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true record of proceedings

## CITY OF BUSSELTON

### MINUTES FOR THE COUNCIL MEETING HELD ON 13 JUNE 2018

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## 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 13 JUNE 2018 AT 5.30PM.

1. DECLARATION OF OPENING/ACKNOWLEDGEMENT OF COUNTRY/ACKNOWLEDGEMENT OF VISITORS/DISCLAIMER

The Presiding Member open the meeting at 5.31pm.

2. ATTENDANCE

Presiding Member:

Cr Grant Henley Mayor

Members:

Cr John McCallum Deputy Mayor  
Cr Coralie Tarbotton  
Cr Ross Paine  
Cr Rob Bennett  
Cr Paul Carter  
Cr Robert Reekie  
Cr Kelly Hick  
Cr Lyndon Miles

Officers:

Mr Mike Archer, Chief Executive Officer  
Mr Oliver Darby, Director, Engineering and Works Services  
Mr Paul Needham, Director, Planning and Development Services  
Mr Cliff Frewing, Acting Director, Community and Commercial Services  
Mr Tony Nottle, Director, Finance and Corporate Services  
Ms Sarah Pierson, Manager, Governance and Corporate Services  
Miss Kate Dudley, Administration Officer, Governance

Apologies

Nil

Approved Leave of Absence

Nil

Media:

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

Public:

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3. PRAYER

Nil

**4. APPLICATION FOR LEAVE OF ABSENCE**

Nil

**5. DISCLOSURE OF INTERESTS**

The Mayor noted that a declaration of impartiality interest had been received from:

- Cr Kelly Hick in relation to agenda Item:

13.1 Section 31 Reconsideration: Proposed Reception Centre, Lot 30 (HSE No 70)  
Millbrook Road, Yallingup

In accordance with the Local Government (Rules of Conduct) Regulations 2007 this declaration will be read out immediately before Item 13.1 is discussed.

**6. ANNOUNCEMENTS BY THE PRESIDING MEMBER**

The Presiding Member informed the meeting that a recording of the proceedings would be taken for minute taking purposes.

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

Nil

**Question Time For Public****7.1 Mr Ian Stubbs**

The following questions were asked of Council at the 13 June 2018 Ordinary Council Meeting.

**Question**

Mr Mayor, I recall the City allocated monies on this year's budget to prepare environmental reports on the four main proposals identified in the Busselton Traffic Study. I seem to think it was in the order of \$360K. My questions are.... have these monies been spent and have the reports been finalised? If not, why not? Will these reports be made available to the public?

**Response**

No, not all monies have been expended. It was a budget for all of those proposals and for example Ford Road requires a further detailed flora and fauna study which will include a spring flora study, planned to be undertaken in the spring. Reports are available on various department websites, such as the EPA website which was put in in conjunction with the environmental approval process. The others are not as yet, to my knowledge finalised. However when they are finalised I don't see that there would be a problem in putting them out to the community.

**Question**

Can I confirm that's the 4 options identified in the Busselton Traffic Study?

**Response**

Yes, so that was Ford Road, Fairway, Causeway and Eastern Link.

**Question**

A request was made to the City for a copy of the application that was submitted to the Federal Government for funding to construct the bridge which is to form part of the Eastern Link project. The request was refused. It seems strange that the City would want to refuse a harmless straight forward request such as this. My question is, why did the City refuse this request and what is the City trying to hide when it refused this simple request?

**Response**

The City, I understand, received a general enquiry relating to seeking information on the process of obtaining information under an FOI request. It was made to our FOI Officer and those details were provided. An FOI request for the documentation relating to the Federal Government Bridge Renewal Program was received this week. The CEO will check the application and decide if there is anything confidential in there, and if not, it will be released.

**Question**

Thanks Mr Mayor. I understand that the initial enquiry was for a copy and not for the information on FOI that was a follow up. Mr Mayor, will the answers to these questions and the questions appear in the minutes?

**Response**

Yes.

**Question**

The City's various spokespersons on the Eastern Link and Ford Road issues have repeatedly stated that the construction of Ford Road had never been given environmental approval to go ahead. Is the City aware that the 2002 conditional approval of the Environmental Appeals Committee was binding on the Minister? Is the City aware that the Shire at that time appealed some of the conditions further demonstrating that approval was given to the project? If the City is aware of these facts, why has it continued to suggest that Ford Road had never been given approved?

**Response**

My understanding is that the EPA makes the recommendations to the Minister and the Minister makes the approval, and my understating is that the Minister has never given the approval for the construction of Ford Road.

**Question**

I understand the EPA granted conditional approval for the Eastern Link proposal. I also understand there were a number of objections lodged against this decision. Would the City please advise the present status of its application to the EPA for environmental approval?

**Response**

The State EPA has approved the project or decided not to access the project and that the Management Plans in place were sufficient. There were three appeals against this and this is currently with the Appeals Convenors Office.

**Question**

Are you aware that the 2002 conditional approval of the Environmental Appeals Committee on Ford Road was binding on the Minister?

**Response**

I'm not aware of that – will take that on notice.

**Question**

I understand the Federal Government's environmental agency has not granted approval for the Eastern Link proposal. Would the City please advise the present status of its application to the Federal Government for environmental approval?

**Response**

The Federal Government have not refused or approved the application. They have requested additional information on issues with the Carters Fresh Water Mussel and details on the how the movement of Western Ringtail possums will be accommodated within the design.

**Question**

Is it fair to assume that the project cannot go ahead without the Federal Government approval?

**Response**

Yes

**Question**

When the City was promoting the Eastern Link proposal, its website and all the printed material clearly showed the roundabout at the intersection of Peel Terrace and Brown Street was part of the project. I later heard that the roundabout was not part of the Eastern Link. When asked about this, the CEO confirmed it was not part of the Eastern Link. Obviously, the website and all the printed material was very misleading. Two questions:

1. Why was this roundabout clearly shown as part of the Eastern Link and why was it later removed?
2. Does the City plan to construct the roundabout at the intersection of Peel Terrace and Brown Street? If so, when and how much will it cost and how will it be funded?

**Response**

I can part answer that. The schematic drawing that was included in some advertising was incorrect, however as described in the funding details the roundabout was not included in the Eastern Link costings. The image was corrected when that was brought to our attention. Construction of Brown Street / Peel Terrace roundabout will proceed but costings and construction timelines will now be dependent on the outcomes of the BTS consultation process soon to be launched. The cost of the roundabout I will need to take on notice.

**Question**

Mr Mayor, I understand that the parts of the questions that are not answered will be supplied to me in writing and then a summary provided in the minutes?

**Response**

Yes the parts taken on notice will and they will be read out at the next Council Meeting as questions taken on notice.

**Question**

Can I just follow up, is the construction of this roundabout listed on next year's budget?

**Response**

(Provided by the Director Engineering and Work Services). It is listed as a project but is pending the consultation process as things may change. Detail of cost will be provided on notice.

**Question**

Two months ago, the City resolved to defer any further expenditure on the EL for 6 months to enable the City to carry out more community consultation on the congestion issue. Two months, and the public has heard nothing. When will the City commence this community consultation and what format will be used to get a clear understanding of what the community wants? In relation to the format, Mr Mayor, your media release of the 29th March this year stated, "The public consultation may consist of several elements such as public meetings, an independent survey, a consultative working-group and an open submission period."

**Response**

The City initially deferred work on the consultation plan although it is currently being worked on and there is a release pending to advise the community of that. There is no specific timeline as to when this is to commence. It was initially deferred pending a further idea on the process of the environmental approvals, as if we didn't receive the State environmental approval we would have questioned the need to continue with the consultation and look at different methods. However we have now looked at this having priority and the consultation has been advanced with the intention to work along with an independent consultant for survey, a stakeholder working group, and have an open submission period as previously released, as well as information sessions that detail pros and cons of all the various different measures put forward.

**Question**

Mr Mayor, your media release of the 29th March this year also stated, "*The Council continues to undertake traffic modelling and environmental investigation, including indicative costing of all elements of the implementation strategy including Ford Road, dualling Causeway Road and Strelly-Barlee-West Street. It should be noted however, that detailed costings are impossible to fully calculate until conditions of approval have been provided by the relevant authority.*"

1. Why was the Fairway Drive option omitted from your media release?
2. Can you give an assurance that all of this information will be made available to the public during the proposed community consultation? If not, why not?

**Response**

In answer to question one, because I forgot it. It wasn't front and foremost as we were really looking at eastern distributors being either the Eastern Link, Causeway Road or potentially Ford Road in the longer term, and neglected Fairway Dive, although it is one of the four proposals being currently examined for environmental consideration. The second part of that, as the public / community consultation will be undertaken within the next month or two it's highly unlikely that all of that environmental information will be available however we should have some preliminary information available from our environmental consultants.

**Question**

Mr Mayor, in April this year, when talking about this proposed community consultation, you stated *"I agree that the consultation should not be restricted to the Eastern Link but should be broad and all-inclusive with all the options being explained, discussed and displayed."* Can you give the public an assurance that this will in fact occur? If not, why not?

**Response**

Yes I can give that assurance. In accordance with Council Resolution we've committed to a program of stakeholder consultation to gauge the level of public support for road network upgrade options identified in the Busselton Traffic Study as suitable for delivery within the next 6 – 24 months. Most notably the consultation will ascertain popular support for the Eastern Link and / or duplication of Causeway Road and provide the community with the opportunity to identify any other option for Council consideration.

In line with the resolution the consultation program will also seek to ascertain the level of community support for pursuing Ford Road as an option potentially deliverable in the medium to longer term to meet future needs and provide the community with the opportunity to put forward any other longer-term option for Council consideration.

**Question**

How much has been listed for consideration on the 2018/2019 budget for the Eastern Link? Would the City provide a breakdown of this cost, so everyone can get an idea of what is included?

**Response**

As previously noted the costs for the eastern link are \$3.8 million which excluded service relocation, drainage and landscaping, the cost of which was unknown at the time, prior to detailed design. Service relocation costs are now becoming clearer and we will be able to provide an estimate range during the consultation process. Landscaping, drainage and other costs that maybe associated with Western Ringtail Possum and mussel protection remain dependant on the outcomes of the environmental approval process.

**Question**

You mentioned the relocation of services, there has been a lot of activity in that area in the northern end of the Eastern Link. Has any of that work been the relocation of services for the Eastern Link? And can you advise how much this has cost the rate payers? If the services haven't been relocated how much has been listed for this on next year's budget?



**Response**

I would have to take that on notice. I've been unable to ascertain the amount of work that's been done, although I do understand that much of that work was going to be undertaken in any case.

**Question**

The compliance with the environmental approval with conditions attached to the environmental approval was excluded from the \$3.8 million. Now that you know those conditions, have the conditions been costed and what is it estimated to cost?

**Response**

I refer to my response to question 10, which also covered that. However my understanding is that management plans costs for the Western Ringtail Possum and the Mussels that were included in the environmental application process were included as we had been given some previous advice. However we weren't aware if there would be other requirements put upon us in conditions. We haven't received conditions as far as I'm aware from the State, however they may come down through the Federal approval process.

**Question**

In the Summer 2018 edition of the Bay to Bay newsletter, it was stated "Taking community feedback on board, Council has supported bringing forward the inclusion of a roundabout at the intersection of Strelly Street and Causeway Road as well as duplicating the section of Causeway Road between Strelly Street and Rosemary Drive." In relation to this announcement I ask

- a. When will the Strelley Street roundabout be constructed, how much will it cost and how will it be funded?

**Response**

Timing and costs will be dependent on the outcome of scheduled community consultation.

- b. When will the section of Causeway Road between Strelly Street and Rosemary Drive be duplicated, how much will it cost and how will it be funded?

**Response**

The answer is the same as A. Timing and costs will be dependent on the outcome of scheduled community consultation.

- c. Has the Council considered a left in-left out intersection at Strelly Street and the duplicated Causeway Road, saving the enormous cost of a roundabout?

**Response**

I think I can safely speak on behalf of Council and say no, however I'm unsure if our traffic engineers have considered such an option so I'll take that on notice.

- d. Because the Council has brought forward duplicating the section of Causeway Road between Strelley Street and Rosemary Drive, is this an indication that the Council will continue with the duplication of Causeway Road down to Peel Tce?

**Response**

Again I refer to my answer to A, however the duplication of Causeway Road along that whole length is part of our medium or longer term addressing of traffic congestion.

- e. If the EL does not proceed, will the City continue with the roundabout at Strelley Street?

**Response**

Again, as per the response to A, but I would suggest probably, as it is an area of congestion.

**Question**

Mr Mayor, I would like to refer to that roundabout at Brown Street and Peel terrace. It seemed from the response Mr Darby gave that it was dependant on the Eastern Link going ahead, whether that roundabout would be constructed. Is that correct?

**Response**

No because we've identified that Brown Street is now a major distributor, especially down to the foreshore, and that there are traffic congestion issues at that corner. It was identified that it would require some treatment at a point in time, however if the Eastern Link project does proceed, it would be logical to complete that at the same time.

**Question**

Mr Mayor, can I ask why that intersection is a higher priority than any other demand for road works within the City? And are you aware that I've driven past that intersection or used it every day for the last 28 years and I don't think that I've seen more than one vehicle waiting on Brown Street to enter Peel terrace?

**Response**

I will take that question on notice.

**Question**

How much do you expect rates to increase in 2018/2019?

**Response**

Council in its adopted LTFP predicated budget preparations on a rate rise of 4.25% however after budget deliberations, we will be advertising shortly a rate rise of 3.95%.

**Question**

Mr Mayor, that's still significantly higher than the CPI, can one assume that you and the Council, because of this high rate increase would not vote in favour of an increase in your sitting fees and allowances as Mayor and Councillors?

**Response**

That will be adopted as part of the budget.

**8. CONFIRMATION AND RECEIPT OF MINUTES****Previous Council Meetings**8.1 Minutes of the Council Meeting held 23 May 2018**COUNCIL DECISION****C1806/104** Moved Councillor J McCallum, seconded Councillor R Reekie

That the Minutes of the Council Meeting held 23 May 2018 be confirmed as a true and correct record.

**CARRIED 9/0****Committee Meetings**8.2 Minutes of the Finance Committee Meeting held 17 May 2018**COUNCIL DECISION****C1806/105** Moved Councillor C Tarbotton , seconded Councillor J McCallum

That the Minutes of the Finance Committee Meeting held 17 May 2018 be confirmed as a true and correct record.

**CARRIED 9/0**8.3 Minutes of the Airport Advisory Committee Meeting held 23 May 2018**COUNCIL DECISION****C1806/106** Moved Councillor P Carter, seconded Councillor K Hick

That the Minutes of the Airport Advisory Committee Meeting held 23 May 2018 be confirmed as a true and correct record.

**CARRIED 9/0**8.4 Minutes of the Policy and Legislation Committee Meeting held 29 May 2018**COUNCIL DECISION****C1806/107** Moved Councillor R Paine, seconded Councillor P Carter

That the Minutes of the Policy and Legislation Committee Meeting held 29 May 2018 be confirmed as a true and correct record.

**CARRIED 9/0**

**9. RECEIVING OF PETITIONS, PRESENTATIONS AND DEPUTATIONS****9.1 Petitions**

Nil

**9.2 Presentations**

Mr Brett Merifield presented as a party with an interest on Item 13.1 Section 31 Reconsideration: Proposed Reception Centre, Lot 30 (HSE No 70) Millbrook Road, Yallingup. Mr Merifield's father is the proponent for the application and Mr Merifield strongly disagreed with the Alternative Motion put by Cr Hick.

**9.3 Deputations**

Nil

**10. QUESTIONS BY MEMBERS OF WHICH DUE NOTICE HAS BEEN GIVEN (WITHOUT DISCUSSION)**

Nil

**11. ITEMS BROUGHT FORWARD FOR THE CONVENIENCE OF THOSE IN THE PUBLIC GALLERY**

Nil

**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, i.e. all together.

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

**C1806/108** Moved Councillor J McCallum, seconded Councillor P Carter

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

- 12.1 Finance Committee - 17/05/2018 - FINANCIAL ACTIVITY STATEMENTS - PERIOD ENDING 30 APRIL 2018
- 12.3 Finance Committee - 17/05/2018 - APPLICATION FOR EXEMPTION FROM RATING - LAMP INCORPORATED
- 12.6 Policy and Legislation Committee - 29/05/2018 - RESCISSION OF STRATEGIC PLANNING POLICY
- 12.7 Policy and Legislation Committee - 29/05/2018 - REVIEW OF CLOSED CIRCUIT TELEVISION (CCTV) POLICY 028
- 12.8 Policy and Legislation Committee - 29/05/2018 - SALARY PACKAGING POLICY
- 12.9 Policy and Legislation Committee - 29/05/2018 - DESIGNATION OF SENIOR EMPLOYEES AND ACTING CEO.
- 15.1 MARKETING AND EVENTS REFERENCE GROUP OUTCOMES
- 16.1 CAPES REGION ORGANISATION OF COUNCILS (CAPEROC)
- 17.1 COUNCILLORS' INFORMATION BULLETIN

**CARRIED 9/0**

**EN BLOC**

**ADOPTION BY EXCEPTION RESOLUTION ABSOLUTE MAJORITY DECISION OF COUNCIL  
REQUIRED**

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, i.e. all together.

**En Bloc Motion**

**COUNCIL DECISION AND COMMITTEE RECOMMENDATION**

**C1806/109** Moved Councillor C Tarbotton, seconded Councillor P Carter

That the Committee Recommendation for items 12.2, 12.5 and 12.10 be adopted.

- 12.2 Finance Committee - 17/05/2018 - BUDGET AMENDMENT REQUEST
- 12.5 Finance Committee - 17/05/2018 - BUDGET AMENDMENT REQUEST - INTEREST ON R4R FUNDING BUSSELTON FORESHORE PROJECT
- 12.10 Policy and Legislation Committee - 29/05/2018 - DELEGATION OF AUTHORITY TO CEO TO DISPOSE OF PROPERTY BY WAY OF LEASE FOR THE NEW GENERAL AVIATION PRECINCT AT BUSSELTON MARGARET RIVER AIRPORT



**CARRIED 9/0**

**EN BLOC**

## **ADOPTION BY EXCEPTION RESOLUTION**

### **12. REPORTS OF COMMITTEE MEETINGS**

#### **12.1 Finance Committee - 17/05/2018 - FINANCIAL ACTIVITY STATEMENTS - PERIOD ENDING 30 APRIL 2018**

|                             |  |
|-----------------------------|--|
| <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>       | Financial Services   |
| <b>REPORTING OFFICER:</b>   | Manager Financial Services - Kim Dolzadelli  |
| <b>AUTHORISING OFFICER:</b> | Director Finance and Corporate Services - Tony Nottle  |
| <b>VOTING REQUIREMENT:</b>  | Simple Majority  |
| <b>ATTACHMENTS:</b>         | Attachment A Statement of Financial Activity - Period Ending 30 April 2018  |
|                             | Attachment B Investment Report - Period Ending 30 April 2018              |

**This item was considered by the Finance Committee at its meeting on 17 May 2018, 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 April 2018.

### **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 26 July 2017, the Council adopted (C1707/163) the following material variance reporting threshold for the 2017/18 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 2017/18 financial year as follows:*

- *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; and*
- *Reporting of variances only applies for amounts greater than \$25,000.”*

## **STATUTORY ENVIRONMENT**

Section 6.4 of the 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 of the Strategic Community Plan 2017 and more specifically Community Objective 6.1 - ‘Governance systems, process and practices are responsible, ethical and transparent’.

## **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 here to:

- 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 April 2018

The Statement of Financial Activity for the period ending 30 April 2018 shows a better than expected Net Current Position "Surplus" of \$14.24M being \$27.75M more than Year to Date Budget.

The following summarises the major variances in accordance with *Council's adopted material variance reporting threshold* that collectively make up the above difference:

|  | 2017/2018<br>Actual | 2017/2018<br>Amended<br>Budget YTD | 2017/2018<br>Amended<br>Budget | 2017/18<br>YTD Bud<br>Variance | 2017/18<br>YTD Bud<br>Variance |
|--|---------------------|------------------------------------|--------------------------------|--------------------------------|--------------------------------|
| <b>Revenue from Ordinary Activities</b>                  | <b>64,610,237</b>   | <b>63,202,572</b>                  | <b>66,421,049</b>              | <b>2.23%</b>                   | 1,407,665                      |
| <b>Expenses from Ordinary Activities</b>                 | <b>(54,745,726)</b> | <b>(57,365,943)</b>                | <b>(68,674,825)</b>            | <b>4.57%</b>                   | 2,620,217                      |
|  |                     |                                    |                                |                                |                                |
| <b>Non-Operating Grants, Subsidies and Contributions</b> | 12,868,526          | 21,488,948                         | 43,655,339                     | -40.12%                        | (8,620,422)                    |
| <b>Profit on Asset Disposals</b>                         | 48,793              | 16,100                             | 22,400                         | 203.06%                        | 32,693                         |
| <b>Loss on Asset Disposals</b>                           | (640,882)           | (5,250)                            | (6,252)                        | 12107.28%                      | (635,632)                      |
| <b>Capital Revenue &amp; (Expenditure)</b>               |                     |                                    |                                |                                |                                |
| Land & Buildings   | (3,781,813)         | (14,675,002)                       | (16,636,693)                   | 74.23%                         | 10,893,189                     |
| Plant & Equipment  | (1,486,504)         | (4,102,820)                        | (4,279,400)                    | 63.77%                         | 2,616,316                      |
| Furniture & Equipment                                    | (441,989)           | (763,581)                          | (830,212)                      | 42.12%                         | 321,592                        |
| Infrastructure   | (34,306,344)        | (48,316,044)                       | (60,684,321)                   | 29.00%                         | 14,009,700                     |
| Proceeds from Sale of Assets                             | 297,911             | 612,850                            | 635,150                        | -51.39%                        | (314,939)                      |
| Proceeds from New Loans                                  | 6,960,000           | 10,110,000                         | 10,110,000                     | -31.16%                        | (3,150,000)                    |
| Advances to Community Groups                             | (110,000)           | (260,000)                          | (260,000)                      | 57.69%                         | 150,000                        |
| Transfer to Restricted Assets                            | (2,393,927)         | (513,501)                          | (625,751)                      | -366.20%                       | (1,880,426)                    |
| Transfer from Restricted Assets                          | 17,701,712          | 15,354,556                         | 27,808,739                     | 15.29%                         | 2,347,156                      |
| Transfer to Reserves                                     | (10,598,281)        | (13,372,783)                       | (16,285,572)                   | 20.75%                         | 2,774,502                      |
| Transfer from Reserves                                   | 4,185,307           | 1,146,659                          | 19,921,964                     | 265.00%                        | 3,038,648                      |

**Operating Revenue:**

Revenue from ordinary activities is \$1.4M more than expected when compared to Year to Date (YTD) Budget with the following items meeting the material variance reporting threshold set by Council for the 2017/2018 Financial Year.

|   | 2017/2018<br>Actual | 2017/2018<br>Amended<br>Budget<br>YTD | 2017/2018<br>Amended<br>Budget | 2017/18<br>YTD Bud<br>Variance | 2017/18<br>YTD Bud<br>Variance |
|---|---------------------|---------------------------------------|--------------------------------|--------------------------------|--------------------------------|
|   | \$                  | \$                                    | \$                             | %                              | \$                             |
| <b>Revenue from Ordinary Activities</b>       |                     |                                       |                                |                                |                                |
| Operating Grants, Subsidies and Contributions | 2,967,528           | 2,436,807                             | 3,637,258                      | 21.78%                         | 530,721                        |
| Other Revenue                                 | 449,274             | 328,755                               | 426,167                        | 36.66%                         | 120,519                        |
| Interest Earnings                             | 2,134,655           | 1,885,830                             | 2,262,996                      | 13.19%                         | 248,825                        |

The items predominately impacting the above “Operating Grants, Subsidies and Contributions” are Busselton Jetty contributions of \$383K which is offset with YTD Actual spend on Contractors, Financial Services Insurance Recovered \$50K which is offset by insurance claim expenses, Environmental Management Operating Grants and Subsidies \$51k which is offset by increased project expenditure and Airport Operation Operating Grant for the Airline Engagement Project of \$57K which is offset with project expenditure.

The item predominately impacting the above “Other Revenue” performance is Sale of Scrap Materials \$104K.

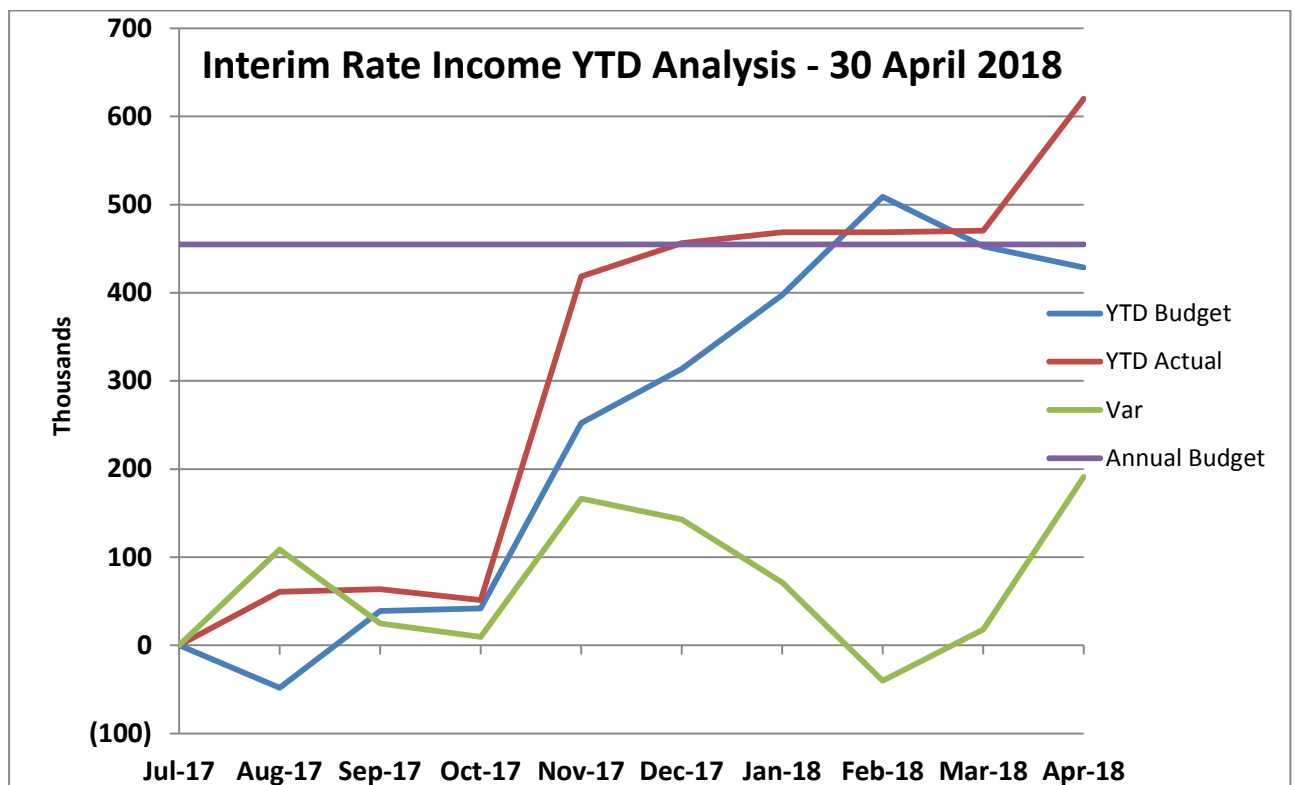
Interest earnings on Reserves and Restricted funds are currently ahead of YTD Budget in the amount of \$305k with \$101k in Rate Instalment and Late Payment interest currently ahead of YTD Budget. Rate Instalment interest is a timing difference only and it is also expected that Interest earnings on Reserves and Restricted funds will reduce in the coming months as funds are further drawn down to finance Capital projects contained within the City’s 2017/2018 Budget.

Interest on Municipal Funds are behind YTD Budget by the amount of \$158k and it is expected that this variation will become a permanent variation; this will however be offset with other positive Revenue outcomes.

The Officer notes that the above positive performance of “Operating Grants and Subsidies”, “Other Revenue” and “Interest Earnings” is added to by a positive collective performance of \$507K for Rates, and Fees and Charges; these items fall below the Material Variance reporting thresholds. These variations are considered to be that of a timing difference with the exception of Rate Revenue (\$202K) which is expected to be a permanent variation.

**Interim Rates:**

Officers continue to monitor Interim Rating Income levels and present the following information noting that the YTD Budget has already been achieved;



**Operating Expenditure:**

Expenditure from ordinary activities, excluding depreciation, is \$2.26M less than expected when compared to YTD Budget with the following items meeting the material variance reporting threshold set by Council for the 2017/2018 Financial Year.

|  | 2017/2018 Actual | 2017/2018 Amended Budget YTD | 2017/2018 Amended Budget | 2017/18 YTD Bud Variance | 2017/18 YTD Bud Variance |
|--|------------------|------------------------------|--------------------------|--------------------------|--------------------------|
|  | \$               | \$                           | \$                       | %                        | \$                       |
| <b>Expenses from Ordinary Activities</b> |                  |                              |                          |                          |                          |
| Materials & Contracts                    | (11,921,643)     | (13,964,471)                 | (16,914,999)             | 14.63%                   | 2,042,828                |
| Allocations                              | 1,398,541        | 1,595,436                    | 1,996,270                | 12.34%                   | (196,895)                |

**Materials and Contracts:**

The main items affected are listed below, at this stage these variances are considered to be that of a timing nature:

| Cost Code                                | Cost Code Description / GL Activity             | Variance YTD   |
|--|---|----------------|
| <b>Finance and Corporate Services</b>    |   |                |
| 10100                                    | Finance & Corporate Services Support            | ● 25,751       |
| 10250                                    | Information & Communication Technology Services | ● 116,660      |
| 10251                                    | Business Systems                                | ● 172,027      |
| 10500                                    | Legal and Compliance Services                   | ● 31,515       |
| 10521                                    | Human Resources & Payroll                       | ● 24,717       |
| <b>Community and Commercial Services</b> |   |                |
| 10591                                    | Geographe Leisure Centre                        | ● 74,461       |
| 10600                                    | Busselton Jetty Tourist Park                    | ● 67,358       |
| 10635                                    | Regional Centres Program                        | ● 100,000      |
| 10900                                    | Cultural Planning                               | ● 53,787       |
| 11151                                    | Airport Operations                              | ● (58,974)     |
| <b>Planning and Development Services</b> |   |                |
| 10500                                    | Legal and Compliance Services                   | ● 31,515       |
| 10820                                    | Strategic Planning                              | ● 151,512      |
| 10830                                    | Environmental Management Administration         | ● 82,286       |
| 10850                                    | Implement Management Plans Other                | ● 54,035       |
| 11170                                    | Meelup Regional Park                            | ● 81,515       |
| <b>Engineering and Works Services</b>    |   |                |
| 11101                                    | Engineering Services Administration             | ● 112,467      |
| 11106                                    | Street Lighting Installations                   | ● 79,096       |
| 11108                                    | Rural Intersection (Lighting) Compliance        | ● 37,500       |
| 11160                                    | Busselton Jetty                                 | ● 451,887      |
| 12620                                    | Rural-Tree Pruning                              | ● 27,489       |
| Various                                  | Bridge Maintenance                              | ● 60,506       |
| Various                                  | Building Maintenance                            | ● 191,496      |
| C8500                                    | Cycleways Maintenance Busselton                 | ● (28,404)     |
| Various                                  | Waste Operations                                | ● 416,807      |
| Various                                  | Road Maintenance                                | ● (244,863) ** |
| Various                                  | Reserve Maintenance                             | ● (374,466) ** |
| 5280                                     | Transport - Fleet Management                    | ● 106,026      |

**Note:** \*\* These items are offset by savings in employee costs.

#### **Allocations:**

Allocations are running \$197k under YTD Budget; these items are an internal allocation of administrative costs from the Finance and Corporate Services division.

The Officer further notes that the above combined performance of "Materials and Contracts" and "Allocations" is added to by a positive collective performance of \$1.13M for Employee Costs, Utilities, Insurances and Other Expenditure.

#### **Non-Operating Grants, Subsidies and Contributions:**

Non-Operating Grants, Subsidies and Contributions are less than YTD Budget by \$8.62M with the main item impacting on the above result is the timing of the receipt of "Airport Development - Project Grant" with a current negative result of \$8.38M; this is a timing difference in nature and effectively Municipal Funds are currently being utilised to offset the level of current expenditure for this project.

Other items impacting Non-Operating Grants, Subsidies and Contributions are as follows:

| Cost Code                                       | Cost Code Description                                    | Variance YTD  |
|---|--|---------------|
| <b><u>Finance and Corporate Services</u></b>    |  |               |
| 10239   | Contributions (Revenue) Prog 11                          | ● (124,042)   |
| 10240   | Contributions (Revenue) Prog 12                          | ● 45,392      |
| <b><u>Community and Commercial Services</u></b> |  |               |
| 10900   | Cultural Planning  | ● 32,246      |
| C6097   | Airport Construction Stage 1B, Jet Fuel                  | ● (220,830)   |
| C6099   | Airport Development - Project Expenses                   | ● (8,376,293) |
| <b><u>Planning and Development Services</u></b> |  |               |
| B1023   | Vasse Bushfire Brigade                                   | ● 503,968     |
| B1029   | Busselton Branch SES                                     | ● 49,194      |
| <b><u>Engineering and Works Services</u></b>    |  |               |
| B9517   | GLC - Pool Relining                                      | ● 32,000      |
| B9999   | Donated Buildings  | ● 180,000     |
| C1513   | Port Geographe Boat Trailer Parking Layout Redevelopment | ● (85,875)    |
| C2512   | Sand Re-Nourishment                                      | ● (45,830)    |
| F1019   | Busselton Bypass - Country Road Footpath                 | ● (42,388)    |
| F1020   | College Avenue Shared Path                               | ● (114,000)   |
| S0049   | Layman Road  | ● (83,330)    |
| S0064   | Peel Terrace   | ● (336,670)   |
| S0066   | Queen Street   | ● (73,330)    |
| S0068   | Georgiana Molloy Bus Bay Facilities                      | ● (120,000)   |
| T0079   | Patton Terrace - Asphalt Overlay                         | ● (57,519)    |
| T0080   | Craig Street - Asphalt Overlay                           | ● 73,330      |
| T0084   | Yelverton Road- Rural reconstruction & widening          | ● 98,274      |

### **Capital Expenditure**

As at 30 April 2018, there is a variance of -41.03% or -\$27.48M in total capital expenditure with YTD Actual at -\$40.01M against a YTD Budget of -\$67.86M; with the table below showing those categories exceeding the 10% material variance threshold. The Airport Development makes up for \$12.24M or 44% of the overall variance which also assists in explaining the above current YTD shortfall in Non-Operating Grants.

Other items impacting Capital Expenditure are as follows:

|       | Description                                       | 2017/18<br>Budget YTD<br>Variance |
|-------|---|-----------------------------------|
|       | <b>Land</b>                                       |                                   |
| 10610 | Property Services Administration                  | ● (50,000)                        |
| 10970 | Parking Control                                   | ● (1,525,000)                     |
| 11156 | Airport Development                               | ● 38,114                          |
| R0780 | Dunsborough - Commonage Road Oval                 | ● (1,600,000)                     |
|       |   |                                   |
|       | <b>Major Project - Administration Building</b>    |                                   |
| B9010 | Civic and Administration Centre Construction      | ● (78,174)                        |
|       |   |                                   |
|       | <b>Buildings (Other)</b>                          |                                   |
| B9112 | Ambergate Bushfire Brigade Shed                   | ● (102,610)                       |
| B9517 | GLC - Pool Relining                               | ● (254,739)                       |
| B9528 | GLC - Plant Room                                  | ● (92,513)                        |
| B9591 | Performing Arts Convention Centre                 | ● (75,000)                        |
| B9716 | Airport Terminal Stage 2                          | ● (7,050,501)                     |
| B9804 | Bsn Jetty Tourist Park Home                       | ● (111,036)                       |
|       |   |                                   |
|       | <b>Plant &amp; Equipment</b>                      |                                   |
| 10100 | Finance & Corporate Services Support              | ● 49,161                          |
| 10502 | Community & Commercial Services Support           | ● (50,000)                        |
| 10591 | Geographe Leisure Centre                          | ● 36,308                          |
| 11401 | Transport - Workshop                              | ● (43,278)                        |
| 11402 | Plant Purchases (P10)                             | ● (1,364,944)                     |
| 11403 | Plant Purchases (P11)                             | ● (42,997)                        |
| 11404 | Plant Purchases (P12)                             | ● (1,181,497)                     |
|       |   |                                   |
|       | <b>Furniture &amp; Office Equipment</b>           |                                   |
| 10251 | Business Systems                                  | ● (114,151)                       |
| B1000 | Administration Building- 2-16 Southern Drive      | ● (83,250)                        |
| B1361 | YCAB (Youth Precinct Foreshore)                   | ● (35,091)                        |
|       |   |                                   |
|       | <b>Major Project - Busselton Foreshore</b>        |                                   |
| C3094 | Busselton Foreshore - Stage 3                     | ● 263,875                         |
| C3113 | Busselton Tennis Club - Infrastructure            | ● (1,783,552)                     |
| C3150 | Busselton Foreshore Stage 3: Toddler's Playground | ● (101,681)                       |
| C3168 | Busselton Foreshore Jetty Precinct                | ● (748,164)                       |
| C3173 | Barnard Park Pavillion Landscaping                | ● 60,235                          |
|       |   |                                   |
|       | <b>Major Project - Administration Building</b>    |                                   |
| C0043 | Administration Building Carpark                   | ● (100,995)                       |

|       | Description  | 2017/18<br>Budget YTD<br>Variance |
|-------|--|-----------------------------------|
|       | <b>Footpaths Construction</b>                                |                                   |
| F0063 | Yallingup Footpath   |                                   |
| F0066 | Bussell Highway Footpath Sections                            | ● (324,850)                       |
| F0074 | Milward Street – Ford Road to Cookworthy Street              | ● (45,280)                        |
| F0075 | Armitage Drive Footpath - Navigation Way to Avocet Boulevard | ● (37,261)                        |
|       |  |                                   |
|       |  |                                   |
|       | <b>Drainage Construction - Street</b>                        |                                   |
| D0017 | Chain Avenue - Drainage Works                                | ● (44,902)                        |
| D0019 | Johnston Avenue Drainage Upgrade - Stage 2                   | ● (83,621)                        |
|       |  |                                   |
|       | <b>Car Parking Construction</b>                              |                                   |
| C0044 | Meelup Coastal Nodes - Carpark upgrade                       | ● (58,899)                        |
|       |  |                                   |
|       | <b>Bridges Construction</b>                                  |                                   |
| A0010 | Queen Street Bridge 0240A                                    | ● 48,000                          |
|       |  |                                   |
|       | <b>Cycleways Construction</b>                                |                                   |
| F1019 | Busselton Bypass - Country Road Footpath                     | ● (155,133)                       |
| F1020 | College Avenue Shared Path                                   | ● (132,883)                       |
|       |  |                                   |
|       | <b>Townscape Construction</b>                                |                                   |
| C1001 | Queen Street Upgrade - Duchess to Kent Street                | ● (101,780)                       |
| C1024 | Dunsborough Road Access Improvements Stage 1                 | ● (480,109)                       |
|       |  |                                   |
|       | <b>Boat Ramps Construction</b>                               |                                   |
| C1513 | Port Geographe Boat Trailer Parking Layout Redevelopment     | ● (92,204)                        |

|       | Description  | 2017/18<br>Budget YTD<br>Variance |
|-------|--|-----------------------------------|
|       | <b>Parks, Gardens &amp; Reserves</b>                         |                                   |
| C3122 | Rails to Trails  | ● (99,235)                        |
| C3134 | Vasse Community & Recreation Precinct - AFL Oval Stage 1     | ● (37,619)                        |
| C3145 | Churchill Park   | ● (57,958)                        |
| C3146 | Dunsborough Town Centre                                      | ● (73,977)                        |
| C3154 | Administration Building Landscaping Works                    | ● 191,193                         |
| C3157 | Port Geographe - Layman Road Native Tree Planting            | ● (29,070)                        |
| C3159 | Port Geographe - Burgee Cove (Western Side of Bridge)        | ● (78,803)                        |
| C3160 | Port Geographe - Reticulated POS at Layman Rd R/About        | ● (207,603)                       |
| C3163 | Port Geographe - Outstanding Minor Repairs                   | ● (25,100)                        |
| C3164 | Port Geographe - Reticulation Upgrade Scheme to Bore Water   | ● (279,450)                       |
| C3165 | Foreshore - Irrigation Renewal                               | ● (50,148)                        |
| C3166 | Vasse River Foreshore - Bridge to Bridge project Stage 1     | ● (60,193)                        |
| C3167 | Advanced Bore Monitoring Equipment                           | ● (83,330)                        |
|       |  |                                   |
|       | <b>Sanitation Infrastructure</b>                             |                                   |
| C3479 | New Cell Development   | ● (487,424)                       |
| C3481 | Transfer Station Development                                 | ● (26,967)                        |
| C3485 | Site Rehabilitation - Busselton                              | ● (603,964)                       |
|       |  |                                   |
|       | <b>Airport Development</b>                                   |                                   |
| C6087 | Airport Construction Stage 2, Landside Civils & Services Inf | ● (4,054,804)                     |
| C6091 | Airport Construction Stage 2, Noise Management Plan          | ● (303,729)                       |
| C6092 | Airport Construction Stage 2, Airfield                       | ● 1,689,676                       |
| C6095 | Airport Construction Stage 2, External Services              | ● (1,758,562)                     |
| C6097 | Airport Construction Stage 1B, Jet Fuel                      | ● (512,500)                       |
| C6099 | Airport Development - Project Expenses                       | ● (284,729)                       |
|       |  |                                   |
|       | <b>Main Roads</b>  |                                   |
| S0035 | Strelly Street   | ● (82,944)                        |
| S0064 | Peel Terrace   | ● (802,914)                       |
| S0066 | Queen Street   | ● (165,012)                       |
| S0067 | Layman Road - Reconstruction Between 3250 and 6190           | ● (162,474)                       |
| S0068 | Georgiana Molloy Bus Bay Facilities                          | ● (198,510)                       |
| S0314 | Koorabin Drive - Reseal                                      | ● (150,255)                       |
|       |  |                                   |
|       | <b>Roads to Recovery</b>                                     |                                   |
| T0079 | Patton Terrace - Asphalt Overlay                             | ● (63,025)                        |
| T0080 | Craig Street - Asphalt Overlay                               | ● 68,662                          |
| T0084 | Yelverton Road- Rural reconstruction & widening              | ● 48,764                          |



|       | Description  | 2017/18<br>Budget YTD<br>Variance |
|-------|--|-----------------------------------|
|       | <b>Black Spot</b>                                  |                                   |
| V0002 | Busselton/Dunsborough Traffic Implementation Works | ● (490,000)                       |
|       |  |                                   |
|       | <b>Council Roads Initiative</b>                    |                                   |
| W0019 | Marine Terrace                                     | ● (264,416)                       |
| W0108 | Yelverton Road                                     | ● (250,323)                       |
| W0137 | Edwards Road                                       | ● (127,278)                       |
| W0176 | Signage (Alternate CBD Entry)                      | ● (47,605)                        |
| W0192 | Valley Road  | ● (39,030)                        |
| W0204 | Greenfield Road (Loop) - One way layout            | ● (45,578)                        |

The attachments to this report include detailed listings of the following capital expenditure (project) items, to assist in reviewing specific variances.

### **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<sup>th</sup> April 2018, the value of the City's invested funds totalled \$77.64M, down from \$79.87M as at 31<sup>st</sup> March. The decrease is attributed to the use of funds on the Airport Redevelopment Project and for general operating purposes.

During the month of April five term deposits held with three different institutions totalling \$16.0M matured. All were renewed for a further 109 days at 2.50% (on average).

Additionally two deposit held with two institutions totalling \$7.0M in Airport Redevelopment Funds matured. Funds totalling \$4.5M were withdrawn and amount of \$2.5M was reinvested for a period of 61 days at a rate of 2.1%. An amount of \$1.0M was repurposed in a funding source exchange necessitated by Investment Policy 218 exposure limit restrictions. The Funds withdrawn are required to meet ongoing Airport project expenses. The remaining funds were only reinvested for a short period as they are likely needed in a time frame shorter than the normal reinvestment period.

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 \$2.25M with the funds being required for operational purposes. The balance of the Airport Development ANZ cash account increased by \$4.51M, as funds were transferred in from the closed fixed term deposits. The RBA left official rates on hold during April and May. Future movements remain uncertain at this point, although the next movement is likely to be up.

**Chief Executive Officer – Corporate Credit Card**

Details of monthly (March-April) 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>                        |
|-------------|---------------|--------------------|---|
| 26-Mar-18   | \$161.60      | Citadines          | Mayor Accommodation Heritage Awards       |
| 09-Apr-18   | \$413.00      | The Manna Hahndorf | Accommodation LGCOG EAA Meeting C Lombard |

*\*Funds debited against CEO Annual Professional Development Allowance as per employment Contract Agreement*

*+ Allocated against CEO Hospitality Expenses Allowance*

**CONCLUSION**

As at 30 April 2018, the City's financial performance is considered satisfactory.

**COUNCIL DECISION/COMMITTEE RECOMMENDATION AND OFFICER RECOMMENDATION****C1806/109**

Moved Councillor J McCallum, seconded Councillor P Carter

That the Council receives the statutory financial activity statement reports for the period ending 30 April 2018, pursuant to Regulation 34(4) of the Local Government (Financial Management) Regulations.

**CARRIED 9/0****EN BLOC**

12.3 Finance Committee - 17/05/2018 - APPLICATION FOR EXEMPTION FROM RATING - LAMP INCORPORATED

|                             |   |
|-----------------------------|---|
| <b>SUBJECT INDEX:</b>       | Exemptions and Appeals (Rates)  |
| <b>STRATEGIC OBJECTIVE:</b> | Governance systems, process and practices are responsible, ethical and transparent. |
| <b>BUSINESS UNIT:</b>       | Financial Services  |
| <b>ACTIVITY UNIT:</b>       | Rates   |
| <b>REPORTING OFFICER:</b>   | Rates Coordinator - David Whitfield   |
| <b>AUTHORISING OFFICER:</b> | Director Finance and Corporate Services - Tony Nottle                               |
| <b>VOTING REQUIREMENT:</b>  | Simple Majority   |
| <b>ATTACHMENTS:</b>         | Nil   |

**This item was considered by the Finance Committee at its meeting on 17 May 2018, the recommendations from which have been included in this report.**

### **PRÉCIS**

An application for an exemption from rating has been received from Lamp Incorporated. On the basis of the application this report recommends that the request for exemption be granted.

### **BACKGROUND**

The Lamp Incorporated organisation is a not for profit/charitable group using their leased premises at 226 Bussell Highway West Busselton for the purposes of delivering psychological group support, one on one counselling, youth outreach and in-home services for people suffering from mental health issues.

The Annual Information Statement 2017 as lodged with the Australian Charities and Not for Profits Commission (ACNC) details the organisations activities and outcomes as:

“A community support service for people with Mental Health issues, their families and carers. Lamp activities cover a diverse range of community settings including supporting people with severe and persistent mental illness to live independently, to live in their homes, provide education, training and advocacy for carers and families, work with youth in crisis, self-harm and suicide prevention, homelessness, indigenous and family mental health support, work with school and juvenile justice systems providing early intervention for young people at risk. Lamp works with an individualised recovery model and the supports services it offers allows people with mental illness to optimise their lifestyle choices and become active and welcome members of communities.”

Documentation provided as part of the application includes:

- Application for Rate Exemption (Standard Application Form)
- Constitution and Rules for Lamp Inc
- Australian Charities and Not for Profits Commission (ACNC) Registration Summary
- ACNC Annual Information Statement 2017
- Australian Tax Office Notice of Endorsement for Charity Tax Concessions
- Lamp Inc Financial Report Year Ending 30 June 2017

Principal funding is provided by grants through such organisations as:

- Disability Services Commission
- Department of Child Protection

- Mental Health Commission
- Department of Health D2D Living Community Program
- Department of Social Services

## **STATUTORY ENVIRONMENT**

Section 6.26 of the Local Government Act 1995 provides broad definitions for rateable and non-rateable land. Moreover, Section 6.26 (2) (g) states that land is not rateable if it is “used exclusively for charitable purposes”.

## **RELEVANT PLANS AND POLICIES**

NA.

## **FINANCIAL IMPLICATIONS**

The rates levied for 226 Bussell Hwy, West Busselton, totalled \$3,572 for the 2017/18 financial year. Approving the application for rate exemption from the date of application (28<sup>th</sup> March 2018) would equate to a reduction of approximately \$900 for 2017/2018 period, and the loss of the full years equivalent in future years.

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

As per the above, noting the amount to be forgone, this will not have a significant implication on the City's Long Term Financial Plan.

## **STRATEGIC COMMUNITY OBJECTIVES**

This matter principally aligns with Key Goal Area 6 of the Strategic Community Plan 2017 and more specifically Community Objective 6.1 - ‘Governance systems, process and practices are responsible, ethical and transparent’. Ensure the City's long term financial planning delivers the community goals and aspirations in a sustainable and affordable manner.

## **RISK ASSESSMENT**

There are no risks identified of a medium or greater level associated with the Officers recommendation. If Council chose to not approve the application for rate exemption there is a risk that it may be required to defend its decision if the matter were to be appealed by the applicant to the State Administrative Tribunal and, potentially as a result, incurring legal costs.

## **CONSULTATION**

NA.

## **OFFICER COMMENT**

In accordance with Section 6.26 (2) (g) of the Local Government Act, which states that land is not rateable if it is land used exclusively for charitable purposes, the application need only be considered in two parts – these being firstly; is the use itself “charitable”?, and secondly if the use is considered to indeed be charitable then; is the property being used exclusively for such use?

In considering the first part i.e. is the operations of Lamp Incorporated considered to be a charitable use, legal opinions have been consistent in defining a charitable purpose; as follows:

“The expression “charitable purposes” may be satisfied if the land is exclusively for one of the following purposes:

1. The relief of poverty;
2. The advancement of education;
3. The advancement of religion; and
4. Other purposes beneficial to the community.”

The services provided by Lamp Incorporated are, apart from a small once off membership fee of \$60.00 for insurance purposes, provided free of charge and the provision of those services to those suffering from mental health issues within the community would meet the requirements of the legal definition #4 “other purposes beneficial to the community”.

In considering the second part i.e. ‘is the property being exclusively used for a charitable purpose’ then firstly, it is recognised that the property is being leased by Lamp Incorporated from the Department of Housing. This is a common situation for a number of charitable organisations both here in the City of Busselton and with other local governments in WA. Legal advice has previously confirmed that this does not jeopardise the application with respect to exemption from rating.

Further, at this point attention is drawn to the findings of a 2002 Land Valuation Tribunal hearing (Southern Cross Aged Care Inc v The City of Fremantle) in which the following was stated:

“11. The statutory provision (Section 6.26 (2) (g) - Local Government Act 1995) does not make it necessary to decide by whom the use of the land is made. The question is for what purpose is the land used.

12. Accordingly the correct approach when determining exemption applications is to focus upon the actual use of the land. In other words whether a use is charitable will depend on essentially upon the nature of the activities that are being conducted upon the land in question.”

The property has been inspected and together with the application documentation is confirmed as being solely being used by Lamp Incorporated for purposes related to providing services for mental health. In this light the property is being used exclusively for a charitable purpose.

In terms of the current usage of the property there are no known compliance issues.

Should this application for exemption from rating be successful, the applicant will subsequently be advised that if the usage of the property should alter such that the requirements for eligibility for rate exemption are no longer met, then the rate exemption will be cancelled and rates and charges will become applicable from the date of such change.

## **CONCLUSION**

The details provided by Lamp Incorporated, including application documentation and an onsite inspection, together with reference to previous legal advice and similar rate exemption applications to Council, it is considered that the use of the property located at 226 Bussell Highway West Busselton by Lamp Incorporated is an exclusive charitable use.

**OPTIONS**

The Council may decline the application for rate exemption on the basis that it considers that Lamp Incorporated is not providing a charitable purpose to the community or that such charitable use is not considered an exclusive use of the property.

Should the application be declined for either of the above reasons Lamp Incorporated has the option to appeal the matter via the State Administrative Tribunal. This action result will require Council to defend its position and may incur further legal costs as a result.

**TIMELINE FOR IMPLEMENTATION OF OFFICER RECOMMENDATION**

The proposed effective date for the commencement of the exemption from rating, if approved, would be the lodgement date of the application, being 28<sup>th</sup> March 2018.



**COUNCIL DECISION/COMMITTEE RECOMMENDATION AND OFFICER RECOMMENDATION****C1806/110**

Moved Councillor J McCallum, seconded Councillor P Carter

That the Council in accordance with Section 6.26 (2)(g) of the Local Government Act 1995 declare 226 Bussell Hwy, West Busselton, as leased by the Lamp Incorporation be declared exempt from rating on the basis that the property is used exclusively for a charitable purpose, with the effective date being the date of application, namely, 28<sup>th</sup> March 2018.

**CARRIED 9/0****EN BLOC**

12.6 Policy and Legislation Committee - 29/05/2018 - RESCISSION OF STRATEGIC PLANNING POLICY

|                             |  |
|-----------------------------|--|
| <b>SUBJECT INDEX:</b>       | Strategic Planning   |
| <b>STRATEGIC OBJECTIVE:</b> | Governance systems, process and practices are responsible, ethical and transparent.  |
| <b>BUSINESS UNIT:</b>       | Corporate Services   |
| <b>ACTIVITY UNIT:</b>       | Governance Services  |
| <b>REPORTING OFFICER:</b>   | Manager Governance and Corporate Services - Sarah Pierson  |
| <b>AUTHORISING OFFICER:</b> | Director Finance and Corporate Services - Tony Nottle  |
| <b>VOTING REQUIREMENT:</b>  | Simple Majority  |
| <b>ATTACHMENTS:</b>         | Attachment A Council Policy 242 Strategic Planning <br>Attachment B Advisory Standard  |

**This item was considered by the Policy and Legislation Committee at its meeting on 29 May 2018, the recommendations from which have been included in this report.**

### PRÉCIS

The purpose of this report is to recommend rescission of Council Policy 242 Strategic Planning (Attachment A), which outlines Council's approach to planning for the future, as required by the Local Government Act 1995.

In 2012 the Department of Local Government, Sport and Cultural Industries (then the Department of Local Government) introduced regulations, contained within the Local Government (Administration) Regulations 1996 which established more detailed and prescriptive requirements in relation to planning for the future. The Council has established strategic planning processes which meet these requirements minimum requirements and it is therefore not considered necessary for Council to maintain a separate policy in relation to Strategic Planning.

### BACKGROUND

The current Strategic Planning policy (the Policy) was adopted in June 2010. The Policy outlines the City's (then Shire's) commitment and approach to (integrated) strategic planning processes and development of a Strategic Plan, defined in the Policy as the "Plan for the future" required by the Local Government Act 1995 (the Act).

At that time, while there was the requirement to plan for the future under the Act, there were no regulations or other prescriptive / detailed guidance as to how that should be done. Hence Council developed a policy to guide its community planning.

On 26 August 2012 the Minister for the Department of Local Government, Sport and Cultural Industries (the DLG) (the then Department of Local Government) introduced regulations, contained within the Local Government (Administration) Regulations 1996 (the Regulations) to establish new requirements for planning for the future under the Act. Under these regulations, all local governments in Western Australia were required to develop and adopt (by absolute majority) two key documents (by 30 June 2013): a Strategic Community Plan (SCP) and a Corporate Business Plan (CBP). These documents are required to be supported and informed by resourcing and delivery strategies, namely Asset Management Plans (AMP), a Long Term Financial Plan (LTFP) and a Workforce Plan (WP). This framework is commonly referred to as the Integrated Planning and Reporting Framework (IPRF).

The DLG uses three standards for measuring a local government's performance, as set out in its Advisory Standard (Attachment B), level 1 – achieving standard, level 2 – intermediate standard and level 3 – advanced standard. The legislation requires that only level 1 standards are met, with intermediate and advanced standards demonstrating the higher levels to which local governments should aspire as they mature and improve their planning practices.

Perhaps pleasingly for the City at the time, the new IPRF reflected the same intent and many aspects of the planning regime adopted through the Strategic Planning Policy. The new regulations necessitated however the development of a new set of documents in order to meet all of the minimum regulatory requirements. As a result, officers focused their efforts on achieving and furthering the planning framework and have not until now reviewed in detail the Policy.

## **STATUTORY ENVIRONMENT**

In accordance with Section 2.7(2)(b) of the Local Government Act 1995 it is the role of the Council to determine the local government's policies. The Council does this on the recommendation of a Committee it has established in accordance with Section 5.8 of that Act.

Section 5.56 of the Local Government Act 1995 requires local governments to Plan for the Future, ensuring that plans made are in accordance with any regulations made about planning for the future of the district. Regulation 19C of the Local Government Administration Regulations 1996 requires the creation of a Strategic Community Plan in accordance with the following:

1. *A local government is to ensure that a strategic community plan is made for its district in accordance with this regulation in respect of each financial year after the financial year ending 30 June 2013.*
2. *A strategic community plan for a district is to cover the period specified in the plan, which is to be at least 10 financial years.*
3. *A strategic community plan for a district is to set out the vision, aspirations and objectives of the community in the district.*
4. *A local government is to review the current strategic community plan for its district at least once every 4 years.*
5. *In making or reviewing a strategic community plan, a local government is to have regard to —*
  - (a) *the capacity of its current resources and the anticipated capacity of its future resources; and*
  - (b) *strategic performance indicators and the ways of measuring its strategic performance by the application of those indicators; and*
  - (c) *demographic trends.*
6. *Subject to subregulation (9), a local government may modify its strategic community plan, including extending the period the plan is made in respect of.*
7. *A council is to consider a strategic community plan, or modifications of such a plan, submitted to it and is to determine\* whether or not to adopt the plan or the modifications.*

\*Absolute majority required.



8. *If a strategic community plan is, or modifications of a strategic community plan are, adopted by the council, the plan or modified plan applies to the district for the period specified in the plan.*
9. *A local government is to ensure that the electors and ratepayers of its district are consulted during the development of a strategic community plan and when preparing modifications of a strategic community plan.*
10. *A strategic community plan for a district is to contain a description of the involvement of the electors and ratepayers of the district in the development of the plan or the preparation of modifications of the plan.*

Regulation 19DA requires that a corporate plan is made for the district covering at least 4 years and setting out, consistent with any relevant priorities set out in the SCP for the district, a local government's priorities for dealing with the objectives and aspirations of the community in the district.

#### **RELEVANT PLANS AND POLICIES**

The City's current SCP, the Strategic Community Plan 2017, was adopted on 12 April 2017 (C1704/076). The CBP and informing documents, the AMP, the LTFP and the WP, are all current and reviewed regularly.

#### **FINANCIAL IMPLICATIONS**

The recommendation to rescind the policy has no financial implications.

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

Nil

#### **STRATEGIC COMMUNITY OBJECTIVES**

The Officers Recommendation will not impact adversely on the achievement of any of the community objectives contained within the Strategic Community Plan 2017 and will instead serve to meet the objectives of Key Goal Area 6, specifically community objective 6.1 - Governance systems, processes and practices are responsible, ethical and transparent, by streamlining the City's governance approach with respect to strategic planning.

#### **RISK ASSESSMENT**

Council's current strategic community planning practices have been established since 2012 and align to the requirements of the Act and the Regulations. Therefore there are no identified risks of a medium or greater level associated with the Officers Recommendation

#### **CONSULTATION**

Nil

#### **OFFICER COMMENT**

The Policy outlines the various plans considered part of the then integrated planning framework, and then describes in some detail about the process by which the overarching Strategic Plan will be developed and reviewed including the collection and review of data, the engagement with stakeholders, and the establishment of performance criteria and standards. It also outlines in detail the roles and responsibilities of elected members and of the senior management and other staff.

While the Policy was necessary at the time it was adopted, it has since been superseded by the introduction of more prescriptive regulations setting out the approach that all local governments must take to their planning for the future. Given the existence of fairly extensive Regulations and documentation such as the Advisory Standard and the Integrated Planning and Reporting Framework and Guidelines available from the DLG, it is not considered that maintaining a policy in relation to strategic community planning would add any significant value.

Further it is considered that the Policy is quite operational in its focus and, where aspects are considered to be usefully documented, they can be more appropriately done so through the development of an operational document. This is in line with the recommendations of the Governance System Review carried out by Mr John Woodhouse August – November 2017, as outlined below:

1. *There should be a review of the Council Policies with the intent that a Council Policy:*
  - a. *Should deal with higher level objectives and strategies;*
  - b. *Should not deal with operational matters, employee matters, or other matters which are the responsibility of the CEO; and*
  - c. *Should, where appropriate provide sufficient direction to the CEO to develop OPPs which deal with the implementation of the Council Policy or other detailed matters.*
2. *As part of that review, any existing Council Policy should be deleted where it could, more sensibly, be dealt with by an OPP adopted by the CEO*

For these reasons it is recommended that the Policy be rescinded and that Council rely on the provisions of the Act, the Regulations, the Advisory Standard and other DLG information to guide its approach to strategic (community) planning.

## **CONCLUSION**

It is recommended that the policy 242 Strategic Planning be rescinded, as the Regulations now prescribe the approach local governments must take to strategic community planning, the subject matter of the policy.

## **OPTIONS**

Council could instead require that the Strategic Planning Policy is reviewed and updated to reflect their commitment to the objectives of the Regulations.

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

The Policy will be rescinded immediately upon adoption of the Officers Recommendation.

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

**C1806/111**




Moved Councillor J McCallum, seconded Councillor P Carter

That the Council rescinds Council Policy 242 – Strategic Planning.

**CARRIED 9/0**

**EN BLOC**

12.7 Policy and Legislation Committee - 29/05/2018 - REVIEW OF CLOSED CIRCUIT TELEVISION (CCTV) POLICY 028

|                             |  |
|-----------------------------|--|
| <b>SUBJECT INDEX:</b>       | Policy Review  |
| <b>STRATEGIC OBJECTIVE:</b> | Assets are well maintained and responsibly managed.  |
| <b>BUSINESS UNIT:</b>       | Information Services   |
| <b>ACTIVITY UNIT:</b>       | Information Services   |
| <b>REPORTING OFFICER:</b>   | Manager, Information Services - Hendrik Boshoff  |
| <b>AUTHORISING OFFICER:</b> | Director Finance and Corporate Services - Tony Nottle  |
| <b>VOTING REQUIREMENT:</b>  | Simple Majority  |
| <b>ATTACHMENTS:</b>         | Attachment A Current Policy - Closed Circuit Television   |
|                             | Attachment B Proposed Policy - Closed Circuit Television  |
|                             | Attachment C MOU - Closed Circuit Television - WA Police  |

**This item was considered by the Policy and Legislation Committee at its meeting on 29 May 2018, the recommendations from which have been included in this report.**

### PRÉCIS

The purpose of this report is to present a revised Closed Circuit Television (CCTV) Policy (the Policy) in order to bring the current policy up to date with changes that have occurred in recent years. The Policy is also written in accordance with the new Policy Template.

### BACKGROUND

The Policy was first implemented on the 9 October 2013 and has not been reviewed since. The focus of the Policy at the time of implementation was the management of CCTV on and around the Busselton Jetty. Since then, the City has progressed with a number of major projects and other items which brought to bear a significant increase in the use of CCTV across the City. Current sites with some form of video surveillance installed include:

- Busselton Jetty;
- Youth and Community Activities building and Skate Park on Foreshore Parade;
- Civic and Administration Building and surrounds on Southern Drive;
- Margaret River Busselton Airport on Neville Hyder Drive;
- Busselton Library and surrounds at Camilleri Street;
- Naturaliste Community Centre in Dunsborough; and
- Busselton Waste Transfer Station on Rendezvous Road.

Included in these implementations was a direct link for the Busselton Police station into selected public open space cameras, which was well received and has been well used by the Busselton Police.

During 2015, the City entered into an agreement with the Western Australia (WA) Police in the form of a Memorandum of Understanding (MOU), for the sharing and management of CCTV Systems and resulting data. The MOU was jointly developed by the WA Local Government Association (WALGA) and the Minister of Police in accordance with the WA Police State CCTV Strategy. The MOU formed the base of cooperation during the implementation of the direct link into the Busselton Police station as noted above.

## STATUTORY ENVIRONMENT

In accordance with Section 2.7(2)(b) of the Local Government Act 1995 it is the role of the Council to determine the local government's policies. The Council does this on the recommendation of a Committee it has established in accordance with Section 5.8 of that Act.

Other legislation relevant to the management of CCTV Systems include:

- Surveillance Devices Act 1998;
- State Records Act 2000; and
- MoU – Between City of Busselton and WA Police for the State CCTV Strategy

## RELEVANT PLANS AND POLICIES

This report recommends the update of Policy 028 – Close Circuit Television. A copy of the current Policy is attached and revised Attachment B.

Also included please find a copy of the MOU (Attachment C) between the City of Busselton and the WA Police.

## FINANCIAL IMPLICATIONS

There are no financial implications in relation to this item.

### Long-term Financial Plan Implications

There are no Long Term Financial Plan (LTFP) implications in relation to this item.

## STRATEGIC COMMUNITY OBJECTIVES

This policy aligns with and supports the **Council's Key Goal Area 6 – 'Leadership'** and more specifically **Community Objective 6.3** 'Assets are well maintained and responsibly managed.'

## RISK ASSESSMENT

There are no risks associated with the Officer Recommendation identified as being of a medium or greater level.

## CONSULTATION

No external consultation is required in relation to this policy review. The City will ensure its CCTV Systems management and information release is consistent with the Policy and the MOU in place with the WA Police.

## OFFICER COMMENT

To date the main reasons for the installation of CCTV Systems included:

1. Increased asset protection;
2. Reduction of crime and anti-social behaviour; and
3. Improving public safety.

In particular the installation of the CCTV system at the Busselton Foreshore has resulted in a reduction of general vandalism, asset damage and anti-social behaviour in and around the Skate Park. Therefore it is anticipated the use of CCTV systems across other open public spaces will increase. The availability of new and more affordable technologies will also see a change in the diversity of video surveillance devices and systems. For example the City might elect to utilise a temporary deployment on a vehicle or similar to assist with managing large events like the annual school leavers etc.

With these predicted changes it is advantageous for the City to implement a more high level policy position as a guiding principle and enable the CEO to develop the necessary executive and operational practises to ensure the principles are sustained.

Thus the policy has been updated to include:

- The five surveillance categories which are governed by the Policy;
- That there exists a separate agreement in the form of a MOU between the City and the WA Police for the internal management of CCTV system and resulting evidence;
- That the City is not to release any recorded CCTV media, other than to the WA Police or where legally obligated to do so; and
- That the CEO is to ensure the City complies with statutory requirements as it relates to CCTV systems.

## **CONCLUSION**

Changing the Policy to include more high level principles will ensure the City can readily implement surveillance systems where the need arises. These might range from temporary, short term or long-term surveillance solutions as required by situations or opportunities.

## **OPTIONS**

The Council could choose not to endorse the new Policy, or make additional changes to the Policy.

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

The revised Policy would be effective immediately upon endorsement by Council.

## **OFFICER RECOMMENDATION**

That the Council endorse the revised Policy 028 – Closed Circuit Television as shown in Attachment B.

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

**C1806/112** Moved Councillor J McCallum, seconded Councillor P Carter



That the Council endorse the revised Policy 028 – Closed Circuit Television as shown in Attachment B subject to the following amendments:

- Item 3 Definitions: definitions for public area and MOU to be included  
Item 5.4 Policy Statement: “directed” is amended to “required”

**CARRIED 9/0**

**EN BLOC**

**12.8 Policy and Legislation Committee - 29/05/2018 - SALARY PACKAGING POLICY**

|                             |   |
|-----------------------------|---|
| <b>SUBJECT INDEX:</b>       | Remuneration and Benefits   |
| <b>STRATEGIC OBJECTIVE:</b> | Accountable leadership that is supported by a skilled and professional workforce.   |
| <b>BUSINESS UNIT:</b>       | Corporate Services  |
| <b>ACTIVITY UNIT:</b>       | Human Resources   |
| <b>REPORTING OFFICER:</b>   | Manager Governance and Corporate Services - Sarah Pierson   |
| <b>AUTHORISING OFFICER:</b> | Director Finance and Corporate Services - Tony Nottle   |
| <b>VOTING REQUIREMENT:</b>  | Simple Majority   |
| <b>ATTACHMENTS:</b>         | Attachment A Proposed Salary Packaging Policy <br>Attachment B Current Salary Packaging Policy  |

**This item was considered by the Policy and Legislation Committee at its meeting on 29 May 2018, the recommendations from which have been included in this report.**

**PRÉCIS**

This report presents a revised Salary Packaging Policy (Attachment A) for Council approval, with the policy having been amended to reflect the function and purpose of a Council Policy as recommended by the Governance System Review carried out by Mr John Woodhouse in 2017.

Salary packaging is considered an effective attraction and retention tool. Continuing to support the offering of these benefits will assist the City in meeting its Workforce Planning strategy of “Retaining our staff through attractive remuneration, benefits and innovative practices”.

**BACKGROUND**

In April 2012 Council endorsed (C1204/095) a new Salary Packaging Policy which allowed City employees to salary package a number of benefits in addition to those that were available at the time (Superannuation, City uniforms and recreational facility fees). These additional benefits were Remote Area Rent, Living Away From Home Allowance and Novated Leasing of Vehicles. The policy provided that an external provider specialised in packaging arrangements administer these benefits. To this end the City has been working with Pay Plan for approximately five (5) years.

As part of the 2013 Enterprise Agreement negotiations staff requested that the City further look into the possibility of providing additional benefits that would allow them to access greater tax savings through a legitimate avenue. In particular employees with mortgages were seeking the ability to access remote area housing assistance. As a result of this Officers identified a number of additional benefits that could be offered, namely:

- Airline Lounge Membership
- Remote Area Housing Mortgage Interest
- Remote Area Domestic Energy

In August 2014 Council endorsed a revised Salary Packaging policy which included the provision of these additional benefits (C1408/197).

In March 2017 Council endorsed (C1703/039) a further revision of the policy as part of its ongoing review of Council policies, with the policy simplified and more operational aspects moved into a new operational level practice and procedure (Attachment B).

The current policy is however still considered to be too operational in nature when considered against the recommendations of the Governance System Review conducted by Mr John Woodhouse in August – November 2017, namely:

1. *There should be a review of the Council Policies with the intent that a Council Policy:*
  - a. *Should deal with higher level objectives and strategies;*
  - b. *Should not deal with operational matters, employee matters, or other matters which are the responsibility of the CEO; and*
  - c. *Should, where appropriate provide sufficient direction to the CEO to develop OPPs which deal with the implementation of the Council Policy or other detailed matters.*
2. *As part of that review, any existing Council Policy should be deleted where it could, more sensibly, be dealt with by an OPP adopted by the CEO*

## **STATUTORY ENVIRONMENT**

In accordance with Section 2.7(2)(b) of the Local Government Act 1995 it is the role of the Council to determine the local government's policies. The Council does this on the recommendation of a Committee it has established in accordance with Section 5.8 of that Act.

Salary packaging is a complex area of remuneration management and the Council must comply with the requirements of the Australian Taxation Office ("ATO") and relevant State and Federal taxation legislation and regulations associated with FBT and salary packaging.

### **Remote Area Benefits**

The remote area benefits provided within the Policy are available to employees by virtue of a portion of the City of Busselton and surrounding localities being considered a 'remote area' by the ATO. Under the ATO's definition of 'remote area' a locality is considered remote if it is one of the following:

- At least 40 kms from an urban centre with a population of 14,000 or more
- At least 100 kms from an urban centre with a population of 130,000 or more

(Remote Area)

### **Fringe Benefits Tax**

Legally FBT is payable by the employer for any non-cash benefits provided to employees. There are however certain benefits which are classified as concessional or FBT exempt benefits. With the exception of novated lease motor vehicles, remote area housing for mortgages and remote area domestic energy, the benefits offered under the policy are FBT exempt. Remote area housing for mortgages and remote area domestic energy attract FBT on 50% of the value packaged. Any FBT costs and / or related costs associated with the benefits are borne by the employee and factored into the packaging arrangement.

Fringe benefits provided to staff (whether salary packaged or not) are, unless exempt, required to be reported on a staff member's **Payment Summary** where the aggregate taxable value exceeds \$2,000 per FBT year. Further it is the grossed-up value that is required to be shown on the Payment Summary. Whilst this amount will not be taxable income, it will be taken into account for the purposes of determining the application of certain surcharges, levies and Government entitlements, such as the additional Medicare levy and Family Tax Benefits. Employees are advised to seek their own financial advice prior to entering into any salary packaging arrangement.

## **Australian Taxation Office Requirements – Tax Compliance**

Employees cannot claim a tax deduction on packaged benefits and are required to observe all standards set by the ATO regarding salary packaging. The standards require complete proof of expenditure and adherence to the employees nominated flexible remuneration. Regular requests for proof of expenditure are undertaken by the City's external salary packaging provider. Failure to observe these standards can result in ATO penalties for the employee.

### **RELEVANT PLANS AND POLICIES**

The Salary Packaging Policy provides for improved employee benefits, and aids the City in achieving its Workforce Plan strategy of "Retaining our staff through attractive remuneration, benefits and innovative practices.

### **FINANCIAL IMPLICATIONS**

The revised policy has no additional financial implications. The cost of any associated fees and charges for each package arrangement (administrative or FBT) will continue to be borne by the employee.

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

Nil

### **STRATEGIC COMMUNITY OBJECTIVES**

The Officers recommendation aligns with and supports the Council's Strategic Community Plan 2017, specifically Key Goal 6– Leadership and Community Objective 6.3 – Accountable leadership that is supported by a skilled and professional workforce.

### **RISK ASSESSMENT**

The revised policy does not materially change the City's position or offering in relation to salary packaging, and hence poses no risk.

A risk assessment was previously undertaken to assess potential risks associated with offering salary packaging benefits to employees, with the overall risk being assessed as low. In introducing the current range of benefits the City sought and received Tax Rulings from the ATO on various aspects and liaised extensively with its tax advisers.

The City, through its external administrator Pay-Plan, conducts a thorough assessment of eligibility prior to packaging benefits, with employees having to provide documentary evidence related to the benefit being claimed, for instance rental agreements in relation to remote area rent and mortgage settlement documents and loan statements in relation to remote area mortgage interest.

A Salary Packaging Agreement is also entered into between the City, Pay-Plan and the employee which contains obligations for the employee to comply with all ATO and declaration requirements.

### **CONSULTATION**

Nil



**OFFICER COMMENT**

The revised policy presented does not materially change the City's position or offering in relation to salary packaging. The policy is simply being streamlined to align with the City's new Policy Framework and converted into the City's new policy template.

There are currently 29 employees who take advantage of the benefits offered through the policy. A brief overview of the salary packaging benefits available is provided below.

**Work Related Items**

The following items were used for work purposes only and not provided by the City:

- portable electronic devices (laptops, mobile phones and PDA's)
- protective clothing
- briefcase
- calculator
- computer software

**Airline Lounge Membership**

Airline lounge membership joining fees and airline membership annual renewal fees are "tax free" when provided to an employee as part of a salary packaging arrangement.

**Novated Leasing of Vehicles**

Novated car leases for new or used cars may be packaged by employees. The employee owns the vehicle and has the right to take the vehicle with them should they leave employment of the City, with full responsibility for the vehicle passed on to the employee.

**Remote Area Housing Rent***Rent - Employer Provided Housing*

Eligible employees may be provided with a Council owned or leased rental property within a Remote Area as part of their package, and the employee may apply to salary package 100% of the rental value tax free.

*Rent - Private Rentals*

Employees renting privately (i.e. employees who have a rental agreement with a landlord or agency), within a Remote Area can apply to salary package 50% of their rental value tax free.

**Remote Area Housing Mortgage Interest**

Subject to qualifying criteria, employees with a mortgage on their home which is in a Remote Area can apply to salary package their interest expenses on the mortgage. The home must be their usual place of residence.

**Remote Area Domestic Energy**

Subject to qualifying criteria, employees who package remote area housing benefits can apply to salary package 100% of the value of the cost of their residential electricity and gas expenses. 50% of the reimbursement does however attract FBT, which is payable by the employee.

**CONCLUSION**

It is recommended that Council continue to support salary packaging as a useful staff attraction and retention tool. In accordance with the recommendations of the Governance Systems Review, it is however recommended that the current policy be amended to reflect Council's support of salary packaging as opposed to outlining more operational aspects. A Staff Management Procedure is in place to ensure salary packaging is provided within appropriate operational parameters and in accordance with the parameters of the policy.

**OPTIONS**

The Council may not agree with the revisions to the policy and may seek for the policy to be re-endorsed in its current format.

**TIMELINE FOR IMPLEMENTATION OF OFFICER RECOMMENDATION**

The new policy will be effective as of its adoption by Council.

**OFFICER RECOMMENDATION**

That the Council adopts the Salary Packaging Policy as per Attachment A, to replace the current Salary Packaging Policy (Attachment B).

**COUNCIL DECISION/COMMITTEE RECOMMENDATION AND OFFICER RECOMMENDATION****C1806/113**



Moved Councillor J McCallum, seconded Councillor P Carter

That the Council rescinds Council Policy 042 – Salary Packaging.

**CARRIED 9/0****EN BLOC**

Reason: The Committee determined that this policy was of an operational nature and there for should be revoked.

12.9 Policy and Legislation Committee - 29/05/2018 - DESIGNATION OF SENIOR EMPLOYEES AND ACTING CEO.

|                             |  |
|-----------------------------|--|
| <b>SUBJECT INDEX:</b>       | Human Resources  |
| <b>STRATEGIC OBJECTIVE:</b> | Accountable leadership that is supported by a skilled and professional workforce.  |
| <b>BUSINESS UNIT:</b>       | Corporate Services   |
| <b>ACTIVITY UNIT:</b>       | Human Resources  |
| <b>REPORTING OFFICER:</b>   | Manager Governance and Corporate Services - Sarah Pierson  |
| <b>AUTHORISING OFFICER:</b> | Director Finance and Corporate Services - Tony Nottle  |
| <b>VOTING REQUIREMENT:</b>  | Simple Majority  |
| <b>ATTACHMENTS:</b>         | Attachment A Proposed Policy - Designation of Senior Employees and Acting CEO <br>Attachment B Current Policy - Senior Employee  |

**This item was considered by the Policy and Legislation Committee at its meeting on 29 May 2018, the recommendations from which have been included in this report.**

## PRÉCIS

This report presents a new policy with respect to the designation of senior employees and the appointment of an Acting Chief Executive Officer (CEO) during periods of leave by the Chief Executive Officer for periods of up to six continuous weeks.

Council policy 149 – Senior Employees currently deals with the designation of senior employees however there is currently no formal policy in place with respect to the appointment of an Acting CEO. It is recommended that Council adopt the new policy as attached (Attachment A).

## BACKGROUND

Section 5.37(1) of the Local Government Act 1995 (the Act) provides for a local government to designate employees or persons belonging to a class of employees to be Senior Employees. Section 5.37(2) of the Act requires the CEO to inform the Council of each proposal to employ or dismiss a Senior Employee. The current Council policy 149 – Senior Employees, last reviewed in April 2015, designates the following positions as Senior Employees:

- Director, Planning and Development Services;
- Director, Community and Commercial Services;
- Director, Engineering and Works Services; and
- Director, Finance and Corporate Services

The proposed policy does not amend the designation of senior employees but converts the current policy into the new Council policy template and adds to it with respect to the appointment of an Acting CEO.

Section 5.36 of the Act establishes that a person is not to be employed in the position of CEO unless the council believes that the person is suitably qualified for the position. Council does not currently have a formal policy with respect to the appointment of an Acting CEO, with the CEO having responsibility under his contract of employment for all staffing matters, including the appointment of an Acting CEO for periods when he is on leave.

While this has worked effectively since his commencement in 2010, recent reviews of the City's governance system has identified a potential gap in the City's policy framework.

### **STATUTORY ENVIRONMENT**

Section 5.37 of the Act provides for a local government to designate employees or persons belonging to a class of employees to be Senior Employees and outlines the requirement for the CEO to inform the Council or each proposal to employ or dismiss a Senior Employee.

In accordance with Section 2.7(2)(b) of the Local Government Act 1995 it is the role of the Council to determine the local government's policies. The Council does this on the recommendation of a Committee it has established in accordance with Section 5.8 of that Act.

### **RELEVANT PLANS AND POLICIES**

NA.

### **FINANCIAL IMPLICATIONS**

NA.

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

NA.

### **STRATEGIC COMMUNITY OBJECTIVES**

The Officers recommendation aligns with and supports the Council's Strategic Community Plan 2017, specifically Key Goal 6– Leadership and Community Objective 6.1 – Governance systems, processes and practices are responsible, ethical and transparent, and 6.3 – Accountable leadership that is supported by a skilled and professional workforce.

### **RISK ASSESSMENT**

There are no risks identified of a medium or greater level associated with the Officers recommendation with the policy serving to secure the operational effectiveness of the organisation.

### **CONSULTATION**

Officers sought advice from the Western Australian Local Government Association who confirmed that a Council policy outlining the person/s and / or the incumbents of position/s considered to be suitably qualified to act as CEO was recommended.

### **OFFICER COMMENT**

The proposed policy does not seek to change the designation of Senior Employees. It does however seek to formalise Council's policy position with respect to who is a suitably qualified person for the position of Acting CEO. To this end the policy proposes that incumbent Senior Employees will be appointed as Acting CEO for periods of leave at the discretion of the CEO, subject to performance and dependant on availability and operational requirements. Leave is defined as annual or personal leave (that is sick or carers leave) with the policy limiting this discretion to a period of six continuous weeks. Beyond this a formal decision of Council will be required to appoint an Acting CEO.

Since commencing employment in August 2010, the CEO has effectively managed the appointment of an Acting CEO for his periods of leave, ensuring that each Senior Employee is given the opportunity to act, while at the same time ensuring timing is appropriate to each person and their role requirements. This has enabled all four Senior Employees to develop their skills and gain experience in the role of CEO, and minimises the risk of the organisation not having a suitably capable person to act as CEO.

The proposed policy does not therefore seek to change the current practice with respect to the appointment of an Acting CEO, but seeks to formally endorse it and ensure there is a supporting policy background.

## **CONCLUSION**

The proposed policy updates the current Senior Employees policy and introduces a policy background for the appointment of an Acting CEO. Current practices with respect to the designation of Senior Employees and the appointment of an Acting CEO are considered to be effective and the policy is not designed or expected to change these.

## **OPTIONS**

Council could decide not to adopt the proposed policy and instead require a different approach to be taken to either the designation of Senior Employees or to the appointment of an Acting CEO. For reasons outlined in this report this is not recommended.

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

The new policy will be effective as of its adoption by Council.

## **OFFICER RECOMMENDATION**

That the Council adopts the Designation of Senior Employees and Acting CEO Policy as per Attachment A, to replace the current Senior Employees Policy (Attachment B).

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

**C1806/114** Moved Councillor J McCallum, seconded Councillor P Carter

That the Council adopts the Designation of Senior Employees and Acting CEO Policy as per Attachment A, to replace the current Senior Employees Policy (Attachment B) subject to the following amendments:

### Item 5 Policy Statement

- 5.4 remove "in accordance with the requirements of the *Local Government Act 1995* section 5.36(2)(a)"
- 5.4 remove "the persons'" and replace with "those"
- 5.6 amend Appointments for any periods .... to "Appointments of Acting CEO for any periods"

**CARRIED 9/0**

**EN BLOC**

**15. COMMUNITY AND COMMERCIAL SERVICES REPORT****15.1 MARKETING AND EVENTS REFERENCE GROUP OUTCOMES**

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

**PRÉCIS**

A meeting of the Marketing and Events Reference Group (MERG) was held on Friday 18 May 2018. This report presents the recommendations from this meeting.

**BACKGROUND**

The Council, at its meeting of 13 April 2011 (C1104/114), resolved to endorse the implementation of a differential rating system whereby properties rated Industrial and Commercial across the City would directly contribute toward the City's continued support of tourism, marketing and event activities. The City also established a 'Key Stakeholders Reference Group' (now known as the MERG) to make recommendations to Council with respect to the marketing and events budget allocations.

At its meeting of 22 June 2011 (C1106/201), Council resolved to introduce a 3% Differential Rate on the Industrial and Commercial properties which has increased to 10% from 2016/2017. The proceeds from the differential rate are allocated towards events and marketing.

The total estimated marketing and events budget for 2018/2019 is \$925,000 (subject to confirmation when the final budget figures are known). This excludes a budget allocation for the locally based events, such as Leavers Week, Busselton festival, Christmas carols etc, administration, and events staffing.

Since the last MERG meeting held on 7 March 2018, 35 events have been held. Some of the major events of that period include Busselton Pride, King of Concrete, South West Harmony Festival, Relay For Life, Wheelbite, Delirium 24 hour cycle, X-Adventure Dunsborough, Forest Rally, The Beerfarm Rodeo, Margaret River Region Open Studios and the Busselton Festival of Triathlon (inc. Ironman 70.3), as well as the filming of the Go Karts movie.

A meeting of the MERG was held on Friday 18 May 2018, with the following key matters presented at the meeting;

- Update on events held since the last meeting and upcoming major events;
- Applications from the 2018/2019 Round 1 Event Sponsorship Program ;
- Discussion of updated KPI's for the extension of Ironman WA contract to 2020
- Discussion of funding application received from the BCCI for the Taste the Region Harvest Markets

This report provides recommendations on the proposed funding allocations for the above points.

#### **STATUTORY ENVIRONMENT**

Nil

#### **RELEVANT PLANS AND POLICIES**

The recommendations are in line with Council policies.

#### **FINANCIAL IMPLICATIONS**

At the end of 2016/17 an allocation of \$9,036 was unspent from the Differential Rates marketing & events budget, which was carried forward to the 2017/18 financial year.

At the 26 July 2017 Council meeting, Council resolved (C1707/163) to include a budget allocation from the 2017/18 Differential Rates marketing & events budget of \$300,000 for marketing (with the balance towards events).

Funds unspent from the 2017/18 marketing & events budget equal \$12,261 and the Officer's recommendation, consistent with normal practice is that this amount is rolled over into the 2018/19 budget.

The 2018/19 draft budget includes an allocation of \$925,000 (being an estimate of a 10% levy on the Industrial and Commercial rates yield) for marketing & events. This will be subject to further adjustment when the rates are struck (and the carried forward figure referred to earlier). Of this amount, a sum of \$97,245 has been allocated for airport marketing, leaving an amount of \$827,755 for other marketing & events.

Funds have already been committed in the current and past years from the 2018/2019 marketing & events budget for Multi Year Agreements leaving a total of \$115,675 to be allocated to Rounds 1 and 2 of the 2018/2019 marketing & events program.

It is noted that it is no longer considered necessary to provide 'top-up' funding from the Municipal funds and as a consequence the full estimated amount of \$925,000, being 10% on the Industrial and Commercial rates levied will be included in the budget for events purposes.

As in previous years, this amount excludes budgetary allocations for the locally based events, administration, and events staffing.

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

The marketing and events budget utilises funds generated through the Differential Rate, in line with the City's Long Term Financial Plan.

### **STRATEGIC COMMUNITY OBJECTIVES**

This matter aligns with the City of Busselton's endorsed Strategic Community Plan 2017, and principally with the following Strategic Goal:

#### **Economy**

Diverse, resilient, prosperous;

*4.3 Events and unique tourism experiences that aid in attracting visitors and investment.*

### **RISK ASSESSMENT**

The recommendations contained within this report are considered low risk and as such a formal risk assessment is not provided.

### **CONSULTATION**

Consultation has been undertaken with members of the MERG, consisting of representatives from the Busselton and Dunsborough Yallingup Chamber of Commerce and Industry, Margaret River Busselton Tourism Association, Busselton Jetty Inc. and the City of Busselton.

### **OFFICER COMMENT**

The MERG has been established with representatives from the City of Busselton, local Chambers of Commerce, the Margaret River Busselton Tourism Association, and the Busselton Jetty Inc. A Terms of Reference guides the operations of the Group and an Events Sponsorship Programme has been developed.

Supporting the development and attraction of new events throughout the year, the Events Sponsorship Programme promotes the City of Busselton as an attractive event tourism destination for a range of events.

### **Round 1 Event Sponsorship Programme 2018/19**

Round 1 of the 2018/19 Event Sponsorship Programme was advertised from 1 March 2018 to 30 March 2018. A total of eight (8) applications were received, requesting a total of \$102,850 in funding. Of these, three (3) requests were for multi-year agreements and five (5) were for single year agreements.

The events team evaluated all funding applications, applying the strategic funding guidelines of economic impact, strategic alliance to off-peak and cultural events, destination tourism, social benefits and environmental impact.

MERG members discussed each application and recommend a total of \$43,650 be allocated in Round 1 from the 2018/19 events budget as per the following table. This leaves \$72,025 remaining in the budget for Round 2.



| Event                                     | Requested  | MERG Recommendation   |
|---|--|---|
| South West Wellness Festival              | 2018/19 \$1,150<br>2019/20 \$1,150<br>2020/21 \$1,150                          | 2018/19 \$1,150<br>2019/20 \$1,150<br>2020/21 \$1,150   |
| South West Yoga Fest                      | 2018/19 \$5,000  | 2018/19 \$5,000   |
| Geographe Bay Race Week                   | 2018/19 \$23,000<br>2019/20 \$23,000<br>2020/21 \$23,000                       | 2018/19 \$10,000  |
| Busselton Ukelele Strummaganza            | 2018/19 \$5,000  | 2018/19 \$2,000   |
| Taste the Region Harvest Markets          | 2018/19 \$25,700   | Special Meeting to be held in June to discuss further   |
| FACET 2018 Food & Wine Tourism Conference | 2018/19 \$8,000  | 2018/19 \$3,500<br>(cash - notionally up to \$5k)<br>+ in-kind venue hire (Undalup Room, YCAB, Railway House) |
| World Surf League Cape Naturaliste Pro    | 2018/19 \$25,000   | 2018/19 \$15,000  |
| Busselton Chevron City to Surf            | 2018/19 \$10,000<br>2019/20 \$15,000<br>2020/21 \$20,000                       | 2018/19 \$10,000<br>2019/20 \$9,000<br>2020/21 \$8,000  |
| <b>TOTALS</b>                             | <b>2018/19 \$102,850</b><br><b>2019/20 \$39,150</b><br><b>2020/21 \$44,150</b> | <b>2018/19 \$43,650</b><br><b>2019/20 \$10,150</b><br><b>2020/21 \$9,150</b>                                  |

The following conditions are to be included in the funding agreement for the Geographe Bay Race Week:

- single year to be offered,
- KPI's on 25% increase in participation, good proposals – indicators/goals.
- Buy/shop local vouchers (demonstrate local spend).

## CONCLUSION

The MERG has been assigned by Council to make recommendations on the way in which funds raised through the Industrial and Commercial Differential Rate for the purposes of events and marketing are allocated. This report contains the recommendations made at the 18 May 2018 meeting, which if endorsed by Council, will result in the continuation of high quality events being held within the region, supported by successful marketing promotions. All recommendations support Council's vision of being recognised as the 'Events Capital WA.'

## OPTIONS

Council may choose not to support the recommendations made by the MERG and resolve not to endorse part or all of the recommendations.

**TIMELINE FOR IMPLEMENTATION OF OFFICER RECOMMENDATION**

Following Council's decision, the outcomes will be communicated to all members of the MERG and relevant event organisers for their information and implemented where required.

**112785**

**C1806/115** Moved Councillor J McCallum, seconded Councillor P Carter

That Council;

1. As part of Round 1 of the 2018/19 Events Sponsorship Programme endorses the funding allocation towards the following events, to be funded from the 2018/19 and subsequent years events budgets:


| <b>Event</b>                              | <b>Requested</b>   | <b>MERG Recommendation</b>  |
|---|--|---|
| South West Wellness Festival              | 2018/19 \$1,150<br>2019/20 \$1,150<br>2020/21 \$1,150                          | 2018/19 \$1,150<br>2019/20 \$1,150<br>2020/21 \$1,150   |
| South West Yoga Fest                      | 2018/19 \$5,000  | 2018/19 \$5,000   |
| Geographe Bay Race Week                   | 2018/19 \$23,000<br>2019/20 \$23,000<br>2020/21 \$23,000                       | 2018/19 \$10,000  |
| Busselton Ukelele Strummaganza            | 2018/19 \$5,000  | 2018/19 \$2,000   |
| FACET 2018 Food & Wine Tourism Conference | 2018/19 \$8,000  | 2018/19 \$3,500<br>(cash - notionally up to \$5k)<br>+ in-kind venue hire (Undalup Room, YCAB, Railway House) |
| World Surf League Cape Naturaliste Pro    | 2018/19 \$25,000   | 2018/19 \$15,000  |
| Busselton Chevron City to Surf            | 2018/19 \$10,000<br>2019/20 \$15,000<br>2020/21 \$20,000                       | 2018/19 \$10,000<br>2019/20 \$9,000<br>2020/21 \$8,000  |
| <b>TOTALS</b>                             | <b>2018/19 \$102,850</b><br><b>2019/20 \$39,150</b><br><b>2020/21 \$44,150</b> | <b>2018/19 \$43,650</b><br><b>2019/20 \$10,150</b><br><b>2020/21 \$9,150</b>                                  |

**CARRIED 9/0**

**EN BLOC**

## 16. FINANCE AND CORPORATE SERVICES REPORT

### 16.1 CAPES REGION ORGANISATION OF COUNCILS (CAPEROC)

|                             |  |
|-----------------------------|--|
| <b>SUBJECT INDEX:</b>       | CapeROC Committee  |
| <b>STRATEGIC OBJECTIVE:</b> | Governance systems, process and practices are responsible, ethical and transparent.                            |
| <b>BUSINESS UNIT:</b>       | Governance Services  |
| <b>ACTIVITY UNIT:</b>       | Governance Services  |
| <b>REPORTING OFFICER:</b>   | Strategic Projects Officer - Tracey King   |
| <b>AUTHORISING OFFICER:</b> | Chief Executive Officer - Mike Archer  |
| <b>VOTING REQUIREMENT:</b>  | Simple Majority  |
| <b>ATTACHMENTS:</b>         | Attachment A CapeROC Minutes  |

#### PRÉCIS

The following is provided to Council as information on the outcomes of the Cape Region Organisation of Councils (CapeROC) meeting held in Busselton, Friday 11 May 2018. Minutes are also available on the City of Busselton Hub and external website.

#### OFFICER COMMENT

Action items as an outcome of this meeting include –

#### ***CAPEROC DECISION CAP1805/016***

That:

1. CapeROC receives the information provided in the 2017/18 budget allocation report.
2. The Shire of Augusta-Margaret River and the City of Busselton each allocate \$50,000 of their individual budgets 2018/19 towards a total CapeROC budget of up to \$100,000 to progress regional economic development initiatives; and
3. CapeROC identifies the following projects and provisional allocations to be included in the 2018/19 CapeROC budget:
  - i. Calendar of Events, \$21,700;
  - ii. Joint Trail Strategy Development, \$30,000; and
  - iii. Tourism Signage Strategy, \$30,000.

A further action item relates to the ***Capes Region Tourism Directional Signage*** project, whereby the committee:

#### ***CAPEROC DECISION CAP1805/017***

That:

1. Notes the preferred proponent status of GHD Pty Ltd to undertake the scope of works outlined within RFQ 32/17 Cape Region Tourist Directional Signage and Roadside Visitor Information: Supply of audit, condition and cost report;
2. Notes the City of Busselton and Shire of Augusta Margaret River to act as Principal in Joint and the City of Busselton to act as Project Lead for the Project; and
3. That CapeROC roll the allocated budget of \$30,000 into the 2018/2019 financial year.

**COUNCIL DECISION AND OFFICER RECOMMENDATION**

**C1806/116** Moved Councillor J McCallum, seconded Councillor P Carter






That the Council notes the outcome of the Capes Region Organisation of Councils Meeting held on 11 May 2018 as shown in Attachment A.

**CARRIED 9/0**

**EN BLOC**

## 17. CHIEF EXECUTIVE OFFICER'S REPORT

### 17.1 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>       | Governance Services  |
| <b>ACTIVITY UNIT:</b>       | Governance Services  |
| <b>REPORTING OFFICER:</b>   | Administration Officer - Governance - Katie Dudley   |
| <b>AUTHORISING OFFICER:</b> | Chief Executive Officer - Mike Archer  |
| <b>VOTING REQUIREMENT:</b>  | Simple Majority  |
| <b>ATTACHMENTS:</b>         | Attachment A Planning Applications received by the City between 1 May, 2018 and 15 May, 2018    |
|                             | Attachment B Planning Applications determined by the City between 1 May, 2018 and 15 May, 2018  |
|                             | Attachment C MERG Minutes   |
|                             | Attachment D Meelup Regional Park Management Committee Minutes                                    |
|                             | Attachment E WALGA Summary April/May 2018   |

### 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

#### 17.1.1 Planning & Development Services Statistics

##### Planning Applications

Attachment A is a report detailing all Planning Applications received by the City between 1 May, 2018 and 15 May, 2018. A total of 44 formal applications were received during this period.

Attachment B is a report detailing all Planning Applications determined by the City between 1 May, 2018 and 15 May, 2018. A total of 42 applications (including subdivision referrals) were determined by the City during this period with 42 approved / supported and 0 refused / not supported.

#### 17.1.2 MERG Minutes

Attachment C is a copy of the MERG Minutes for the meeting held on 18 May 2018.

#### 17.1.3 Meelup Regional Park Management Committee

Attachment D is a copy of the Meelup Regional Park Management Committee Informal Minutes for the meeting held on 28 May 2018.

#### **17.1.4 WALGA Summary**

Attachment E is a copy of the WALGA Summary for the meetings held in April/May 2018.

#### **17.1.5 2017/18 TENDERS**

##### **RFT24/17 PROVISION OF TRAFFIC MANAGEMENT SERVICES**

The City of Busselton invited tenders for the provision of traffic management services within the City of Busselton. The tender was advertised on 16 December 2017 with a closing date of 16 January 2018. A total of 7 tenders were received and evaluated.

Council resolved on 11 April 2018 to decline to accept any tender on the basis that the tenders received did not present best value for money. Council requested the CEO establish a panel of pre-qualified suppliers for the provision of traffic management services to the City pursuant to Part 4 Division 3 of the Local Government (Functions and General) Regulations 1996 and the City's Purchasing Policy.

On 16 May 2018 Council was briefed regarding potential issues relating to the operation of panels of pre-qualified suppliers. Following further information received from the Department of Local Government, Sport and Cultural Industries, the CEO is proceeding with the establishment of a panel of pre-qualified suppliers for the provision of traffic management services to the City.

##### **RFT03/18 CRUSHING SERVICES FOR CONSTRUCTION AND DEMOLITION MATERIAL WITHIN CITY OF BUSSELTON**

The City of Busselton invited tenders for crushing services for construction and demolition material within the City of Busselton. The tender was advertised on 3 February 2018, with a closing date of 27 February 2018. A total of 2 tenders were received. The evaluation has been completed and a recommendation report will be presented to the CEO in June 2018 as the value of the contract is not expected to exceed the CEO's delegated authority.

##### **RFT04/18 SUPPLY AND DELIVERY OF IRRIGATION COMPONENTS**

The City of Busselton invited tenders for the supply and delivery of irrigation components to the City. The tender was advertised on 24 February 2018, with a closing date of 20 March 2018. A total of 2 tenders were received. The evaluation has been completed and a recommendation report has been presented to the CEO in June 2018 awarding the contract to Total Eden Pty Ltd. Note the value of the contract did not exceed the CEO's delegated authority.

##### **RFT05/18 CONSTRUCTION OF DUNSBOROUGH TOWNSCAPE STAGE 4**

The City of Busselton invited tenders for the construction of Dunsborough Townscape Stage 4. The tender was advertised on 7 April 2018 with a closing date of 1 May 2018. A total of 2 tenders were received. The value of the contract is expected to exceed the CEO's delegated authority. Council resolved on 28 March 2018 to delegate authority to the CEO to negotiate and agree final terms and conditions and to award a contract for a finalised lump sum price, provided that the contract value for the accepted tender does not exceed \$680,000. It is expected that the evaluation will be completed and a recommendation report presented to the CEO in June 2018.

**RFT06/18 DESIGN AND CONSTRUCTION OF AMBERGATE FIRE STATION**

The City of Busselton invited tenders for the design, fabrication and installation of a fire station and amenities facility to be located at Apex Reserve, Ambergate. The tender was advertised on 14 April 2018, with a closing date of 3 May 2018. Earthworks that had already commenced on site prior to agenda publication are being undertaken pursuant to a separate contract, which was awarded following a request for quote process consistent with the Purchasing Policy. A total of 5 tenders were received. The evaluation has been completed and a recommendation report will be presented to the CEO in June 2018 as the value of the contract is not expected to exceed the CEO's delegated authority.

**RFT07/18 LANDSCAPING FOR PUBLIC OPEN SPACES AT LAYMAN ROAD AND BURGEE COVE, BUSSELTON**

The City of Busselton invited tenders for the landscaping of land comprising the public open space at Layman Road and Burgee Cove, Port Geographe. The tender was advertised on 21 April 2018, with a closing date of 10 May 2018. A total of 4 tenders were received. The evaluation has been completed and a recommendation report will be presented to the CEO in June 2018 as the value of the contract is not expected to exceed the CEO's delegated authority.

**PQS01/18 SUPPLY OF QUARRY PRODUCTS – REQUEST FOR APPLICATIONS TO JOIN A PANEL OF PRE- QUALIFIED SUPPLIERS**

The City of Busselton requested applications to join a panel of pre-qualified suppliers (PQS) for the provision of quarry products to the City. Pursuant to Council Resolution C1704/091, the power to establish a panel of pre-qualified suppliers has been delegated to the Chief Executive Officer of the City of Busselton (Delegation reference number LG3M). The PQS was advertised on 21 April 2018 with a closing date of 8 May 2018. A total of 7 applications were received. It is anticipated that the evaluation will be completed in early June and a recommendation report presented to the Council in late June 2018, as the value of the contract is expected to exceed the CEO's delegated authority.

**COUNCIL DECISION AND OFFICER RECOMMENDATION**

**C1806/117** Moved Councillor J McCallum, seconded Councillor P Carter

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

- 17.1.1 Planning & Development Services Statistics
- 17.1.2 MERG Minutes
- 17.1.3 Meelup Regional Park Management Committee
- 17.1.4 WALGA Summary
- 17.1.5 2017/18 TENDERS

**CARRIED 9/0**

**EN BLOC**

**ADOPTION BY EXCEPTION RESOLUTION ABSOLUTE MAJORITY DECISION OF COUNCIL REQUIRED****12. REPORTS OF COMMITTEE****12.2 Finance Committee - 17/05/2018 - BUDGET AMENDMENT REQUEST**

|                             |   |
|-----------------------------|---|
| <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 - Tony Nottle                               |
| <b>VOTING REQUIREMENT:</b>  | Absolute Majority   |
| <b>ATTACHMENTS:</b>         | Nil   |

**This item was considered by the Finance Committee at its meeting on 17 May 2018, the recommendations from which have been included in this report.**

**PRÉCIS**

This report seeks recommendation of the Finance Committee to Council for the approval of budget amendments as detailed in this report. Adoption of the Officers recommendation will result in no change to the City's current Amended Budgeted Surplus Position of \$0.

**BACKGROUND**

Council adopted its 2017/2018 Municipal Budget on Wednesday, 26 July 2017 with a balanced Budget position.

Since this time Council has been advised of certain funding changes that have impacted the original Budget and Council is now being asked to consider Budget Amendments for the following Key Areas/Projects, as outlined in the Officer Comment section of this report:

1. Purchase of Hangar Buildings – Busselton Margaret River Airport
2. Be Connected: Activation Grant
3. Marketing and Events Reference Group Outcomes
4. GLC Gym Equipment Leases"

**STATUTORY ENVIRONMENT**

Section 6.8 of the Local Government Act refers to expenditure from the municipal fund that is not included in the annual budget. In the context of this report, where no budget allocation exists, expenditure is not to be incurred until such time as it is authorised in advance, by an absolute majority decision of the Council.

**RELEVANT PLANS AND POLICIES**

There are multiple plans and policies that support the proposed Budget Amendments.

**FINANCIAL IMPLICATIONS**

Budget amendments being sought will result in no change to Council's Budget Surplus position of \$0.



**Long-term Financial Plan Implications**

N/A

**STRATEGIC COMMUNITY OBJECTIVES**

This matter principally aligns with Key Goal Area 6 of the Strategic Community Plan 2017 and more specifically Community Objective 6.1 - 'Governance systems, process and practices are responsible, ethical and transparent'.

**RISK ASSESSMENT**

There is a risk to the City, as there is with all projects undertaken, that the final cost could exceed budget. If this looks to be the case Council will be notified so a suitable offset / project scope back can be identified.

**CONSULTATION**

N/A

**OFFICER COMMENT**

The Officer recommends the following Budget Amendments to the Finance Committee for consideration and recommendation to Council.

**1. Purchase of Hangar Buildings – Busselton Margaret River Airport**

At its meeting held 28 March 2018 Council considered Item 17.1 with respect to "PURCHASE OF HANGAR BUILDINGS: BUSSELTON MARGARET RIVER AIRPORT". The purpose of the item was for Council to consider a proposed agreement for the purchase of two hangar buildings and continuing lease arrangements for those buildings between the City of Busselton and hangar owners (and their members) at the Busselton-Margaret River Airport.

The following decision of Council was carried by Absolute Majority:

**"COUNCIL DECISION AND AMENDED OFFICER RECOMMENDATION**

**C1803/066**      *Moved Councillor P Carter, seconded Deputy Mayor McCallum*

**ABSOLUTE MAJORITY DECISION OF COUNCIL REQUIRED**

*That the Council:*

- 1. Authorises the Chief Executive Officer to enter into a contract to purchase the Hangar Building from Busselton Hangar Owners Pty Ltd as trustee for the Busselton Hangar Owners' Unit Trust up to the figure outlined in the officers report on page 6;*
- 2. Authorises the Chief Executive Officer to enter into a contract to purchase the Hangar Building from Geographe Hangar Owners' Group Inc up to the figure outlined in the officers report on page 6;*
- 3. Authorises the Chief Executive Officer to advertise an intended disposition of the disposition of land by way of lease as outlined in this report and invite public submissions in accordance with Section 3.58(3) of the Local Government Act 1995;*

4. *Delegates to the Chief Executive Officer the power and authority to consider submissions received pursuant to resolution 3 and, subject to not receiving any adverse submissions, to discharge of the Council's duties under Section 3.58(3) and to complete the land exchange contract;*
5. *The transaction be subject to a budget amendment report following the purchases being finalised; and*
6. *Delegates the CEO the power and authority to vary the existing leases to allow an extension of the BHO and GHO leases on a monthly basis until 31 March 2019 at the latest.*

In accordance with point 5 of the above resolution a formal Budget Amendment is now being sought.

### Planned Expenditure Items

Officers propose that the 2017/2018 Adopted Budget be amended to reflect the following funding changes, shown in Table 1.

**Table 1:**

| <i>Cost Code</i>    | <i>Description</i>       | <i>Current Budget</i> | <i>Change</i> | <i>Proposed Amended Budget</i> |
|---------------------|--------------------------|-----------------------|---------------|--------------------------------|
| <b>Revenue</b>      |                          |                       |               |                                |
| Reserve Transfer    | Airport Reserve          | 0                     | -550,000      | -550,000                       |
| <b>Expenditure</b>  |                          |                       |               |                                |
| 341-B9718-3125-0000 | Airport Hangar Purchases | 0                     | 550,000       | 550,000                        |
|                     |                          |                       |               |                                |
|                     | <b>Net Total</b>         | 0                     | 0             | 0                              |

## 2. Be Connected: Activation Grant

The City was successful in receiving \$3,000 in grant funding from Good Things Foundation to help fund the Libraries' Be Connected Digital Literacy Program for seniors. Be Connected is an Australian Government initiative aimed at increasing the confidence, skills and online safety of older Australians in using digital technology. With our libraries offering an increasing range of services and resources online and with more and more government services moving online, many seniors are missing out on the benefits of the digital world. This grant will assist our libraries to offer one-on-one and small group training to older Australians who have minimal or no engagement with digital technology, with an aim of increasing functional levels of digital inclusion within our community.

### Planned Expenditure Items

In 2017/18 the City will receive two up-front payments of \$1,500, one each for Busselton and Dunsborough Libraries. Funding will be received in May 2018. These grants have a contract start date of 1st May 2018 and will run for 10 months, with acquittal 28th February 2019. Per library, \$500 will be expended in May 2018. The remaining \$1,000 per library will be expended in 2018/19, spread evenly over the period July to December 2018. The 2018/2019 Expenditure items will be carried forward into the 2018/2019 Budget.

The following amendments shown below in Table 2 are being sought for approval.

Table 2:

| <i>Cost Code</i>    | <i>Description</i>                                  | <b>Current Budget</b> | <b>Change</b> | <b>Proposed Amended Budget</b> |
|---------------------|---|-----------------------|---------------|--------------------------------|
| <b>Expenditure</b>  |   |                       |               |                                |
| 233-10380-3280-9821 | Busselton Library – Contractors (including Staff)   | 6,000                 | 1,500         | 7,500                          |
| 233-10381-3280-9821 | Dunsborough Library - Contractors (including Staff) | 0                     | 1,500         | 1,500                          |
| 233-10380--9821     | Busselton Library - Grant Funding                   | 0                     | -1,500        | -1,500                         |
| 233-10381-1239-9821 | Dunsborough Library - Grant Funding                 | 0                     | -1,500        | -1,500                         |
|                     | <b>Net Total</b>                                    | 6,000                 | 0             | 6,000                          |

### 3. Marketing and Events Reference Group Outcomes

At its meeting held 28 March 2018 Council considered Item 13.5 with respect to “MARKETING AND EVENTS REFERENCE GROUP OUTCOMES”. The purpose of the item was for Council to consider Recommendations of the Marketing and Events Reference Group (MERG) held on Wednesday 22 November 2017. The following decision of Council was carried by Absolute Majority:

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

**C1712/001** Moved Councillor P Carter, seconded Deputy Mayor J McCallum

#### **ABSOLUTE MAJORITY DECISION OF COUNCIL REQUIRED**

That Council;

- As part of Round 2 of the Events Sponsorship Programme endorses the funding allocation towards the following events to be funded from the 2017/2018 Differential Rate Events Budget:

| <b>Event</b>                        | <b>Requested</b>  | <b>Officer Recommendation</b>                                   |
|-------------------------------------|---|---|
| <i>Yallingup Malibu Classic</i>     | <i>2017/18 \$3,000<br/>2018/19 \$3,000<br/>2019/20 \$3,000</i>    | <i>2017/18 \$2,500<br/>2018/19 \$2,250<br/>2019/20 \$2,000</i>  |
| <i>South West Yoga Fest</i>         | <i>2017/18 \$5,000</i>  | <i>2017/18 \$2,000</i>  |
| <i>Taj’s Small Fries Yallingup</i>  | <i>2017/18 \$15,000<br/>2018/19 \$15,000<br/>2019/20 \$15,000</i> | <i>2017/18 \$10,000<br/>2018/19 \$9,000<br/>2019/20 \$8,000</i> |
| <i>Busselton Junior Open Tennis</i> | <i>2017/18 \$3,000</i>  | <i>2017/18 \$1,500</i>  |
| <i>Busselton Open Tennis</i>        | <i>2017/18 \$3,000</i>  | <i>2017/18 \$1,500</i>  |
| <i>Busselton Pride</i>              | <i>2017/18 \$3,000<br/>(+ \$500 in-kind traffic management)</i>   | <i>2017/18 \$2,000<br/>(+ \$500 in-kind traffic management)</i> |

|   |  |  |
|---|--|--|
| <i>Yalambi Show Jumping Classic</i>                                     | <i>2017/18 \$8,000</i>   | <i>2017/18 \$2,000</i>   |
| <i>Wheelbite 2018</i>   | <i>2017/18 \$3,500</i><br><i>2018/19 \$3,500</i><br><i>2019/20 \$3,500</i>                         | <i>2017/18 \$3,000</i><br><i>2018/19 \$2,750</i><br><i>2019/20 \$2,500</i>                         |
| <i>British Auto Classic</i>   | <i>2017/18 \$500</i>   | <i>2017/18 \$0*</i>  |
| <i>Undalup Djeran Youth Week Event</i>                                  | <i>2017/18 \$8,000</i>   | <i>2017/18 \$3,000</i>   |
| <i>West Cape Classic Car Rally</i>                                      | <i>2017/18 \$5,000</i>   | <i>2017/18 \$0</i>   |
| <i>Margaret River Readers &amp; Writers Festival (Busselton events)</i> | <i>2017/18 \$10,000</i>  | <i>2017/18 \$5,000</i>   |
| <i>Cabin Fever 2018</i>   | <i>2018/19 \$10,000</i>  | <i>2018/19 \$10,000</i>  |
| <b>TOTALS</b>   | <b><i>2017/18 \$67,500</i></b><br><b><i>2018/19 \$31,500</i></b><br><b><i>2019/20 \$21,500</i></b> | <b><i>2017/18 \$33,000</i></b><br><b><i>2018/19 \$24,000</i></b><br><b><i>2019/20 \$12,500</i></b> |

2. As part of Round 2 of the Events Sponsorship Programme endorses the funding allocation towards the following events to be funded from the 2017/18 Municipal Events Budget:

| <b>Event</b>   | <b>Requested</b>   | <b>Officer Recommendation</b>                                    |
|--|--|--|
| <i>Busselton Fringe Festival</i>   | <i>2017/18 \$10,000</i><br><i>2018/19 \$20,000</i>               | <i>2017/18 \$10,000</i><br><i>2018/19 \$20,000</i>               |
| <i>Busselton Youth &amp; Community Activities Building Opening Event</i> | <i>2017/18 \$10,000</i>  | <i>2017/18 \$10,000</i>  |
| <b>TOTALS</b>  | <b><i>2017/18 \$20,000</i></b><br><b><i>2018/19 \$20,000</i></b> | <b><i>2017/18 \$20,000</i></b><br><b><i>2018/19 \$20,000</i></b> |

3. As part of the Events Sponsorship Programme endorses the funding allocation towards the following events to be funded from the 2017/18 Differential Rates Marketing Budget:

| <b>Event</b>                     | <b>Requested</b>               | <b>Officer Recommendation</b>  |
|----------------------------------|--------------------------------|--|
| <i>SuperFoiler Grand Prix</i>    | <i>2017/18 \$50,000</i>        | <i>2017/18 \$45,000 (cash)</i><br><i>\$5,000 (in kind)</i>               |
| <i>Busselton Fringe Festival</i> | <i>2017/18 \$10,000</i>        | <i>2017/18 \$10,000</i>  |
| <b>TOTALS</b>                    | <b><i>2017/18 \$60,000</i></b> | <b><i>2017/18 \$55,000 (cash)</i></b><br><b><i>\$5,000 (in kind)</i></b> |

4. Endorses the re-allocation of \$5,000 funding previously allocated to Port Geographe Aquatic Sports to the Geographe Bay Yacht Club, for the running of the 2018 Geographe Bay Race Week.
5. Allocates up to \$75k cash towards See Picture's Go Karts film proposal to be funded from the 2017/18 Differential Rates Marketing Budget and up to \$50k in-kind support to be funded from existing in-kind event budget allocations contained within the 2017/18 adopted budget.

A formal Budget Amendment is now being sought to enact the resolution.

### Planned Expenditure Items

The following amendments shown below in Table 3 are sought for approval.

**Table 3:**

| <i>Cost Code</i>    | <i>Description</i>                                      | <b>Current Budget</b> | <b>Change</b> | <b>Proposed Amended Budget</b> |
|---------------------|---|-----------------------|---------------|--------------------------------|
| <b>Expenditure</b>  |   |                       |               |                                |
| 541-10556-3280      | EWS – Go Karts Film Project                             | 0                     | 50,000        | 50,000                         |
| 333-10530-3623      | Comm. Services Administration Marketing & Promotion     | 0                     | 130,000       | 130,000                        |
| 333-10530-3641      | Comm. Services Administration Events Sponsorship (Muni) | 0                     | 20,000        | 20,000                         |
| <b>Revenue</b>      |   |                       |               |                                |
| Transfer to Reserve | Airport Marketing Reserve                               | -300,000              | 200,000       | -100,000                       |
| <b>Net Total</b>    |   | -300,000              | 400,000       | 100,000                        |

#### 4. GLC Gym Equipment Leases

In December 2014 Geographe Leisure Centre (GLC) was extended and the gym was relocated into a purpose built much larger area at the front of the centre. The relocation of the gym included a fit out of fixtures, audio and some extra fitness equipment over the next 15 months. This equipment and fit out was procured by entering into 3 separate lease agreements with All Leasing. The below table illustrates the details of each of the 3 lease agreements together with the current termination costs as well as the current cost to buy out some minor pieces of equipment and items that will not be returned at the end of the lease periods.

| <b>Lease</b> | <b>Description</b>   | <b>Start Date</b> | <b>End Date</b> | <b>Termination cost (ex GST)</b> | <b>Equipment buyout cost (ex GST)</b> |
|--------------|--|-------------------|-----------------|----------------------------------|---------------------------------------|
| E6N0157842   | Main Cardio & Some Loaded Equipment                                  | 3/12/2014         | 1/01/2019       | \$14,438.54                      | N/A                                   |
| E6N0158174   | Strength - Mainly Plates, Bars and other Light Free Weight Equipment | 10/03/2015        | 1/07/2020       | \$5,537.84                       | \$1,865.45                            |
| E6N0158066   | Fit out of Mirrors, Flooring and Audio Equipment & some Cardio       | 6/02/2015         | 1/04/2020       | \$32,838.37                      | \$1,775.37                            |

### Planned Expenditure Items

Payout of the 3 leases at a total cost of \$52,814.75 is proposed. All of the cardio equipment and some pin loaded machines on lease will be returned and a number of items will be retained such as the flooring, mirrors, audio equipment and minor weights equipment at a payout cost of \$3,640.82. Total planned expenditure will be \$56,455.57.

Cardiovascular equipment (e.g. treadmills, bikes, cross trainers), particularly with the amount of usage at the GLC, typically last between four and five years before the cost of maintenance and machines out of order due to maintenance increases dramatically. As technology improves and customer expectations increase, machines that are four to five years old are considered outdated. Constantly out of order and outdated equipment (as is the situation with some current equipment) leads to customer dissatisfaction along with increased maintenance costs and inhibits our ability to attract and retain members.

This action will enable the GLC to increase retention levels, maintain customer satisfaction levels, and keep up with the competition in a competitive market leading to increased membership revenue and a more sustainable centre.

The GLC net operating position to the end of March is \$250,534 below budget due to well performing revenue streams totalling approximately \$110,988 above budget, of which \$98,914 is from memberships revenue. Out of service and out dated gym equipment has the ability to compromise this performance into the future in an increasingly competitive market.

Well controlled expenses are currently at \$139,546 below budget. This net operating position is likely to decrease with the commencement of some plant maintenance and some equipment purchases and the unbudgeted effect of the outdoor pool closure. We are expecting our EOFY closing position to still be significantly below budget estimated at between \$60k and \$80k below forecast net operating.

The following amendments shown below in Table 4 are being sought for approval.

**Table 4:**

| <i>Cost Code</i>   | <i>Description</i>       | <b>Current Budget</b> | <b>Change</b> | <b>Proposed Amended Budget</b> |
|--------------------|--------------------------|-----------------------|---------------|--------------------------------|
| <b>Expenditure</b> |                          |                       |               |                                |
| 336-10591-3381     | GLC - Lease of Equipment | 60,750                | 56,500        | 117,250                        |
| <b>Revenue</b>     |                          |                       |               |                                |
| 336-10591-1641     | GLC – Membership Income  | -627,001              | -56,500       | -683,501                       |
|                    | <b>Net Total</b>         | 566,251               | 0             | 566,251                        |

### CONCLUSION

Council's approval is sought to amend the budget as per the details contained in this report. Upon approval the proposed works will be planned, organised and completed.

### OPTIONS

The Council could decide not to go ahead with any or all of the proposed budget amendment requests.

**TIMELINE FOR IMPLEMENTATION OF OFFICER RECOMMENDATION**

Should the Officer Recommendation be endorsed, the associated budget amendment will be processed within a month of being approved.

**COUNCIL DECISION AND OFFICER RECOMMENDATION**

**C1806/118** Moved Councillor C Tarbotton , seconded Councillor P Carter

**ABSOLUTE MAJORITY DECISION OF COUNCIL REQUIRED**

That Council endorse the Budget Amendments outlined in tables 1 through 4 below, resulting in no change to an Amended Budgeted Surplus Position of \$0:

**Table 1:**

| <i>Cost Code</i>    | <i>Description</i>       | <b>Current Budget</b> | <b>Change</b> | <b>Proposed Amended Budget</b> |
|---------------------|--------------------------|-----------------------|---------------|--------------------------------|
| <b>Revenue</b>      |                          |                       |               |                                |
| Reserve Transfer    | Airport Reserve          | 0                     | -550,000      | -550,000                       |
| <b>Expenditure</b>  |                          |                       |               |                                |
| 341-B9718-3125-0000 | Airport Hangar Purchases | 0                     | 550,000       | 550,000                        |
| <b>Net Total</b>    |                          | 0                     | 0             | 0                              |

**Table 2:**

| <i>Cost Code</i>    | <i>Description</i>                                  | <b>Current Budget</b> | <b>Change</b> | <b>Proposed Amended Budget</b> |
|---------------------|---|-----------------------|---------------|--------------------------------|
| <b>Expenditure</b>  |   |                       |               |                                |
| 233-10380-3280-9821 | Busselton Library – Contractors (including Staff)   | 6,000                 | 1,500         | 7,500                          |
| 233-10381-3280-9821 | Dunsborough Library - Contractors (including Staff) | 0                     | 1,500         | 1,500                          |
| 233-10380--9821     | Busselton Library - Grant Funding                   | 0                     | -1,500        | -1,500                         |
| 233-10381-1239-9821 | Dunsborough Library - Grant Funding                 | 0                     | -1,500        | -1,500                         |
| <b>Net Total</b>    |   | 6,000                 | 0             | 6,000                          |

**Table 3:**

| <i>Cost Code</i>    | <i>Description</i>                                      | <b>Current Budget</b> | <b>Change</b> | <b>Proposed Amended Budget</b> |
|---------------------|---|-----------------------|---------------|--------------------------------|
| <b>Expenditure</b>  |   |                       |               |                                |
| 541-10556-3280      | EWS – Go Karts Film Project                             | 0                     | 50,000        | 50,000                         |
| 333-10530-3623      | Comm. Services Administration Marketing & Promotion     | 0                     | 130,000       | 130,000                        |
| 333-10530-3641      | Comm. Services Administration Events Sponsorship (Muni) | 0                     | 20,000        | 20,000                         |
| <b>Revenue</b>      |   |                       |               |                                |
| Transfer to Reserve | Airport Marketing Reserve                               | -300,000              | 200,000       | -100,000                       |
| <b>Net Total</b>    |   | -300,000              | 400,000       | 100,000                        |



**Table 4:**

| <i>Cost Code</i>   | <i>Description</i>       | <b>Current Budget</b> | <b>Change</b> | <b>Proposed Amended Budget</b> |
|--------------------|--------------------------|-----------------------|---------------|--------------------------------|
| <b>Expenditure</b> |                          |                       |               |                                |
| 336-10591-3381     | GLC - Lease of Equipment | 60,750                | 56,500        | 117,250                        |
| <b>Revenue</b>     |                          |                       |               |                                |
| 336-10591-1641     | GLC – Membership Income  | -627,001              | -56,500       | -683,501                       |
|                    | <b>Net Total</b>         | 566,251               | 0             | 566,251                        |

**CARRIED 9/0****EN BLOC**



12.5 Finance Committee - 17/05/2018 - BUDGET AMENDMENT REQUEST - INTEREST ON R4R FUNDING BUSSELTON FORESHORE PROJECT

|                             |   |
|-----------------------------|---|
| <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 - Tony Nottle   |
| <b>VOTING REQUIREMENT:</b>  | Absolute Majority   |
| <b>ATTACHMENTS:</b>         | Attachment A City of Busselton Request for Use of Interest Accumulated <br>Attachment B Response from Department of Primary Industries and Regional Development <br>Attachment C Draft Agreement Variation  |

**This item was considered by the Finance Committee at its meeting on 17 May 2018, the recommendations from which have been included in this report.**

#### **PRÉCIS**

This report seeks recommendation of the Finance Committee to Council for the approval of budget amendments as detailed in this report. Adoption of the Officers recommendation will result in no change to the City's current Amended Budgeted Surplus Position of \$0.

#### **BACKGROUND**

Council adopted its 2017/2018 Municipal Budget on Wednesday, 26 July 2017 with a balanced Budget position.

Since this time Council has been advised of certain funding changes that have impacted the original Budget and Council is now being asked to consider a Budget Amendment for the Busselton Foreshore Redevelopment and Tourism Accommodation Precinct.

The City was previously successful in securing \$4,500,000 in funding for the Busselton Foreshore Redevelopment Tourism Accommodation Precinct Project, with the Financial Assistance Agreement signed 13 June 2016.

The City wrote to the Department of Primary Industries and Regional Development on 8 January 2018, (copy attached), requesting that the accumulated interest on the grant funds be attributed to further works within the project area. The request was for the City of Busselton to be allowed to utilise the accumulated interest towards a Toddler Play Space which is located centrally within the project area.

On the 21 March 2018 the Department of Primary Industries and Regional Development responded to the City of Busselton's request stating in part the following (copy attached):

*"In light of significant pressures on the State Budget, the Department is unable to support the requested expenditure of interest on the playground facility.*

*Rather, as discussed when you met with the Minister for Regional Development on 3 February 2018, an alternate use for the interest is supported which would see funding provided to Busselton Jetty Incorporated's (BJI) proposal to construct a safe swimming area at Busselton Jetty.*

*The Minister for Regional Development has advised of her support for the provision of financial assistance subject to BJI being successful in their application for Building Better Regions funding. As such, and in order to help facilitate delivery, it is requested that the City of Busselton grant \$50,000 of the interest accrued on the Busselton Foreshore Redevelopment project to BJI."*

The response from the Department further stated:

*"The remaining interest earned on the Busselton Foreshore Redevelopment project will need to be returned to the State to assist with budget repair"*

Further to the above, City officers have spoken with the Department and it is evident that should the City of Busselton not agree to facilitating granting \$50,000 of the interest accrued on the Busselton Foreshore Redevelopment project to BJI, all interest will be required to be returned to the State Government.

The City has since received, 1 May 2018, a Draft Agreement Variation (copy attached) which will allow the City of Busselton to grant BJI \$50,000 from accrued interest, subject to BJI being successful in their application for funding through the Federal Government's Building Better Regions Fund (BBRF) made in December 2017. If BJI are unsuccessful in their application all accrued interest is required to be returned to the State Government.

The officer notes that the 2017/2018 Municipal Budget included \$80,000 for the "Old Busselton Lighthouse" project which was to be funded utilising portion of the accrued interest from the "Busselton Foreshore Redevelopment project"; it is further noted that this project has been included in the Draft 2018/2019 Municipal Budget with alternative funding sources.

### Proposed Expenditure Items

It is proposed that Council grant BJI \$50,000 from accrued interest, subject to BJI being successful in their application for funding through the Federal Government's Building Better Regions Fund (BBRF) made in December 2017.

As at 1 May 2018 the amount of \$102,888 has been accrued in interest on the project, meaning \$52,888 will need to be returned to the State of Western Australia. If BJI are unsuccessful in their application all accrued interest is required to be returned to the State Government.

Officers propose that the 2017/2018 Adopted Budget be amended to reflect the following funding changes, shown in Table 1.

**Table 1:**

| <i>Cost Code</i>   | <i>Description</i>  | <b>Current Budget</b> | <b>Change</b> | <b>Proposed Amended Budget</b> |
|--------------------|---|-----------------------|---------------|--------------------------------|
| <b>Revenue</b>     |   |                       |               |                                |
| Equity Transfer    | Restricted Asset – Interest On Government Grants  | (80,000)              | (22,888)      | (102,888)                      |
| <b>Expenditure</b> |   |                       |               |                                |
| B9600              | Old Busselton Lighthouse  | 80,000                | (80,000)      | 0                              |
| Grant/Donations    | Busselton Jetty Incorporated  | 0                     | 50,000        | 50,000                         |
| Reimbursement      | State of Western Australia – Balance of accumulated Interest Busselton Foreshore Redevelopment Tourism Accommodation Precinct Project | 0                     | 52,888        | 52,888                         |
|                    | <b>Net Total</b>  | 0                     | 0             | 0                              |

**Proposed Outcome**

In granting BJI \$50,000 from accrued interest, the City of Busselton will be able to redirect funds within the general foreshore precinct, albeit not for the purpose the City had first envisaged.

In the event that BJI are successful in their application the amount of \$52,888 will need to be returned to the State of Western Australia; if unsuccessful in their application all accrued interest is required to be returned to the State Government.

**STATUTORY ENVIRONMENT**

Section 6.8 of the Local Government Act refers to expenditure from the municipal fund that is not included in the annual budget. In the context of this report, where no budget allocation exists, expenditure is not to be incurred until such time as it is authorised in advance, by an absolute majority decision of the Council.

**RELEVANT PLANS AND POLICIES**

There are multiple Plans and Policies that support the proposed Budget Amendments.

**FINANCIAL IMPLICATIONS**

Budget amendments being sought will result in no change to Council's Budget Surplus position of \$0.

**Long-term Financial Plan Implications**

N/A

**STRATEGIC COMMUNITY OBJECTIVES**

This matter principally aligns with Key Goal Area 6 –Leadership and more specifically Community Objective 6.1 - 'Governance systems, process and practices are responsible, ethical and transparent'.

**RISK ASSESSMENT**

There is a risk to the City, as there is with all projects undertaken, that the final cost could exceed budget. If this looks to be the case Council will be notified so a suitable offset / project scope back can be identified.

**CONSULTATION**

N/A

**OFFICER COMMENT**

The Officer commends the requested Budget Amendment to the Finance Committee for consideration and recommendation to Council.

**CONCLUSION**

Council's approval is sought to amend the budget as per the details contained in this report. Upon approval the proposed works will be planned, organised and completed.

**OPTIONS**

The Council could decide not to go ahead with any or all of the proposed budget amendment requests, this would result in all accrued interest is required to be returned to the State Government, which would total (as at 1 May 2018) \$102,888.

**TIMELINE FOR IMPLEMENTATION OF OFFICER RECOMMENDATION**

Should the Officer Recommendation be endorsed, the associated budget amendment will be processed within a month of being approved and the Draft Agreement Variation being progressed.

**COUNCIL DECISION AND OFFICER RECOMMENDATION****C1806/119**

Moved Councillor J McCallum, seconded Councillor P Carter

**ABSOLUTE MAJORITY DECISION OF COUNCIL REQUIRED**

That Council endorse the requested Budget amendments as per the following table, resulting in no change to an amended budgeted surplus position of \$0.

**Table 1:**

| <i>Cost Code</i>   | <i>Description</i>  | <b>Current Budget</b> | <b>Change</b> | <b>Proposed Amended Budget</b> |
|--------------------|---|-----------------------|---------------|--------------------------------|
| <b>Revenue</b>     |   |                       |               |                                |
| Equity Transfer    | Restricted Asset – Interest On Government Grants  | (80,000)              | (22,888)      | (102,888)                      |
| <b>Expenditure</b> |   |                       |               |                                |
| B9600              | Old Busselton Lighthouse  | 80,000                | (80,000)      | 0                              |
| Grant/Donations    | Busselton Jetty Incorporated  | 0                     | 50,000        | 50,000                         |
| Reimbursement      | State of Western Australia – Balance of accumulated Interest Busselton Foreshore Redevelopment Tourism Accommodation Precinct Project | 0                     | 52,888        | 52,888                         |
|                    | <b>Net Total</b>  | 0                     | 0             | 0                              |

**CARRIED 9/0****EN BLOC**

12.10 Policy and Legislation Committee - 29/05/2018 - DELEGATION OF AUTHORITY TO CEO TO DISPOSE OF PROPERTY BY WAY OF LEASE FOR THE NEW GENERAL AVIATION PRECINCT AT BUSSELTON MARGARET RIVER AIRPORT

|                             |  |
|-----------------------------|--|
| <b>SUBJECT INDEX:</b>       | BMRRA 001  |
| <b>STRATEGIC OBJECTIVE:</b> | A community where local business is supported and in turn drives our economy |
| <b>BUSINESS UNIT:</b>       | Community and Commercial Services  |
| <b>ACTIVITY UNIT:</b>       | Community and Commercial Services  |
| <b>REPORTING OFFICER:</b>   | Project Manager - Business Development - Emma Heys                           |
| <b>AUTHORISING OFFICER:</b> | Director, Community and Commercial Services - Naomi Searle                   |
| <b>VOTING REQUIREMENT:</b>  | Absolute Majority  |
| <b>ATTACHMENTS:</b>         | Nil  |

**This item was considered by the Policy and Legislation Committee at its meeting on 29 May 2018, the recommendations from which have been included in this report.**

### **PRÉCIS**

Officers are seeking a Delegation of Authority or authorisation from Council to the CEO to enter into new lease agreements for land lots at the Busselton Margaret River Airport new General Aviation Precinct.

### **BACKGROUND**

As part of the Busselton Margaret River Airport (BMRA) Development Project, the City is constructing a new General Aviation Precinct. Up to 36 new land lots will be available for lease and development.

Initially the leasable lots will be made available through two Expression of Interest programs; Program A – available only to the current tenants of the existing hangars; and Program B – allocation of remaining lots made available to the general public. Any remaining lots will be open to the public until all lots have been taken up.

Due to the high volume of potential new lease agreements (36) expected from the General Aviation Precinct and the similar nature of each lease agreement, Officers are seeking approval to delegate authority to the CEO to enter into the new lease agreements.

A Delegated Authority or authorisation to the CEO will negate the need to present each individual lease agreement to Council and expedite the timeline for the Expression of Interest program. This will ensure the completion of the construction of the General Aviation Precinct aligns with the ability of new tenants to commence construction of hangars and the generation of revenue for the City.

### **STATUTORY ENVIRONMENT**

Section 3.58 of the Local Government Act 1995 requires the Local Government to advertise for public comment the proposed disposition of property (by way of lease) for a minimum of 14 days and include details of the parties, the consideration of the disposal and consider any public comment prior to entering into the proposed lease agreement.

### **RELEVANT PLANS AND POLICIES**

The current Instrument of Delegation (LG3C) only allows for the CEO to approve subsequent leases, renewals or options to exercise to a value not exceeding \$25,000.

An approval or delegated authority to enter into new lease agreements for the land lots at the BMRA General Aviation Precinct only is being requested.

### FINANCIAL IMPLICATIONS

The potential revenue from each new lease agreement over 20 years, based on a conservative \$9 per square meter rate, has been estimated:

| # of Lots    | Lot Size          | Potential Revenue per lot (over 20 years) | Total potential revenue |
|--------------|-------------------|---|-------------------------|
| 15           | 18 x 10m (180sqm) | \$32,400                                  | \$486,000               |
| 5            | 18 x 15m (270sqm) | \$48,600                                  | \$243,000               |
| 3            | 20 x 25m (500sqm) | \$90,000                                  | \$270,000               |
| 8            | 25 x 25m (625sqm) | \$112,500                                 | \$900,000               |
| 3            | 35 x 25m (875sqm) | \$157,500                                 | \$472,500               |
| <b>Total</b> |                   |   | <b>\$2,371,500</b>      |

Costs associated with the execution of the new lease agreements will be borne by the tenant.

### STRATEGIC COMMUNITY OBJECTIVES

Key Goal Area 4 - Economy: Diverse, robust and prosperous.

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.

Key Goal Area 6 – Leadership: Visionary, collaborative and accountable.

6.1 Governance systems, process and practices are responsible, ethical and transparent.

6.3 Accountable leadership that is supported by a skilled and professional workforce.

### RISK ASSESSMENT

A risk assessment was undertaken and following risk mitigation, no residual risks were rated as medium or high and as such a formal risk assessment is not provided.

### CONSULTATION

Officers provided a briefing to Council 9<sup>th</sup> May 2018 regarding the proposed delegation request. Following this Officers present the request to the Airport Advisory Committee (23<sup>rd</sup> May) and the Policy and Legalisation Committee (29<sup>th</sup> May) for consideration.

### OFFICER COMMENT

Officers are seeking a Delegation of Authority or authorisation from Council to the CEO to enter into new lease agreements for land lots at the BMRA new General Aviation Precinct.

As part of the BMRA Development Project, the City is constructing a new General Aviation Precinct. Up to 36 new land lots will be available for lease and development. The lease agreements will be made available through two Expression of Interest programs; Program A – available only to the current tenants of the existing hangars; and Program B – allocation of remaining lots made available to the general public. Any remaining lots will be open to the public until all lots have been taken up.

Due to the high volume of potential new lease agreements (36) expected from the General Aviation Precinct and the similar nature of each lease agreement, Officers are seeking approval or authority to delegate authority to the CEO to:

- Negotiate the terms and conditions of the lease agreements;
- Advertise as per the requirements of section 3.58 of the Act; and
- Provided there are no adverse public comments, enter into a lease agreement.

The current Instrument of Delegation (LG3C) only allows for the CEO to approve subsequent leases, renewals or options to exercise to a value not exceeding \$25,000.

## **CONCLUSION**

A Delegated Authority or authorisation to the CEO will negate the need to present each individual lease agreement to Council and expedite the timeline for the Expression of Interest program. This will ensure the completion of the construction of the General Aviation Precinct aligns with the ability of new tenants to commence construction of hangars and the generation of revenue for the City.

## **OPTIONS**

Should Council choose not to accept the Officers Recommendation, Council could choose to consider each new lease agreement, requiring Officers to present each new lease agreement through individual Council Reports.

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

The Officer Recommendation will be presented to the Policy and Legislation Committee at the 29<sup>th</sup> May 2018 meeting and to Council at the Ordinary meeting on 13<sup>th</sup> June 2018. Following Council endorsement the Officer recommendation will be implemented immediately.

## **COUNCIL DECISION AND OFFICER RECOMMENDATION**

**C1806/120** Moved Councillor C Tarbotton , seconded Councillor P Carter

## **ABSOLUTE MAJORITY DECISION OF COUNCIL REQUIRED**

That the Council delegates authority to the CEO to exercise the powers and discharge the duties of the local government under Sections 3.58 of the *Local Government Act 1995* to:

1. Negotiate the terms and conditions of new lease agreements relating to land lots at the new Busselton Margaret River Airport General Aviation Precinct;
2. Advertise the proposed disposition of property (by way of lease) as per the requirements of Section 3.58 of the Local Government Act 1995; and
3. Provided there are no adverse public comments received of a significant nature, authorize the CEO to enter into individual lease agreements.

**CARRIED 9/0**

**EN BLOC**

## **ITEMS FOR DEBATE**

### **12. REPORTS OF COMMITTEE**

#### **12.4 Finance Committee - 17/05/2018 - REPROGRAMMING OF CITY WORKS**

|                             |   |
|-----------------------------|---|
| <b>SUBJECT INDEX:</b>       | Budget Planning & Reporting   |
| <b>STRATEGIC OBJECTIVE:</b> | Governance systems, process and practices are responsible, ethical and transparent. |
| <b>BUSINESS UNIT:</b>       | Engineering and Facilities Services   |
| <b>ACTIVITY UNIT:</b>       | Engineering & Works Services  |
| <b>REPORTING OFFICER:</b>   | Design and Survey Coordinator - Justin Smith  |
| <b>AUTHORISING OFFICER:</b> | Director, Engineering and Works Services - Oliver Darby                             |
| <b>VOTING REQUIREMENT:</b>  | Absolute Majority   |
| <b>ATTACHMENTS:</b>         | Nil   |

**This item was considered by the Finance Committee at its meeting on 17 May 2018, the recommendations from which have been included in this report.**

#### **PRÉCIS**

This report seeks recommendation of the Finance Committee to Council for the approval of budget amendments as detailed in this report. Adoption of the Officers recommendation will result in no change to the City's current Amended Budgeted Surplus Position of \$0.

#### **BACKGROUND**

Council adopted its 2017/2018 Municipal Budget on Wednesday, 26 July 2017 with a balanced Budget position.

Since this time Council has been advised of certain funding changes that have impacted the original Budget and Council is now being asked to consider Budget Amendments as outlined in the Officer Comment section of this report.

#### **STATUTORY ENVIRONMENT**

Section 6.8 of the Local Government Act refers to expenditure from the municipal fund that is not included in the annual budget. In the context of this report, where no budget allocation exists, expenditure is not to be incurred until such time as it is authorised in advance, by an absolute majority decision of the Council.

#### **RELEVANT PLANS AND POLICIES**

There are multiple Plans and Policies that support the proposed Budget Amendments.

#### **FINANCIAL IMPLICATIONS**

Budget amendments being sought will result in no change to Council's Budget Surplus position of \$0.



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

Nil.

### **STRATEGIC COMMUNITY OBJECTIVES**

This matter principally aligns with Key Goal Area 6 – ‘Leadership’ and more specifically Community Objective 6.1 - ‘Governance systems, process and practices are responsible, ethical and transparent’.

### **RISK ASSESSMENT**

There is a risk to the City, as there is with all projects undertaken, that the final cost could exceed budget. If this looks to be the case Council will be notified so a suitable offset / project scope back can be identified.

### **CONSULTATION**

N/A

### **OFFICER COMMENT**

#### **A0022 Yallingup Beach Road Bridge 3347**

This project is being undertaken by Main Roads WA who will not have completed the full project scope.

#### **C1024 Dunsborough Road Access Improvements**

Due to extensive consultation and increased project scope, the commencement date of this project has been delayed. There is a potential that this project may not be fully completed and invoiced prior to the end of the financial year.

#### **C1513 Port Geographe Boat Trailer Parking Layout Redevelopment**

This carpark project has been developed and is ready for staged construction. The delivery of this project internally prior to 30 June 2018 is not achievable primarily due to the allocation of resources to other capital projects.

#### **C3044 Meelup Coastal Nodes**

Works have been completed at the point Picquet carpark with no negative feedback being received. A preliminary design for the carpark on the opposite side of the roadway has been completed, being approximately 140m further north. The design utilised the existing area to negate the need for clearing and subsequent clearing permit application/vegetation impacts. The confines of this clearing limited the project to a small, one way in/out design which does not satisfy the desires of the Meelup Committee who seek an in-out arrangement. A subsequent preliminary design has been complete which yields less bays and which will require further discussions to progress this to a deliverable project.

A preliminary design has been completed for the Gannet Rock carpark. This design has been presented to representatives from the South West Boojarah #2 WC2006/004 Native Title Claimant Group. The Group have supported the City’s design subject to conditions. A Section 18 application is currently being prepared for this project to allow for future construction.

#### **C3122 Rails to Trails**

This project has been delayed primarily due to the complexity of the environmental approvals associated with the clearing and construction methodology. It is anticipated that works may commence shortly however it unlikely that they will be fully achievable prior to the end of the financial year.

**C3131 Elijah Circle Public Open Space**

This project has been completed in line with the original scope. An additional shade structure and algae prevention technology is also to be provided.

**C3146 Dunsborough Town Centre**

Refer to comments provided at C1024 Dunsborough Road Access Improvements.

**C3166 Vasse River Foreshore – Bridge to Bridge project Stage 1**

The primary objective of this project is to enhance the conservation values of the land whilst providing managed access for pedestrians.

The path construction and bridge/boardwalk construction within the area identified as Aboriginal Heritage Site ID 16807 and Unallocated Crown Land is critical to the overall project. The support and approval from both the State Government and the South West Boojarah #2 WC2006/004 Native Title Claimant Group is required to progress this project in its current form. The support for the works in relation to the dealing with the Aboriginal Heritage Act component has not been forthcoming and is considered unlikely to be provided due to concerns with the potentially detrimental impacts of people walking dogs.

An alternative proposal is currently being prepared to achieve the primary objective with the support of the Aboriginal community and land tenure issue. Further weed control will be undertaken this financial year however this will not fully expend the budget allocation.

**D0017 Chain Avenue**

This project was to remove/relocate a Water Corporation drain which runs parallel to Chain Avenue and has been identified as an area of concern due to its proximity to the road edge.

The 1<sup>st</sup> stage of the State Black Spot funding, was to undertake the feature survey, preliminary design, land acquisition and fencing. This however cannot be fully expended by the end of the financial year largely due to the need to undertake appropriate flood modelling and resolve the final asset ownership.

The Water Corporation have now listed the project for the 2018/19 budget with an intention to address flood modelling, and resolve land tenure and fencing issues. This will result in the final asset being retained as the responsibility of the Water Corporation.

Due to the above it is requested to carry these funds into the 2018/19 financial year and include them with the 2<sup>nd</sup> stage.

**D0019 Johnston Avenue**

This project largely involves the replacement of a failed drainage system which has been in place for a significant time. The proximity of other services has impacted on the delivery timelines. The presence of Western Power infrastructure, namely power poles, immediately adjacent to the pipeline has necessitated the need for additional approvals. These approvals are yet to be received which will delay the project beyond the end of the financial year.

**F0075 Armitage Drive Footpath**

This footpath project links Navigation Way to Avocet Boulevard (Busselton Primary) and was proposed to be constructed on the Western side of the road. This proposal impacted on an aboriginal heritage site (Site ID 767). Consultation with representatives of the South West Boojarah #2 WC2006/004 Native Title Claimant Group clarified that although supportive of the project there was a strong desire for construction on the opposite side of the road.

The opposite side would not require a Section 18 application under the Aboriginal Heritage Act as it would be outside of the heritage area. There is however the potential that some skeletal remains are within the general area.

Construction on the opposite side of the road would unfortunately have a greater impact on two houses between Navigation Way and Jabiru Place as the verge area is steeper and has a large (non-native) tree which would require removal, as well as the installation of a retaining wall. Information has been sent to the property owners seeking comment on/support for this project.

The Design & Survey Team are working to achieve a deliverable project which addresses the community needs whilst minimising impacts on residents and heritage. It is unlikely that this project will be delivered prior to the end of the financial year.

#### **S0068 Georgiana Molloy Anglican School Bus Bay Facilities**

This project has been subject to three (3) separate briefings to Council and several subsequent meetings the GMAS representatives and the City, including the Mayor.

A concept design has been agreed to in principal with notification to be sent to previous respondents and adjacent property owners in the near future. Co-funding agreement will need to be in-place prior to physical construction. GMAS have been advised that this project will not be carried over for the 2018/19 budget, should agreement not be reached the City intends to undertake partial construction.

#### **T0084 & W0108 Yelverton Road**

The physical construction has been completed with some minor works to be initialled prior to the closure of this project. The minor works include the installation of a road centreline, awaiting approval from Main Roads WA – (City to provide traffic volumes).

This project is currently shown at an under expenditure with an expectation of \$384,250 however the current commitments will need to be finalised. A critical part of this project is the inclusion of a second coat seal, usually 12 months after the initial seal, however this can be managed if conditions are favourable for an earlier application.

It is recommended to carry over \$150,000 from this project into the 2018/19 budget to allow for these works. Further to this, the distribution of \$100,000 to Dunsborough Road Access Improvements, \$50,000 to Marine Terrace, \$50,000 to Koorabin Drive and \$25,300 to Carter Road. The remaining allocation of \$8,950 is requested to be distributed in the 2018/19 budget for Miamup Road as a second coat seal.

#### **W0136 DAIP Project**

The projects focus for the 2017/18 budget is the construction of a beach access ramp at the Old Dunsborough Beach. Preliminary costs have been received with concerns with the Structural engineering being addressed. It is anticipated that these works will be completed prior to 30<sup>th</sup> June.

#### **W0150 Roe Terrace**

This project is within the aboriginal heritage area (Site ID 16807) however this section of the site is heavily disturbed. The Department of Planning, Lands and Heritage has been approached to ascertain if a Regulation 10 application will suffice in this instance. In the interim the material has been purchased and stockpiled offsite.

The City is currently working to secure a clearing permit for the Frederick Street, Roe Terrace area from the Department of Water and Environment Regulation (DWER). A response has been sent to DWER addressing their initial interpretation of the impacts (prepared by Strategen). It is likely that an additional spring survey will be required prior to securing this permit.

**W0190 Valley Road**

This project requires the completion of the Valley Road Drainage which has been delayed pending Aboriginal Heritage approval. The drainage project has been relisted for 2018/19 in line with an earlier council resolution.

**W0204 Greenfields Road**

Significant progress had been made towards securing the necessary approvals for the conversion to a one-way roadway had been made however as previously identified, no direction for this was provided by Council who previously instructed that the roadway be constructed as a two-way 'Mews' styled road.

It is unlikely that the consultation, approvals and works will be completed this financial year.

**Summary**

Based on anticipated savings of \$384,250 from W0108 Yelverton Road within the 2017/18 capital budget, Officers propose that the 2017/2018 Adopted Budget be amended to reflect the following funding changes, shown in Table 1.

**Table 1.**

| <i>Cost Code</i>   | <i>Description</i>                   | <b>Current Budget</b> | <b>Change</b> | <b>Proposed Amended Budget</b> |
|--------------------|--------------------------------------|-----------------------|---------------|--------------------------------|
| <b>Expenditure</b> |                                      |                       |               |                                |
| W0108              | Yelverton Road                       | 1,080,376             | (384,250)     | 696,126                        |
| W0019              | Marine Terrace                       | 500,000               | 50,000        | 550,000                        |
| C1024              | Dunsborough Road Access Improvements | 591,155               | 100,000       | 691,155                        |
| S0314              | Koorabin Drive Reseal                | 0                     | 50,000        | 50,000                         |
| W0183              | Carter Road Second Coat Seal         | 0                     | 25,300        | 25,300                         |
| <b>Net Total</b>   |                                      | <b>2,171,531</b>      | <b>0</b>      | <b>2,171,531</b>               |

Additionally it is proposed that the following new projects are created within the 2018/19 capital budget:

1. Miamup Road Second Coat Seal \$8,950;
2. Yelverton Road Second Coat Seal \$150,000.

The following projects are likely to require their existing budget allocation (partly or in whole) to be carried over into the 2018/19 capital budget or will be required to be relisted:

**Carried Over:**

1. C0044 Meelup Coastal Nodes Carpark Upgrade;
2. C1513 Port Geographe Boat Trailer Parking Layout Redevelopment;
3. C3122 Rails To Trails;
4. D0019 Johnson Avenue Drainage Upgrade Stage 2;
5. C1024 Dunsborough Road Access Improvements;
6. C3146 Dunsborough Town Centre.

**Relisted:**

1. C3131 Elijah Circle POS;
2. A0022 Yallingup Beach Road Bridge 3347;
3. D0017 Chain Avenue Drainage;

4. F0075 Armitage Drive Footpath Navigation Way to Avocet Boulevard;
5. W0204 Greenfield Road (Loop) One Way Layout;
6. W0192 Valley Road.

## CONCLUSION

Council's approval is sought to amend the budget as per the details contained in this report. Upon approval the proposed works will be planned, organised and completed.

## OPTIONS

The Council could decide not to go ahead with any or all of the proposed budget amendment requests.

## TIMELINE FOR IMPLEMENTATION OF OFFICER RECOMMENDATION

Should the Officer Recommendation be endorsed, the associated budget amendment will be processed within a month of being approved.

## COMMITTEE RECOMMENDATION AND OFFICER RECOMMENDATION

That the Finance Committee recommends to Council endorsement of the Budget Amendments as outlined in the table below , resulting in no change to an Amended Budgeted Surplus Position of \$0.

| <i>Cost Code</i>   | <i>Description</i>                   | <i>Current Budget</i> | <i>Change</i> | <i>Proposed Amended Budget</i> |
|--------------------|--------------------------------------|-----------------------|---------------|--------------------------------|
| <b>Expenditure</b> |                                      |                       |               |                                |
| W0108              | Yelverton Road                       | 1,080,376             | (384,250)     | 696,126                        |
| W0019              | Marine Terrace                       | 500,000               | 50,000        | 550,000                        |
| C1024              | Dunsborough Road Access Improvements | 591,155               | 100,000       | 691,155                        |
| S0314              | Koorabin Drive Reseal                | 0                     | 50,000        | 50,000                         |
| W0183              | Carter Road Second Coat Seal         | 0                     | 25,300        | 25,300                         |
| <b>Net Total</b>   |                                      | 2,171,531             | 0             | 2,171,531                      |

**COUNCIL DECISION AND AMENDED OFFICER RECOMMENDATION****C1806/121**

Moved Councillor J McCallum, seconded Councillor L Miles

**ABSOLUTE MAJORITY DECISION OF COUNCIL REQUIRED**

That the Finance Committee recommends to Council endorsement of the Budget Amendments as outlined in the table below , resulting in no change to an Amended Budgeted Surplus Position of \$0.

| <i>Cost Code</i>   | <i>Description</i>                   | <b>Current Budget</b> | <b>Change</b> | <b>Proposed Amended Budget</b> |
|--------------------|--------------------------------------|-----------------------|---------------|--------------------------------|
| <b>Expenditure</b> |                                      |                       |               |                                |
| W0108              | Yelverton Road                       | 1,080,376             | (384,250)     | 696,126                        |
| W0019              | Marine Terrace                       | 500,000               | 50,000        | 550,000                        |
| C1024              | Dunsborough Road Access Improvements | 591,155               | 100,000       | 691,155                        |
| S0314              | Koorabin Drive Reseal                | 0                     | 50,000        | 50,000                         |
| W0183              | Carter Road Second Coat Seal         | 0                     | 25,300        | 25,300                         |
| <b>Net Total</b>   |                                      | <b>2,171,531</b>      | <b>0</b>      | <b>2,171,531</b>               |

**CARRIED 9/0**

Reason: To provide an accurate table of amendments to indicate the specific changes required within the 2017/18 annual budget

**13. PLANNING AND DEVELOPMENT SERVICES REPORT****13.1 SECTION 31 RECONSIDERATION : PROPOSED RECEPTION CENTRE, LOT 30 (HSE NO 70) MILLBROOK ROAD, YALLINGUP**

|                             |  |
|-----------------------------|--|
| <b>SUBJECT INDEX:</b>       | Development/Planning Applications  |
| <b>STRATEGIC OBJECTIVE:</b> | Planning strategies that foster the development of healthy neighbourhoods that meet our needs as we grow.                      |
| <b>BUSINESS UNIT:</b>       | Development Services and Policy  |
| <b>ACTIVITY UNIT:</b>       | Statutory Planning   |
| <b>REPORTING OFFICER:</b>   | Statutory Planning Coordinator - Joanna Wilson   |
| <b>AUTHORISING OFFICER:</b> | Director, Planning and Development Services - Paul Needham   |
| <b>VOTING REQUIREMENT:</b>  | Simple Majority  |
| <b>ATTACHMENTS:</b>         | Attachment A Location Plan                    |
|                             | Attachment B Existing Development Approval  |
|                             | Attachment C Development Guide Plan         |

| DISCLOSURE OF INTEREST    |   |
|---------------------------|---|
| <b>Date</b>               | 13 June 2018  |
| <b>Meeting</b>            | Council   |
| <b>Name/Position</b>      | Kelly Hick, Councillor  |
| <b>Item No./Subject</b>   | 13.1 Section 31 Reconsideration : Proposed Reception Centre, Lot 30 (HSE No 70) Millbrook Road, Yallingup |
| <b>Type of Interest</b>   | Impartiality Interest   |
| <b>Nature of Interest</b> | I am a registered Marriage Celebrant.   |

| DISCLOSURE OF INTEREST    |   |
|---------------------------|---|
| <b>Date</b>               | 13 June 2018  |
| <b>Meeting</b>            | Council   |
| <b>Name/Position</b>      | Ross Paine, Councillor  |
| <b>Item No./Subject</b>   | 13.1 Section 31 Reconsideration : Proposed Reception Centre, Lot 30 (HSE No 70) Millbrook Road, Yallingup |
| <b>Type of Interest</b>   | Impartiality Interest   |
| <b>Nature of Interest</b> | A member of my family either built or restored most of the structures.                                    |

**PRÉCIS**

At its meeting of 28 March 2018, Council considered a development application for a Reception Centre at Lot 30 Millbrook Road, Yallingup. Council approved the application with a number of conditions. The applicant has lodged an application for review with the State Administrative Tribunal (SAT) with respect to condition 8 of the approval, which states

*“should the lot be reduced in size to 20 hectares or less, the approved use shall cease”.*

Pursuant to S.31 of the *State Administrative Tribunal Act 2004* the Tribunal has invited the City to reconsider its decision, with respect to condition 8 only. Having considered the issues, officers are recommending that the Council agree to the removal of condition 8.

## BACKGROUND

Lot 30 (70) Millbrook Road, Yallingup is a Rural Residential zoned property listed on the City's Municipal Heritage Inventory and Heritage List as well as the State Heritage Register. A location plan is provided as **Attachment A**. The subject lot is a remaining large landholding (24.3 ha) surrounded by rural residential properties ranging in size between 1-4 hectares.

A copy of the approval is provided as **Attachment B**, which can be briefly summarised as follows-

- A reception centre to be provided as a marquee. It is indicated that the functions are to be largely contained within the marquee and furniture, decorations, etc. will be hired and brought to the site for each function.
- The number of patrons expected is within the range of 100-150 persons. The proposed hours of operation would be during the day with a noise reduction to 80dB(A) from 7pm and a total shutdown of operation at 11pm (midnight was originally proposed). As already indicated modifications/conditions are now proposed that would restrict events operating after 7pm, although clean up and similar could still occur after that time.
- A number of gravel car parking bays are to be provided on-site, though the applicant proposes that the primary form of transport to and from the site will be via bus.

A Reception Centre in the Rural Residential Zone is an 'X' use, meaning that it would not normally be permissible under Local Planning Scheme No. 21 ('the Scheme'). Since 1999 and now reflected in cl.4.5.2 of the Scheme, however, land-use controls for lots greater than 20 hectares in area in the Rural Residential Zone are the same that would apply as if the land was instead located in the Agriculture Zone (the subject lot has an area of approximately 24ha). The purpose of these provisions is thought to be to recognise that it is desirable to retain some larger lots within rural residential areas to maintain some rural character and amenity, but also recognise that such large lots do need some broader economic potential and impetus.

The property does have the potential to be subdivided in the future as per an existing Development Guide Plan (see **Attachment C**). If subdivided the result of this would render the lot size less than 20ha. Should that potential be realised, and if the proposed development were approved and operating, it would ordinarily have what is known as 'non-conforming use rights'. The development application was approved subject to condition 8; "should the lot be reduced in size to 20 hectares or less, the approved use shall cease".

## STATUTORY ENVIRONMENT

As the decision the Council is asked to make is limited to condition 8 only, on the statutory environment relevant to that matter is outlined.

In regard to Non-conforming Use Rights, Clause 3.13 of the Scheme refers and provides the mechanism to terminate a Non-Conforming Use.

### *3.13 TERMINATION OF A NON-CONFORMING*

*The local government may effect the discontinuance of a non-conforming use by the purchase of the land, or by the payment of compensation to the owner or occupier or to both the owner and occupier of that land, and may enter into an agreement with the owner for that purpose.*

*Note: Sections 190 and 191 of the Planning and Development Act enables the local government to purchase or, with the consent of the Governor, compulsorily acquire land for the purpose of a town planning scheme, subject to Part 9 of the Land Administration Act 1997 (as amended), those sections and the Scheme.*



## RELEVANT PLANS AND POLICIES

### ***Development Guide Plan 50 - Millbrook Road, Yallingup***

Development Guide Plan (DGP) 50 provides overarching development controls applicable to the lot relating to subdivision, heritage and portions of shared access. The DGP does not provide any development controls or measures specifically applicable to the proposed development but does provide for subdivision of the site. A copy is provided in Attachment C.

## FINANCIAL IMPLICATIONS

The application is currently within the State Administrative Tribunal (SAT); if Councillors decided to retain the Condition, it is likely the matter would be determined by SAT in Formal Hearings. Costs including potentially external costs, would be incurred, but would not be substantial.

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

Nil.

## STRATEGIC COMMUNITY OBJECTIVES

The Officer Recommendation is consistent with community objective 2.2 of the City's Strategic Community Plan 2017, which is – 'Planning strategies that foster the development of healthy neighbourhoods that meet our needs as we grow'.

## RISK ASSESSMENT

An assessment of the potential implications of implementing the Officer Recommendation has been undertaken using the City's risk assessment framework. The assessment identifies 'downside' risks only, rather than 'upside' risks as well. Risks are only identified where the individual risk, once controls are identified, is medium or greater. No such risks have been identified.

## CONSULTATION

The 28 March 2018 Council report outlines the consultation that was undertaken and the responses that were received from the community and relevant government agencies.

## OFFICER COMMENT

Officers understand the concerns of Councilors that the proposed use could only be considered as the subdivision of the parent lot is yet to be fully realised and the condition would ensure that the use ceases when any future subdivision takes place.

The State Administrative Tribunal (SAT), and other appeal bodies in Australia have adopted the approach taken in *Newbury DC v Secretary of State for the Environment* (1981) AC578 when considering the validity of planning conditions. That decision held that, in order to be valid, a condition must:

- be imposed for a planning purpose;
- fairly and reasonably relate to the development for which permission is given; and
- be reasonable, that is, be a condition which a reasonable planning authority, properly advised, might impose.

These principles have been adopted and generally applied in relation to development and subdivision approval in Western Australia.

It is considered that Condition 8 would not meet the tests of validity, in particular the condition does not fairly and reasonably relate to the development for which permission is granted. In this particular instance, the conditions imposed must relate to the use of the site as a reception centre, but Condition 8 goes beyond that, as it refers to subdivision and the discontinuance of what would otherwise be a non-conforming use.

The Newbury case considers the issue of imposing conditions to prevent non-conforming use rights, the case is clear that this should not be carried out through imposing conditions on development approvals but other methods available to the Local Government (Clause 3.13 of the Scheme refers). Whilst the relevant planning framework is not the same, the underlying principles are very similar. Clause 3.13 of the Scheme provides the Local Government to discontinue a non-conforming use by the purchase of the land, or by the payment of compensation to the owner or the occupier of the land. Further to this,

In regard to subdividing the site in the future; if the layout of the current DGP was to be implemented, the car parking for the reception centre would be located on a separate lot. When the subdivision application is submitted this would need to be addressed either by easements ensuring reciprocal rights of access and parking, or the car parking would have to be relocated. Note that the approved plans do not show the car parking location, those details are required to be approved subject to conditions, but it is understood would be on a separate lot if subdivision occurred as per the DGP.

The impact on any future occupiers from noise and disturbance from the use would also be considered by the City, the Western Australian Planning Commission and the applicant. This could result in either notifications being placed on Titles or the reception centre use complying with the noise regulations. Notwithstanding, the City and ultimately the Western Australian Planning Commission would consider the most appropriate means at the time.

It is considered that in light of the above case, condition 8 should be deleted from the development approval and an advice note included which explains, that should subdivision occur which resulted in the bisecting of the reception centre use (i.e car parking/access separated from the other elements), then appropriate easements would need to be in place or the subdivision area revised to ensure the operation of the reception centre is not affected.

Councillors should note that officers have had some informal discussions with the landowners, separate to the matter subject of this report, around rationalising the planning frameworks relating to the land. That framework currently would allow for around 30 chalets to be developed on the land and/or a micro-brewery, potentially at a substantially larger scale and closer to nearby residents, than the proposed reception centre. Those discussions have involved potentially restricting the scale and location of non-residential development, but allowing some further subdivision.

## **CONCLUSION**

It is considered that removal of Condition 8 would be appropriate and the use would still comply with the objectives and policies of the Scheme.

## **OPTIONS**

The Council could consider retaining the condition or modifying the wording of the condition. Should any Councillor require assistance in drafting an alternative motion, officers can provide assistance if requested to do so.

**TIMELINE FOR IMPLEMENTATION OF OFFICER RECOMMENDATION**

The applicant will be notified within of the Council's decision within two days and prior to the scheduled SAT directions hearing, scheduled for 22 June 2018.

**ALTERNATIVE MOTION**

**C1806/122** Moved Councillor K Hick, seconded Councillor R Bennett

That the Council :

Pursuant to Section 13.1 of the State Administrative Tribunal Act 2004, having reconsidered its decision with respect to condition 8 of DA17/0651, for the development of a Reception Centre at Lot 30 (70) Millbrook Road, Yallingup; not agree to its removal and affirm its decision of 28 March 2018 to approve the development, subject to conditions, including condition 8.

Voting:

For the motion: Councillor G Henley, Councillor L Miles, Councillor R Reekie and Councillor K Hick.

Against the motion: Councillor P Carter, Councillor R Paine, Councillor J McCallum, Councillor C Tarbotton and Councillor R Bennett.

**LOST 4/5**

**COUNCIL DECISION AND OFFICER RECOMMENDATION**

**C1806/123** Moved Councillor J McCallum, seconded Councillor C Tarbotton

That the Council, pursuant to Section 31 of the *State Administrative Tribunal Act 2004*, having reconsidered its decision in respect to condition 8 of DA17/0651, for the development of a Reception Centre at Lot 30 (70), Millbrook Road, Yallingup, agree to its removal, and that the following advice note shall be included on the Development Approval:

*6. Should subdivision occur which resulted in the bisecting of the reception centre (i.e. car parking/access on a separate lot from the other aspects of the development), then easements would need to be in place or the subdivision revised to ensure the operation of the reception centre is not affected.*

Voting:

For the motion: Councillor G Henley, Councillor P Carter, Councillor L Miles, Councillor J McCallum, Councillor C Tarbotton , Councillor R Reekie and Councillor R Bennett.

Against the motion: Councillor R Paine and Councillor K Hick.

**CARRIED 7/2**

**14. ENGINEERING AND WORKS SERVICES REPORT**

Nil

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

Nil

**19. URGENT BUSINESS**

Nil

**20. CONFIDENTIAL REPORTS**

Nil

**21. CLOSURE**

The meeting closed at 6.28pm.

THESE MINUTES CONSISTING OF PAGES 1 TO 84 WERE CONFIRMED AS A TRUE AND CORRECT RECORD ON WEDNESDAY, 27 JUNE 2018.

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

PRESIDING MEMBER: \_\_\_\_\_