideas support ArtGeo Business Plan goals to:

- Identify innovative and engaging ways to implement new initiatives and vibrant arts, entertainment, audience development and event opportunities and;
- Engage with the local community and visitors to the complex to find ways to encourage repeat visitation and a strong attachment to the place.

Ms. Anderson has offered a weekly rent of \$64 per week inclusive of GST and outgoings.

#### Submission 3 – Studio 2

Nalda Hoskins is a lampwork glass artist specialising in jewellery design. Ms Hoskins has occupied Studio 2 since May 2015. Until July 2017, she occupied Studio 2 in a joint lease arrangement with Namaya Fox. Ms Hoskins retails her jewellery designs through the Courthouse, and actively engages with school students and visitors during cruise ship visits and school excursions, as well as on a day-to-day basis. The Margaret River Region Open Studios 2017 was a highlight of her tenancy, when a large number of people visited the studio and broader Complex. To grow her practice, Ms. Hoskins plans to offer small workshops and classes in jewellery making. Ms. Hoskins has applied to lease Studio 2 as a sole occupant for this purpose.

### Submission 4 – Studio 2

Gerogia Zoric is a mixed media artist and puppet-maker with a Diploma in Graphic Design. Her aim is to work towards an exhibition using puppets to tell stories of migration.

Ms Hoskins ranked the highest in the selection criteria. She has demonstrated her commitment to ArtGeo as an existing supplier, her consistent opening hours and willingness to engage with visitors. New plans to grow her practice by running small group classes make her the preferred applicant for Studio 2. Her ideas support ArtGeo Business Plan goals to:

- Identify innovative and engaging ways to implement new initiatives and vibrant arts, entertainment, audience development and event opportunities and
- Engage with the local community and visitors to the complex to find ways to encourage repeat visitation and a strong attachment to the place.

Ms Hoskins and Namaya Fox leased Studio 2 for \$104 per week inclusive of GST and outgoings. As a sole tenant Ms Hoskins has proposed a reduction in rent to \$85 per week inclusive of GST and outgoings.

### Market Valuation

The market valuation provided by an independent valuer on 11 September 2015 indicated a rental value of between \$57.69 to \$62.46 per week for Studio 1, and \$75 to \$82.69 per week for Studio 2, inclusive of GST and outgoings (attachment B). An offer of within 10% of the assessed rental range would be considered fair and reasonable. When low CPI growth is considered the proposed rents offered by Ms. Nalda Hoskin of \$85 per week inclusive of GST and outgoings and Ms. Tracey Anderson of \$64 per week inclusive of GST and outgoings are in line with the 2015 valuation.

The stagnation of the commercial rental market, the size of the Studios and their locations at the rear of the courtyard and heritage constraints and the use to which they can be put, places many limitations on the type of tenant that could be attracted and the level of rent they might generate. A new market valuation would cost approximately \$1300. It is unlikely that such low annual rent yields would increase sufficiently to offset this expenditure and therefore the risk is missing out on higher rents is low.

### **CONCLUSION**

For the reasons detailed above, it is recommended that Ms Tracey Anderson is the preferred applicant to lease Studio 1. Attachment A identifies the lease area. The proposed terms and conditions of the lease are to include the following:

- a. An initial leasehold term of 12 months; with an option for a further year.
- b. Rent to commence at \$64 per week in the first year then indexed by CPI annually, all amounts inclusive of GST and outgoings;
- c. The tenant to be responsible for telephone and, internet connections and charges applied to the leased premises; and
- d. Other terms and conditions consistent with the City's existing studio leases.

It is recommended that Ms Nalda Hoskins is the preferred applicant to lease Studio 2. The proposed terms and conditions of the lease are to include the following:

- a. An initial leasehold term of 12 months; with an option for a further year.
- b. Rent to commence at \$85 per week in the first year then indexed by CPI annually, all amounts inclusive of GST and outgoings;
- c. The tenant to be responsible for telephone and, internet connections and charges applied to the leased premises; and
- d. Other terms and conditions consistent with the City's existing studio leases.

Taking into account factors such as the limitations of the studios and the general conditions of the market it is considered that the rents offered from Ms. Hoskins and Ms. Anderson should be accepted and statutory advertising undertaken without the requirement for an up to date valuation.

#### **OPTIONS**

1. Due to Ms. Hoskins existing tenancy Council could choose to select Georgia Zoric as the preferred applicant of Studio 2; or
2. Council can resolve to select none of the proposed applicants and continue to advertise for expressions of interest or consider other forms of temporary hire arrangements.
3. Council could come to the view that the valuation dated September 2015 does not provide a true indication of the current market valuation and seek an up to date valuation. This will cost approximately \$1,300 inclusive of GST.

#### **TIMELINE FOR IMPLEMENTATION OF OFFICER RECOMMENDATION**

Advertising of the proposed disposition will take place as soon as possible for a 14 day period. A further report will be presented to Council detailing any submissions that are received and any subsequent changes to the proposed lease arrangements detailed in this report. If no submissions are received it is anticipated that leases will be entered with both parties no later than 30 September 2017.

#### **COUNCIL DECISION AND OFFICER RECOMMENDATION**

**C1708/204** Moved Councillor G Bleechmore, seconded Councillor C Tarbotton










That the Council:

- a) In accordance with Section 3.58(4) (c) (ii) of the Local Government Act 1995, declare that the valuation carried out by Opteon Property Group dated 11 September 2015 indicating the market rent for Studio 1 and 2 of Reserve 35361, Lot 453, Queen Street, Busselton of \$57.69 to \$62.46 per week for Studio 1, and \$75.00 to \$82.69 per week for Studio 2,(inclusive of GST and outgoings), to be a true value of the current market rental value of the studios.
- b) Advertises the proposed disposition of land to Tracey Anderson and Nalda Hoskins in accordance with Section 3.58 of the Local Government Act 1995 for the term and conditions outlined in this report and if there are no adverse objections authorise the CEO to enter into a lease agreement with Tracey Anderson for Studio 1 and Nalda Hoskins for Studio 2, subject to the Minister for Lands approval.

**CARRIED 9/0**

**EN BLOC**

13.3 PROPOSED DUNSBOROUGH FORESHORE CAFE/KIOSK (A CLASS RESERVE R22965):  
REVISION OF CONCEPT DESIGN AND FUNCTION

<b>SUBJECT INDEX:</b>	Tourism Development
<b>STRATEGIC OBJECTIVE:</b>	Attractive parks and open spaces that create opportunities for people to come together, socialise and enjoy a range of activities.
<b>BUSINESS UNIT:</b>	Commercial Services
<b>ACTIVITY UNIT:</b>	Property and Business Development
<b>REPORTING OFFICER:</b>	Economic and Business Development Coordinator - Jon Berry
<b>AUTHORISING OFFICER:</b>	Director, Community and Commercial Services - Naomi Searle
<b>VOTING REQUIREMENT:</b>	Simple Majority
<b>ATTACHMENTS:</b>	Attachment A Proposed revised site plan 
	Attachment B Proposed areas of built form (community and commercial space) 
	Attachment C Environmental design and construction concept 
	Attachment D View from Geographe Bay 
	Attachment E View from existing car-park 
	Attachment F View from south-east 
	Attachment G View from Geographe Bay Road 
	Attachment H Acknowledgement of revised development concept: Department of Planning, Lands and Heritage 
	Attachment I Original Concept Design (cafe/kiosk only) 

## PRÉCIS

This report provides an overview of a revised concept and building plan for a commercial café/kiosk proposed to be located on the Dunsborough foreshore on Crown land (a portion of 'A Class' Reserve Number R22965 known as 'Centennial Park').

Council previously resolved to nominate the Margaret River Hospitality Group (MRHG) as 'preferred proponents' for a café/kiosk with a maximum commercial building area of 200m<sup>2</sup>. MRHG has recently reviewed the project scope, functionality and location in an effort to improve social, economic and environmental outcomes. The revised draft concept incorporates improved community amenity/facilities and greater environmental sustainability in both construction methods and ongoing operations. It retains a café/kiosk commercial area for potential leasehold from the City of 200m<sup>2</sup>, with an additional adjoining area of 200m<sup>2</sup>, which includes community seating, outdoor showers, new public ablutions and a public deck area.

This report recommends Council invites public comment on the revised concept (as shown in Attachments A- G). It also recommends Council extends 'preferred proponent' status to the MRHG until 22 August 2018, during which time the design concepts may be further reviewed and terms and conditions for lease of the land negotiated.

## BACKGROUND

At its 12 March 2014 meeting, Council resolved (C1403/055) to support, for the purposes of community consultation, a proposed containment zone on the Dunsborough foreshore ('A Class' Reserve Number R22965), for potential future commercial development of a café and/or kiosk up to 150m<sup>2</sup> plus 50m<sup>2</sup> alfresco area. The resolution resulted from a strategic review of alternative sites for a café and/or kiosk conducted by the City of Busselton in consultation with the Dunsborough/Yallingup Chamber of Commerce (DYCCI Inc) and the Dunsborough and Districts Progress Association (DDPA Inc). The strategic review of sites was initiated following community concerns a café and/or kiosk was not appropriate within the redeveloped foreshore land at the juncture of Dunn Bay Road and Geographe Bay Road, the location previously endorsed by Council in January 2010 (C1001/018) and in June 2012 (C1206/144).



On 25 June 2014, Council resolved (C1406/154) to acknowledge public submissions received on the proposed containment zone for the café/kiosk and write to the Minister for Lands requesting an amendment to the management order to provide the City with the power to lease an area of approximately 200m<sup>2</sup>. Council also resolved to seek preliminary Registrations of Interest (RoI) from the private sector to lease a portion of the Reserve, within the containment zone for a café/kiosk development, whilst at the same time seeking power to lease the Reserve from the Department of Lands.

Following the Council decision of 25 June 2014, City officers publicly sought registrations of interest and received three submissions by the closing date of 29 September 2014. All proponents were then invited to submit a more detailed proposal by 20 February 2015.

On 22 April 2015, Council resolved (C1504/106) to nominate the Margaret River Hospitality Group PL (formerly, White Elephant Gnarabup Beach Pty Ltd) as potential future lessee of a portion of Reserve R22965 (Centennial Park, Dunsborough) for the development of a café and kiosk up to 150m<sup>2</sup> plus 50m<sup>2</sup> alfresco area and for staff to negotiate a non-binding Heads of Agreement.

The main components of the café proposal were:

- Seating: Café internal area (90 sqm) – 90 people and alfresco area (50 sqm – 50 people);
- Internal Toilets provided (25m<sup>2</sup>);
- Kitchen, cool room and dry store (35m<sup>2</sup>);
- Basic post and beam structure with a single pitch raked roof over the café area and another smaller single pitched roof over the alfresco area. Infill walls to be operable glass walls opening onto the alfresco area. External cladding using natural oiled weather boards which will weather and blend into the environment. The building will be elevated on concrete piles to protect against storm surge. Proposed to sit about 1.0m above surrounding contours;
- Environmentally sustainable building design;
- Any vegetation loss will be replanted. No removal of peppermint trees;
- No external walls or fences (other than a roofed bin store) which will be screened with wall cladding;
- Roof is 5.0m above natural ground level at highest point;
- Proposed Lease Term proposed: 20 Years with an option for a further 10 years;
- Landscaping maintenance requirements in licenced area around the curtilage of the building area to be by Lessee;
- Hospitality offering: Quality breakfast and lunch with a takeaway option;
- Liquor licencing: Preference for local beer and wine, and;
- Additional car-parking to be negotiated through the lease

Officers wrote to the Department of Lands (DoL) on 16 October 2015 advising of the Margaret River Hospitality Group as preferred proponent and enclosing the full proposal, reaffirming its previous request for the management order over Reserve R22965 to be amended to reflect a change in purpose from 'Camping and Recreation' to 'Recreation and Foreshore Management' and seeking power to lease/licence a portion of the Reserve for a period of up to 30 years to facilitate the preferred proponent's proposal. This request was not progressed, rather DoL advised that due to policy changes, the land would be required to be excised from the Reserve for a head lease between the State of WA and the City, and a sub-lease agreement prepared between the City and the proponent.

On 8 June 2016, DoL advertised its intention to amend the purpose of the Reserve and excise out the land for the café/kiosk and invited public comment. DoL received objections from several of the landowners on Geographe Bay Road and in the vicinity of the proposed site.

DoL subsequently advised the City the advertising process it had conducted did not adequately address the statutory requirements of the Land Administration Act 1997, in that Ministerial approval to advertise had not been sought. Accordingly, DoL would need to readvertise, however there were concerns with the timing of this leading into a State election, because of the high number of opposing submissions.

The Council has previously considered issues raised in objection as part of its own consultation processes, however has previously resolved that these were of a nature that could be managed. Both the DYCCI Inc and the DDPA Inc have previously expressed strong support for the café/kiosk proposal. Conversely, the Dunsborough Conservation and Land Care Association has expressed it does not support a café/kiosk in an 'A' Class reserve.

In early 2017, the MRHG advised the City it would be interested in reviewing the concept and functionality design to try and resolve some of the community concerns previously expressed, particularly visibility of the building from Geographe Bay Road, parking issues and environmental sustainability of the building located on a coastal Reserve.

The revised concepts submitted by the MRHG are shown in Attachments A-G of this report.

## **STATUTORY ENVIRONMENT**

The following statutory requirements are relevant in considering this matter.

### Land Administration Act 1997 ("LAA")

The café and kiosk concept proposed by the MRHG is located on Crown land being an 'A' Class reserve (Reserve 22965) which is vested with the City for the purposes of 'Camping and Recreation', without the power to lease. DoL has previously advised that the land requires excision from the Reserve to facilitate a café development and approvals are required by both houses of the WA Parliament.

The Department of Planning, Lands and Heritage (DPLH) has reviewed the revised draft concepts shown in Attachments A-G and supports community consultation to occur prior to any further statutory processes progressing in accordance with the LAA. Attachment H of this report is a written response from the DPLH acknowledging the revised concepts and providing further comments on statutory processes.

### Local Government Act 1995 ("LG Act")

A future café/kiosk development would require the City to sub-lease Crown land, which constitutes a 'disposal of property' under the LG Act.

Section 3.58 (2) states that a local government can dispose of property to the highest bidder at public auction, or to the person at public tender. Section 3.58 (3, 4) allows for the disposal of property other than by public auction or by tender. It requires Council to give local public notice of its intention to dispose of the property, and consider any submissions which are received within the specified period. Should Council resolve in the future to proceed with a café/kiosk, commercial areas would be excised from the Reserve by the Minister for Lands and leased to the City of Busselton who would then sub-lease the land to the MRHG. The sub-lease will require LG Act actions described above s3.58 (3, 4). The community areas would be licensed to the MRHG, affording non-exclusive use of the land and buildings.

### City of Busselton Town Planning Scheme (TPS No 21)

Rezoning of the land identified for a café/kiosk as described in this report is not necessary for compliance with TPS No 21. Should Council support the future development of a café/kiosk, the site would be leased and used for the purpose of 'cafe' or 'kiosk' and/or community facilities. Development requirements including any additional parking requirements would be dealt with at a later stage of the development process approval and/or conditions on the lease.

### **RELEVANT PLANS AND POLICIES**

The following plans and policies are relevant in considering this matter.

#### State Planning Policy 2.6, State Coastal Planning (SPP2.6) (Western Australian Planning Commission)

The Western Australian Planning Commission (WAPC) State Planning Policy 2.6, State Coastal Planning (SPP2.6) provides guidance on determining setbacks. The City of Busselton has previously engaged consultants to prepare a City of Busselton Coastal Erosion and Inundation Analysis. The Consultants have modelled the coastal erosion and inundation impacts to the year 2100 based on a low, medium and high climate change scenario. This identifies those areas that may be unsuitable for increases in density or further development due to coastal erosion in combination with elevated sea levels. Areas where upgrade/modification of existing coastal protection structures/systems or new coastal protection structures/systems will be required to protect existing public infrastructure, other than boat ramps, jetties and other marine infrastructure are also identified. Based on the information supplied from the above study, the City subsequently commissioned a Coastal Engineering Assessment of the Dunsborough foreshore. The assessment report considered the location proposed for the cafe/kiosk is unlikely to be affected by erosion over the 30 year lease term, however may be subject to inundation in a severe weather event. Risk from such an event is proposed to be mitigated by the proponent by elevating the building above ground level using dry screw piles.

From a land use planning point of view, the Department of Planning (DoP: now the Department of Planning, Lands and Heritage) has previously advised if the development is within the intent of the Reserve and within scale to the surroundings there would be no objection. In relation to SPP 2.6, the Regional Manager of DoP previously advised that the main aspect to address is erosion risk from any storm surge or sea level rise on the proposed development. Public access to the foreshore is also important to retain. DoP also advised there are potentially a number of local issues that require appropriate attention and may be conditioned within a development approval (for example building height and landscaping).

The proposed revised development concepts (as outlined in Attachment A-G of this report) have attempted to address many of the points raised in feedback from DoP, including risks from coastal inundation. Attachment C illustrates the proposed dry screw pile foundations which mitigate risk of inundation.

Should Council support the Officer recommendation, further comments will be sought from the newly integrated Department of Planning, Lands and Heritage as part of a proposed engagement program.

### Dunsborough Foreshore Management Plan (2009)

The Dunsborough Foreshore Management Plan (DFMP) documents both the current state and values for the Reserve and provides generic principles and specific actions and recommendations in order to guide future management of the Dunsborough Foreshore Reserves. Should Council resolve to proceed with a future lease of land for a café development, the management plan should be updated to reflect both the new foreshore improvements at the foot of Dunn Bay Road and proposed commercial development zone.

### **FINANCIAL IMPLICATIONS**

The Officer recommendation includes a proposal to invite public comments on the revised concept plans and location for the café/kiosk. The cost of public engagement including advertising will be sourced from the adopted 2017/18 'Property and Business Development' budget.

### **Long-term Financial Plan Implications**

Should Council resolve in the future to progress the development in its revised form, a Heads of Agreement will be negotiated to inform a future lease and will include matters that may have an impact on the Long Term Financial Plan (LTFP). These will relate to provision of public infrastructure improvements such as parking, public toilets and potential contributions to areas that have non-exclusive use by a potential future lessee.

There is currently a major refurbishment of the public ablutions tentatively scheduled for 2022/23 at a value of \$300k.

### **STRATEGIC COMMUNITY OBJECTIVES**

This report aligns with the following City of Busselton Key Goal Areas identified in the City's 2017 Strategic Community Plan:

#### **Key Goal Area 2: Places and Spaces**

- 2.2 Attractive parks and open spaces that create opportunities for people to come together, socialise and enjoy a range of activities.

#### **Key Goal Area 4: Economy**

- 4.1 An innovative and diversified economy that provides a variety of business and employment opportunities as well as consumer choice.
- 4.2 A community where local business is supported and in turn drives our economy.
- 4.3 Events and unique tourism experiences that attract visitors and investment.

## RISK ASSESSMENT

An assessment of the potential risks of implementing the Officers recommendation was undertaken, and as a result, risks rated as medium or above have been identified.

<b>Risk</b>	<b>Controls</b>	<b>Consequence</b>	<b>Likelihood</b>	<b>Risk Level</b>
<u>Reputational Risk</u> Adverse community response to the proposed revised concept with a larger building footprint.	Well planned and executed engagement with residents and peak community groups including the Dunsborough/Yallingup Chamber of Commerce and Industry Inc, and the Dunsborough and Districts Progress Association Inc.	Moderate	Unlikely	Medium
<u>Reputational Risk</u> The Department of Planning, Lands and Heritage refuses the City's request to amend the management order with power to lease and/or State Parliament refuses the request to change the purpose of the Reserve	Regular engagement with the Regional Manager(s) of the Department of Planning, Lands and Heritage	Moderate	Possible	Medium

## CONSULTATION

In preparing this report consultation has occurred with the Regional Manager of the Lands Division within the Department of Planning, Lands and Heritage (refer Attachment H).

## OFFICER COMMENT

Council has previously nominated the Margaret River Hospitality Group PL as preferred proponents to develop a café and kiosk up to 150m<sup>2</sup> plus 50m<sup>2</sup> alfresco area on the Dunsborough foreshore. The original proposal supported by Council was a basic post and beam structure, with a single pitch raked roof over the café area and another smaller single pitched roof over the alfresco area. The building was proposed to be elevated on concrete piles to protect against storm surge and sit approximately 1.0m above surrounding contours. The original design concept is shown at Attachment I.

As part of a proposed land excision process, public advertising was undertaken by the Department of Lands in mid-2016 and raised several issues that MRHG have subsequently considered further and addressed in an alternative concept. The revised concept addresses matters relating to parking, dual-use pathway realignment, visibility, and improved community facilities such as public toilets. The revised design concept integrates a commercial development area with new public/community facilities and results in a larger total building area of 400m<sup>2</sup>. Notwithstanding this larger building footprint, a commercial area of 200m<sup>2</sup>, (as originally supported by Council) has been retained. The revised covered areas proposed are:

### Commercial space (200m<sup>2</sup>) consisting:

- kitchen (30m<sup>2</sup>)
- dining space (105m<sup>2</sup>)
- kiosk (15m<sup>2</sup>)
- al-fresco (50m<sup>2</sup>)

Public (community) space (200m<sup>2</sup>) consisting:

- community circle area (50m<sup>2</sup>)
- outdoor showers (40m<sup>2</sup>)
- ablutions (50m<sup>2</sup>)
- public deck (60m<sup>2</sup>)

The revised concept potentially provides the following benefits to the local area:

- Community: improved facilities and amenity; upgraded public ablutions; strengthens the sense of place; enjoyment of the beach year round; positive local economic/tourism benefits and the development of community pride in sustainability;
- Environment: Touches the earth lightly (uses screw piles with no concrete pads) and is elevated off the ground to protect vegetation and prevent inundation in a major storm event; 100% sustainable energy production is proposed with a 200 panel solar array on the roof; renewable construction materials; pre-fabricated modular construction to reduce on-site impact; simple decommissioning of structure at the end of the life; all existing trees to remain with reintroduction of native vegetation;
- Public facility upgrades: Relocation of public ablutions within the proposed development; re-direction of existing bicycle path to improve cyclists, car and pedestrian flow;
- Eliminates car/pedestrian clash points on-site; car-park redesign to improve traffic flow onto Geographe Bay Road, and;
- Introduction of bike parking/repair stations and more bins for cleaner beaches

Funding of the public (community) spaces and facilities has not yet been quantified. Should Council support the Officer recommendation and there is demonstrated community support for the revised concept as a result of public engagement, then Officers would negotiate a draft heads of agreement that is mutually acceptable to both Council and the proponent and recognises public and private benefits accruing to both parties.

The location of the revised concept remains within a 'containment zone' previously supported by Council and key community groups and was advertised as part of a 'Registration of Interest' process used to recruit private sector interest in the development opportunity. The revised location is south east of the previously proposed site and is behind a row of peppermint trees and thus will have very low visibility from Geographe Bay Road.

The Officer recommendation also supports extending 'preferred proponent' status to the MRHG for a further 12 months (to 22 August 2018). Officers believe this is fair and reasonable due to:

- the considerable time elapsed and the associated uncertainty surrounding the gaining of powers to lease the land from the Crown;
- the revised concept continuing to embody the principles within MRHG's original proposal submitted to the City through an open and transparent expression of interest process conducted in 2015. The revised concept results in increased sustainability and improved community amenity; and,
- considerable financial outlay by MRHG on reviewing the design and functionality in the absence of any legal property rights
- MRHG demonstrating a high level of responsiveness to concerns expressed in previous community consultations.

## **CONCLUSION**

Council is being requested to consider inviting public comments on a revised concept and building plan for a commercial café/kiosk combined with community facilities (community seating; outdoor showers; new public ablutions; public viewing deck) on the Dunsborough foreshore.

The MRHG has recently reviewed the functionality, design and location of the café/kiosk in an effort to improve social, economic and environmental outcomes.

Officers are also recommending Council extend 'preferred proponent' status to the MRHG until 22 August 2018, during which time (subject to demonstrated community and Council support), the design concepts may be further reviewed and terms and conditions for a future sub-lease of the land and buildings negotiated.

## **OPTIONS**

Council may elect to:

- Not support the revised design concept for public comment
- Support the previously endorsed design concept (Attachment I)
- Discontinue facilitating a café/kiosk on the Dunsborough foreshore.

## **TIMELINE FOR IMPLEMENTATION OF OFFICER RECOMMENDATION**

Should Council support the Officer Recommendation to invite public comment on the revised concept and extend 'preferred proponent' status to the MRHG, Officers will prepare and conduct a public comment program in late August/early September 2017 and further report to Council in the fourth quarter 2017.

Officers will also commence preliminary negotiations with MRHG for a mutually acceptable draft Heads of Agreement (HoA), which may inform the development of a future sub-lease (including funding of community facilities), should Council resolve to progress the development after receiving public comments. The HoA will address matters relating to lease term, ground rent and private/public contributions to infrastructure improvements such as parking, public toilets and other public facilities.

## **COUNCIL DECISION AND OFFICER RECOMMENDATION**

**C1708/205** Moved Councillor G Blechmore, seconded Councillor C Tarbotton

That the Council:

1. Invites public comment on the revised concept for the Dunsborough foreshore café/kiosk (as shown in Attachment A- G of this report), prior to the consideration of progressing State and Local Government statutory processes relating to property disposition;
2. Extends 'preferred proponent' status for the Dunsborough foreshore café/kiosk development to the Margaret River Hospitality Group Pty Ltd until 22 August 2018.

**CARRIED 9/0**

**EN BLOC**

## **14. FINANCE AND CORPORATE SERVICES REPORT**

### **14.1 COMMUNITY SURVEY CONDUCTED BY CATALYSE**

<b>SUBJECT INDEX:</b>	Community Surveys
<b>STRATEGIC OBJECTIVE:</b>	Governance systems, process and practices are responsible, ethical and transparent.
<b>BUSINESS UNIT:</b>	Finance and Corporate Services
<b>ACTIVITY UNIT:</b>	Governance Services
<b>REPORTING OFFICER:</b>	Director, Finance and Corporate Services - Cliff Frewing
<b>AUTHORISING OFFICER:</b>	Director, Finance and Corporate Services - Cliff Frewing
<b>VOTING REQUIREMENT:</b>	Simple Majority
<b>ATTACHMENTS:</b>	Nil

#### **PRÉCIS**

The purpose of this report is to formally convey to Council and place on the public record the results of the recently completed Community Survey conducted by Catalyse. The survey results report is contained on the agenda as a separate document due to its size. During May and June, the survey was conducted to evaluate community priorities and measure Council's performance against key operational areas. The results were then also benchmarked and compared with other Local Governments who use the same firm for this purpose.

#### **BACKGROUND**

The City has historically conducted community surveys in house. On this occasion, to ensure complete independence and objectivity it was decided to contract out this function to 'Catalyse' a Perth based firm that conducts surveys for and on behalf of almost 50 local Governments across WA. Whilst many of these Local Governments are located in the Metropolitan area many are also located in Regional WA providing even better opportunities for meaningful benchmarking.

The survey results are measured against all of those Local Governments who have had surveys completed within the last two years and in addition, as a subset for further comparison, against a number of metropolitan local Governments of similar size and other Regional Local Governments.

The specific Local Governments the City of Busselton is benchmarked against in the 'subset' comparison are as follows:

Metropolitan: Cities of Kalamunda, Kwinana, Mandurah and South Perth; and

Regional: Cities of Albany, Bunbury and Kalgoorlie-Boulder and the Shire of Esperance.

#### **STATUTORY ENVIRONMENT**

There is no specific statutory requirement to conduct community surveys. However the key requirements of the Local Government are detailed in S 1.3 (2) of the local Government Act:

(2) This Act is intended to result in —

- (a) better decision-making by local governments; and
- (b) greater community participation in the decisions and affairs of local governments; and
- (c) greater accountability of local governments to their communities; and
- (d) more efficient and effective local government.

This provision therefore requires Local Governments to involve the community in its decision making particularly when planning for the future.



## RELEVANT PLANS AND POLICIES

The results of the survey are very consistent with previous surveys conducted – particularly in relation to the finalisation of the City's Strategic and Corporate Plans which have recently been adopted by Council.

## FINANCIAL IMPLICATIONS

There are no specific financial implications arising from the conduct of the community survey. The content and findings of the survey if adopted and followed would normally influence future decision making and as a result it would be usual to expect that future budgets and plans would contain reference to this study.

## STRATEGIC COMMUNITY OBJECTIVES

This policy aligns with and supports the **Council's Key Goal Area 6** – 'Leadership' and more specifically **Community Objective 6.1** – 'Governance systems, process and practices are responsible, ethical and transparent'.

## RISK ASSESSMENT

As the recommendation is to simply acknowledge the process and results of the survey and to propose that the complete survey be made available on the City's webpage, there are not considered to be any risks.

## CONSULTATION

During May and June 2017, the City of Busselton administered a community survey to evaluate community priorities and measure Council's performance against key indicators in the Strategic Community Plan. The study was conducted by Catalyse, a firm that is experienced in conducting community surveys on behalf of many Local Governments throughout Western Australia.

Invitations were issued to 4,000 randomly selected residents of the City (2,000 by mail and 2,000 by email). To ensure everyone in the community had an opportunity to comment, the City ran supporting promotions through various communication channels.

A total of 495 randomly selected residents submitted a response reducing the sampling error to  $\pm 4.4\%$  at the 95% confidence interval. The final dataset was weighted by age and gender to match the ABS Census population profile. A further 402 residents opted in to complete a scorecard.

## OFFICER COMMENT

Each year the City conducts an in house community survey for the purpose of ascertaining resident's views on priorities. These surveys are independent of others surveys conducted for specific purposes.

This year it was decided to engage a reputable, experienced and independent provider to conduct the survey on behalf of the City. This ensures that there is no perception of bias. City staff have had no involvement in resident contact, dealing with responses or compilation of the assessment report.

Responses were sought on 49 individual service areas across the whole range of City operations. For each question asked the responses are collated and the result is ranked with other local Governments as follows:

- Council Score is the Council's performance index score.
- WA High is the highest score achieved by councils in WA that have completed a comparable study with CATALYSE over the past two years.
- WA Standard is the average score among WA councils that have completed a comparable study with CATALYSE over the past two years.
- Subset High is the highest score achieved by a selected group of councils that are of interest for the City of Busselton – including the cities of Albany, Bunbury, Esperance, Kalamunda, Kalgoorlie-Boulder, Kwinana, Mandurah and South Perth.
- Subset Standard is the average score of selected councils (see list above).

The 'Overall Performance Index Score' is a combined measure of the City of Busselton as a 'place to live' and as a 'governing organisation'. The City of Busselton's overall performance index score is 74 out of 100, in equal 5<sup>th</sup> place and 8 index points above the industry standard for Western Australia. The City of Busselton is the leading regional council, ahead of the next best by 5 index points.

The City of Busselton was found to be leading WA councils in six areas:

- Access to Mayor and Councillors
- Economic development
- Access to goods and services in the local area
- Sense of community in the local area
- Lighting of streets and public places
- Tree management

Compared to the subset of councils (referred to earlier), the City is leading in 17 areas:

- Areas listed above plus.
- Setting a clear vision
- Advocacy and lobbying
- Access to education and training
- Festivals, events and cultural activities
- Art Centre
- Street artwork and public art
- Footpaths, trails and cycleways
- Streetscapes
- Lighting of streets and public places
- Weekly rubbish collections
- Fortnightly recycling collections

The survey found that the City should 'celebrate' the following areas that were considered very favourably by the survey participants:

- As an overall area as place to live
- Economic development
- Access to goods and services
- Festivals & events
- Culture and
- Public libraries.

Conversely, the areas found by the survey participants to require the most attention were as follows:

- Vasse River
- Roads, Traffic and Parking Management
- Community buildings,
- Halls and toilets

A comparison of responses by location showing variances under the general heading of “Leadership, communication and economic development” shows a reasonably satisfied Busselton community and a generally dissatisfied Busselton community.

In terms of the main locations within the City, ie Busselton townsite, Rural areas surrounding Busselton townsite, Dunsborough, Yallingup and Other rural areas, residents of the townsite of Busselton were most satisfied with the services and facilities provided by the City and the residents of Dunsborough the least satisfied. The following shows average scores from possible score of 100:

- Busselton townsite – 60.3
- Rural areas surrounding Busselton townsite – 58.1
- Dunsborough - 50.7
- Yallingup – 58.7
- Other rural areas – 57.0

All residents gave their location the highest score as a “place to live” and this ranged from 82 (Other Rural areas) to 91 (Yallingup). The next highest score for Busselton, Busselton rural and Other rural areas was the City’s “e-newsletter” with scores between 67-70. Yallingup residents preferred “Economic development” as their next highest score (68) whilst Dunsborough residents gave “Busselton City Centre” as their next highest score (58).

In terms of lowest score, Busselton and Busselton rural residents were least satisfied with “Value for money from Rates” and “major transport networks” with scores of 50. Dunsborough residents were least satisfied with “Dunsborough Town Centre” (39) and “Consultation about local issues” with a score of 40.

Yallingup residents were least satisfied with “Access to education and Training” (42) and value for money from Rates (50).

## **CONCLUSION**

The survey’s results are consistent with the surveys conducted during the strategic Planning process and on that basis Council can now be assured that the priorities of the community are road issues, parking and the Vasse river. Clearly the Council has recognised the transport issue is a main concern and is currently embarking on a high profile campaign to promote planning for the “Eastern link” by construction over a period of time a series of new and modified road treatments improving access to the Busselton Townsite.

It is also clear that the residents of Dunsborough are most dissatisfied with a range of matters. It is noted however that the survey took place during the time that the “Puma” site and “market” issues received much media attention and that neither of these issues are resolved.

**OPTIONS**

As the purpose of this report is to simply receive a report by providing a summary of the results of the survey, options are limited.

**TIMELINE FOR IMPLEMENTATION OF OFFICER RECOMMENDATION**

The results of the survey will be placed on the City Website immediately after the Council has made a decision.

**COUNCIL DECISION AND OFFICER RECOMMENDATION**

**C1708/206** Moved Councillor G Bleechmore, seconded Councillor C Tarbotton

That the Council:



1. notes the contents of the officers report and that the Cataylse report will be placed on the City website for public access; and
2. progress in addressing the main findings of the survey be monitored and periodic updates be presented to Councillors at briefing sessions highlighting what has been done to address the outcomes identified in the survey.

**CARRIED 9/0**

**EN BLOC**

## **15. CHIEF EXECUTIVE OFFICER'S REPORT**

### **15.1 COUNCILLORS' INFORMATION BULLETIN**

<b>SUBJECT INDEX:</b>	Councillors Information
<b>STRATEGIC OBJECTIVE:</b>	Governance systems, process and practices are responsible, ethical and transparent.
<b>BUSINESS UNIT:</b>	Executive Services
<b>ACTIVITY UNIT:</b>	Governance Services
<b>REPORTING OFFICER:</b>	Reporting Officers - Various
<b>AUTHORISING OFFICER:</b>	Chief Executive Officer - Mike Archer
<b>VOTING REQUIREMENT:</b>	Simple Majority
<b>ATTACHMENTS:</b>	Attachment A Planning Applications Received 16 July - 31 July  Attachment B Planning Applications Determined 16 July - 31 July 

### **PRÉCIS**

This report provides an overview of a range of information that is considered appropriate to be formally presented to the Council for its receipt and noting. The information is provided in order to ensure that each Councillor, and the Council, is being kept fully informed, while also acknowledging that these are matters that will also be of interest to the community.

Any matter that is raised in this report as a result of incoming correspondence is to be dealt with as normal business correspondence, but is presented in this bulletin for the information of the Council and the community.

### **INFORMATION BULLETIN**

#### **15.1.1 Planning & Development Services Statistics**

Attachment A is a report detailing all Planning Applications received by the City between 16 July, 2017 and 31 July, 2017. 63 formal applications were received during this period.

Attachment B is a report detailing all Planning Applications determined by the City between 16 July, 2017 and 31 July, 2017. A total of 36 applications (including subdivision referrals) were determined by the City during this period with 36 approved /supported and 0 refused / not supported.

#### **15.1.2 Current Active Tenders**

##### **2017 TENDERS**

##### **RFT10/17 GEOGRAPHE LEISURE CENTRE - POOL LINER REPLACEMENT CAMPAIGN/S**

The City of Busselton invited tenders for the replacement of the pool liners of the swimming pools at the Geographe Leisure Centre. The tender was advertised on 3 June 2017, with a closing date of 22 June 2017. A total of 5 tenders were received. The evaluation has been completed and the contract awarded by the CEO under delegated authority to Prestige Projects Group Pty Ltd ATF Prestige Projects trading as Tropical Pools.

**RFT11/17 DESIGN AND CONSTRUCTION OF LANDSIDE CIVIL AND SERVICES INFRASTRUCTURE – BUSSELTON-MARGARET RIVER REGIONAL AIRPORT**

The City of Busselton invited tenders for the design and construction of the landside civil and services infrastructure at the Busselton-Margaret River Airport. The tender was advertised on 10 June 2017, with a closing date of 29 June 2017, which was later extended to 6 July 2017. The value of the contract is expected to exceed the CEO's delegated authority. It is anticipated that the evaluation will be completed and a recommendation report presented to Council in September 2017

**RFT12/17 DESIGN AND CONSTRUCTION OF BUSSELTON JETTY PRECINCT HIGH AMENITY AREA**

The City of Busselton invited tenders for the design and construction of the Busselton Jetty precinct high amenity area. The tender was advertised on 1 July 2017, with a closing date of 27 July 2017. The value of the contract is expected to exceed the CEO's delegated authority. It is anticipated that the evaluation will be completed and a recommendation report presented to Council in September 2017.

**PQS01/17 ELECTRICAL SERVICES PANEL OF PRE-QUALIFIED SUPPLIERS**

The City of Busselton requested applications to join a panel of pre-qualified suppliers (PQS) for the provision of electrical services to the City. The request was advertised on 3 June 2017, with a closing date of 20 June 2017. A total of 12 applications were received. In accordance with delegation LG3M the CEO has authority to appoint applicants to be part of a panel of pre-qualified suppliers for provision of goods and services to the City. It is anticipated that the evaluation will be completed and a recommendation report made to the CEO in August 2017.

**RFT13/17 DESIGN AND CONSTRUCTION OF LEACHATE MANAGEMENT CONTROL SYSTEM FOR LANDFILL CELL 1 AND 2, DUNSBOROUGH WASTE FACILITY**

The City of Busselton invited tenders for the design and construction of a Leachate Management Control System for Cell 1 and 2 located at the Dunsborough Waste Facility. The tender was advertised on 17 June 2017, with a closing date of 31 July 2017. A total number of 41 prospective tenderers downloaded the tender document, but no conforming tender has been received. Upon enquiry some of the prospective tenderers indicated they may be prepared to reconsider their position and submit a bid. In accordance with section 11(2)(c) of the *Local Government (Functions and General) Regulations 1996* and the City of Busselton's Purchasing Policy the City will now follow a request for quotation process for procurement of the goods and services required for this project. The value of the contract is expected not to exceed the CEO's delegated authority.

**RFT14/17 SUPPLY AND DELIVERY OF PRE-MIXED CONCRETE**

The City of Busselton invited tenders for the supply and delivery of pre-mixed concrete. The tender was advertised on 1 July 2017, with a closing date of 18 July 2017. The value of the contract is expected to exceed the CEO's delegated authority. The evaluation has been completed and a recommendation report presented Council for awarding the contract included under the agenda for this meeting.

**COUNCIL DECISION AND OFFICER RECOMMENDATION**

**C1708/207** Moved Councillor G Bleachmore, seconded Councillor C Tarbotton

That the items from the Councillors' Information Bulletin be noted:

- 15.1.1 Planning & Development Services Statistics
- 15.1.2 Current Active Tenders

**CARRIED 9/0**

**EN BLOC**

**16. MOTIONS OF WHICH PREVIOUS NOTICE HAS BEEN GIVEN**

Nil

**17. CONFIDENTIAL REPORTS**

Nil

**18. QUESTIONS FROM MEMBERS**

Nil

**19. PUBLIC QUESTION TIME**

Nil

**20. NEXT MEETING DATE**

Wednesday, 13 September 2017

**21. CLOSURE**

The meeting closed at 5.40pm.

THESE MINUTES CONSISTING OF PAGES 1 TO 47 WERE CONFIRMED AS A TRUE AND CORRECT RECORD ON WEDNESDAY, 13 SEPTEMBER 2017.

DATE: \_\_\_\_\_

PRESIDING MEMBER:

\_\_\_\_\_