



LATE ITEMS

Finance Committee Agenda

17 May 2018

ALL INFORMATION AVAILABLE IN VARIOUS FORMATS ON REQUEST

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CITY OF BUSSELTON

LATE ITEMS FOR THE FINANCE COMMITTEE MEETING TO BE HELD ON 17 MAY 2018

TABLE OF CONTENTS

ITEM NO.	SUBJECT	PAGE NO.
6.	REPORTS	3
6.6	ASSET MANAGEMENT REPORT	3
6.7	REPROGRAMMING OF CITY WORKS.....	19
6.8	BUDGET AMENDMENT REQUEST - INTEREST ON R4R FUNDING BUSSELTON FORESHORE PROJECT.....	25

6. REPORTS

6.6 ASSET MANAGEMENT REPORT

SUBJECT INDEX:

STRATEGIC OBJECTIVE:	Assets are well maintained and responsibly managed.
BUSINESS UNIT:	Engineering and Facilities Services
ACTIVITY UNIT:	Asset Management
REPORTING OFFICER:	Asset Coordinator - Daniel Hall
AUTHORISING OFFICER:	Director, Engineering and Works Services - Oliver Darby
VOTING REQUIREMENT:	Simple Majority
ATTACHMENTS:	Nil

PRÉCIS

The purpose of this report is to provide the Finance Committee with asset management information relevant to the financial management of the City of Busselton. It outlines various activities and how they may or may not impact the financial management of the City. It is not intended as an exhaustive list of all of the asset management undertakings for the period, but is rather a targeted report detailing issues relevant to the Finance Committee.

Asset Management Report

The Asset Management Coordinator, along with other City staff, recently attended Service Delivery Review Training by the University of Technology Sydney. The training was held in Perth over two days and provided a good insight into what is required in order to undertake a service delivery review within Local Government.

Whilst a full service delivery review is far wider reaching than simply managing the assets, there are asset management responsibilities within the implementation of a service delivery review. The following information, delivered during the training, is intended as information for the finance committee on how asset management links with the service delivery review process. Officer comment is also provided.

“In both Australia and overseas, service delivery reviews are vital processes ensure local government services are:

Appropriate – that is, services meet current community needs and wants, and can be adapted to meet future needs and wants.

Effective – that is, councils deliver targeted, better quality services in new ways.

Efficient – that is, councils improve resource use (people, materials, plant and equipment, infrastructure and buildings) and redirect savings to finance new or improved services.

The key benefits of service delivery reviews include:

- alignment of services with community needs and a more engaged community;
- higher quality service provision;
- cost savings and sometimes income generation;
- increased efficiency of often limited resources;

- partnerships and networks with other local governments and service providers;
- increased capacity of staff to respond to the changing needs of the community;
- staff who work cooperatively across departments; and
- a more systematic approach to understanding future community needs.”

One of the key themes from the training was the need for a whole of organisation approach to service delivery reviews and integration within the Corporate Planning Framework (corporate and strategic planning, asset management and community engagement).

It highlighted the need for each area of the organisation to be aware of any reviews that other areas are undertaking to ensure that knowledge can be shared and recommendations made relevant and effective for all stakeholders.

The implementation of cross-directorate working groups was suggested as an effective way of ensuring that reviews are conducted effectively across the organisation. The City currently has several of these in place and from personal experience these work quite well. It is however, imperative that they have a clear scope and well-defined purpose to ensure they are effective.

The asset management team has also recently undertaken performance reviews for public ablutions and coastal nodes. These reviews have been specific to the assets and have been undertaken within a more narrow scope than a full service review. These could however, form part of a much larger overall service delivery review should the need arise for this to happen.

The asset management team has also been involved with cross-directorate working groups assessing provision of Rural Community Halls and more recently the Public Open Space Strategy. Again, these have been undertaken for a specific purpose, however could provide the structure for a full service delivery review if required.

The training also emphasised the need for strong top down organisational support for any service reviews that are being undertaken. It is a process that is driven by the strategic direction of the Council to assist with the management of the long-term financial, environmental and social performance of the City.

Engineering & Works Services – Regional Road Group/Busselton Traffic Study Funding Update

The following information provides an update of the progress of the works and design services of the various roadworks projects funded via the South West Regional Road Group and the Busselton Traffic Study (Traffic Study). This information forms part of the CEO’s KPI’s.

Project Name - Strelly Street**Project Budget \$549,859****Financial information**

Job	Budget	YTD Actual	Commitments	Project Balance	Status
S0035 Strelly Street	\$549,859	\$372,568	\$107,070	\$220,220	In progress
New Budget Allocation	\$699,859				See detail below

Project Scope

This project forms part of the Traffic Study

- Short term- Construction of a direct link from the Busselton Bypass to West Street and essentially the Old Bussell Highway/Albert Street. This is known as the Strelly/ Barlee/West Street Connection which offers alternative access to Busselton Town Centre, the foreshore and the Western portion of the Busselton Township. The first stage involves the relocation of services and land resumptions where after the construction of a new roundabout at the intersection of Strelly/Barlee Street will be undertaken.
- Long Term – Construction of Dual carriageway to the above route is envisaged by 2036.

Progress Report***Works in Progress***

The detailed design for the roundabout has been undertaken by an external Contractor and has been completed working collaboratively with Main Roads Western Australia (MRWA).

The undergrounding of power lines and the installation of street lights at the intersection of Strelly/Barlee Street has been completed at the end of 2017.

Relocation of services, water main, and upgrade of existing asbestos cement pipes to polyethylene pipes, has also been completed.

Relocation of services - other (i.e. Telstra and NBN). A number of Telstra/NBN pits and associated fibre optic will also need to be relocated out of the new road alignment and driveways. Some of the Telstra/NBN pits needs to be upgraded that are located in areas where they need to be trafficable.

Land resumptions – two parcels of land are now required to be able to fit the new reworked (MRWA) roundabout at the intersection of Strelly/Barlee Street intersection. City officers were unable to reach agreement with one landowner along Strelly Street which required the design to be changed and moved to the further west along Barlee Street.

City officers have issued legal agreements and are in the process of finalising the purchase of the land. As one of the purchasing prices is above the CEO's delegated authority a report will be presented to the next Council meeting with regards this land purchase.

Community consultation - Once the land requirements have been resolved a letter drop will be organised to all the property owners in the Light Industrial Area (LIA) advising them of the works.

City officers have met with the directly affected landowners earlier this year to discuss the project and will be dealing with them on a one-on-one basis as part of the way forward to progress the project from design to implementation. Officers are considering night works to avoid traffic and business related issues.

Construction works - It's anticipated that the works will be commenced with in the 2nd quarter of the 2018/19 FY i.e. Sep 2018 – Dec 2018, however it could be brought forward weather permitting.

Project Risks

Purchase of Land - This is a potential risk to the project. Once both land purchases have been completed, the 17/18 FY budget will have been expended.

The City has already secured additional funding via RRG for the 2018/2019 Financial Year, which equates to \$450,000 (\$300,000 from the RRG and \$150,000 from the City). Current outstanding funds will be spent on the purchase of the two portions of land. No carry over is expected on this project. RRG funding will be available for the 18/19 FY for the construction of the roundabout.

Project Name – Layman Road

Project Budget \$672,701

Financial information

Job	Budget	YTD Actual	Commitments	Project Balance	Status
S0049 Layman Road	\$672,701	\$531,365	\$1,260	\$140,076	Completed
Budget Amendment Not Shown					

Project Scope

This project was undertaken over four years and consisted of a full reconstruction, upgrade of drainage, street lighting and minor landscaping. This was from Navigation Way to Ford Road.

Progress Report

Works in Progress

This project has been completed.

Project Risks

Nil. The Regional Road Group (RRG) has agreed that the project balance can be used on the Strelly Street Project. No carry over expected on this project.

Project Name – Causeway Road**Project Budget \$139,032****Financial information**

Job	Budget	YTD Actual	Commitments	Project Balance	Status
S0051 Causeway Road	\$139,032	\$75,829	\$68,716	\$-5,514	Ongoing

Project Scope

This project is part of the Traffic Study

- Short Term- Construction of a roundabout on Causeway Road providing access to the new Eastern Link Bridge and Rosemary Drive.
- Short term- Construction of dual lane roundabout at Rosemary Drive, a dual lane roundabout at Strelly Street and dual lanes between Strelly St and Rosemary Drive.
- Long Term – Construction of dual carriageway from Busselton Bypass to Peel Terrace, 2036.

Note- Funding Received to date is predominantly for the detailed design of the above works that includes the roundabout at Rosemary Drive.

Progress Report***Works in Progress***

The majority of this funding is going towards the cost of the detail designs work being undertaken by Calibre as well as the relocation of services such as fibre optic communication cables.

It was recently agreed to add the Strelly Street Roundabout and the duplication of Causeway Road from Rosemary Drive to Strelly Street. This detailed design work will be underway shortly.

This year's funding has been expended and commitments will be finalised by the end of the financial year (FY)

Project Risks

The City has already secured funding via RRG for the 2018/2019 FY which equates to \$750,000 (\$500,000 from the RRG and \$250,000 from the City). Funding and costs for the new inclusions requires detailing and programming. Consideration of how the stages of the projects are implemented requires further planning.

Project Name – S0064 Peel Terrace**Project Budget \$1,102,549****Financial information**

Job	Budget	YTD Actual	Commitments	Project Balance	Status
S0064 Peel Terrace	\$1,102,549	\$62,331	\$800,822	\$239,395	Ongoing

Project Scope

This is for the reconstruction of the section of road along Peel Terrace from Queen Street to Cammilleri Street, construction of a new roundabout at the intersection of Peel Terrace and Camilleri Street and construction of a new roundabout at the intersection of Peel Terrace and Brown Street. The project includes all design works and service relocations and the reconstruction of a section of Peel Terrace between Queen Street and Stanley Place.

Progress Report**Works in Progress**

Design Works – the design work on the section of Peel Terrace between Queen Street and Brown Street is currently underway and preliminary design drawings were completed in December 2017; these drawing are predominantly finalised.

These works also include the upgrade of the existing road pavement between Queen Street and Stanley Place, as this section of road is in desperate state of repair. A new roundabout at the intersection of Peel Terrace, Stanley Place and Cammilleri Street, as well as a new roundabout at Peel Terrace and Brown Street.

Relocation of services - Western Power undergrounding of power along Peel Terrace has been designed to be delivered in two phases. Phase 1 is the undergrounding of power and new street lights on Peel Terrace between Queen Street and Camilleri Street. Phase 2 is the undergrounding of power and new street lighting on Peel Terrace between Camilleri Street and Brown Street.

The designs for these works have been submitted to Western Power in July/August 2017. The City received the quotation for undertaking these works in January 2018, and purchase orders have been raised for Western Power to undertake these works. These works are now under construction. The undergrounding of the powerlines should be completed before the end of the 17/18FY. Historically WP has not been very efficient in issuing invoicing for works completed. This might introduce a risk of funding not fully expended; however City officers will be dealing with the matter to ensure no carry/over of funding.

Relocation of services - Telstra and Optus. Two pits, Telstra and Optus, and the associated fibre optic have been relocated out of the new Eastern Link road alignment.

Land resumptions - both the two new roundabouts at Peel Terrace/Cammilleri Street and Peel Terrace/Brown Street will be encroaching land that falls outside the existing road reserve. The new roundabout at Cammilleri Street encroaches Reserve 52822 – State WA – Current Purposes – Carpark. The new roundabout at Brown Street encroaches Lot 7 (73 Peel Terrace) of which the owner is the City of Busselton.

Environmental approvals are currently underway. The environmental approval for the new Eastern Link Bridge was submitted for approval to Environmental Protection Authority (EPA) in early January.

The EPA has determined that the project does not need to be assessed and is currently in an appeals period. The EPBC (Commonwealth) have determined that the eastern link is to be assessed as a controlled action. City officers are now working on this with our environmental consultants.

In addition to the above, the Council resolved through a Notice of Motion not to proceed with the Eastern Link for a period of 6 months, whilst further consultation on the Traffic Study is undertaken. From a construction point of view, this means that the roundabout connecting the Eastern Link/Cammilleri and Peel Terrace cannot proceed, nor the Stanley Road intersection upgrade (as this upgrade is specific to the roundabout noted above).

The rationale behind this is if the Council resolved in the future not to proceed with the Eastern link, then the roundabout connecting the Eastern Link/Cammilleri and Peel Terrace would not be required (at this point in time). Instead a modified intersection at Stanley and Peel would be required and the roundabout at Peel and Brown would still be required.

The section of Peel Terrace from Causeway Road to the Western side of Stanley Place is still required to be reconstructed. It is planned to complete these works with the unspent funds by the end of the 2017/2018 FY.

These works were originally due to be completed in conjunction with the other works on Peel Terrace to provide an economy of scale, however the above noted delays have prevented this from occurring as originally planned.

Therefore this section of road will be constructed separately. In addition City officers have requested funds from the RRG Queen Street project be allocated to the Peel Terrace project in order to complete these road upgrade works.

Project Risks

Western Power delays in getting the undergrounding of power completed before mid-June 2018 could potentially delay the expenditure of the majority of the RRG funding allocated for the 17/18FY.

Environmental approvals have delayed the construction of the new Eastern Link Bridge over the Vasse River. (Note comment above)

The Council endorsed Notice of Motion (NoM) has delayed the commencement of the Eastern Link pending further public consultation.

Funding - Construction of the roundabouts and the upgrade of Peel Terrace in the current financial year is dependent on the outcome of the funding remaining after all services have been relocated. The City has already secured funding via RRG for the 2018/2019 FY which equates to \$750,000 (\$500,000 from the RRG and \$250,000 from the City). Pending the final outcome of the community consultation this funding might not be enough to complete the works on the works on the Peel Terrace side of the Eastern Link project, if this project is altered in any way.

Project Name – S0066 Queen Street**Project Budget \$254,412****Financial information**

Job	Budget	YTD Actual	Commitments	Project Balance	Status
S0066 Queen Street	\$254,412	\$27,403	\$24,713	\$202,296	Ongoing

Project Scope

This project is part of the Traffic Study.

- Short term- Minor modifications to the road layout and lanes on the section of Queen Street from Peel Terrace and Albert Street. Detailed design and modelling associated with traffic congestion and the improvement of traffic flow into the town centre. Redesign and re-programming of traffic signal sequencing at the intersection of Queen and Albert and West/Albert.
- Long Term- The intersection to be upgraded to accommodate Causeway Road to be a dual carriage way.

Note- Funding received to date is predominantly for the detailed design of the above works.

Progress Report***Works in Progress***

Detailed modelling has been undertaken of numerous options associated with the intersection treatments for this area.

City officers have narrowed the intersection design of Queen/Albert Street down to a roundabout in lieu of traffic signals. This option will require additional traffic modelling and preliminary designs to establish if this is a viable option. Preliminary concepts are underway for the roundabout that connects Queen and Albert St.

No final design has been determined at this point as priority has been given to the completion of the Eastern Link, Peel Terrace upgrade and the Barlee Street/Strelly Street upgrades, noting that City officers would expect to complete the detailed design of this area towards the end of the financial year. It is likely that this will not expend all of the current funds allocated to this project and remaining funds may have to be returned to the MRWA RRG or transferred to other RRG projects.

City officers have also engaged a specialist consultant to do a detailed assessment of the traffic signal sequencing along all the entire Bussell Highway to establish if there are options to switch over from normal traffic to peak flow traffic. This work has been completed and officers are working with MRWA to re synchronize the traffic lights on Queen/Albert and Albert/West.

Minor road upgrades have been completed, lane upgrades and channelization.

Relocation of services such as Telstra and Western Power is currently also being investigated.

A portion of funds from this project will be allocated to the Peel Terrace project in order to complete the section from Causeway Road to Stanley Place. Remaining funds on the 17/18 FY are required for continued design work and traffic light optimisation. There is likely to be a small carry over of funds on this project.

Project Risks

A final design of this intersection cannot be completed until further detailed modelling of various options can be finalised. This is in order to develop the most appropriate design that caters for all the associated different factors such as East/West and North/South Access, minimising service relocation, minimising land acquisition, and minimising the use of the reserve, all with the intention of improving traffic flow.

This can only be done when other elements of the Traffic Study are finalised. This will be the most complicated and risky part of the overall project and will require the appropriate attention to finalise. Currently City officers are prioritising the Eastern Link works, Peel Terrace works and the Barlee Street/Strelly Street connection.

Remaining funds may be required to be carried over. However the City will request consideration to use these funds on Peel Terrace upgrade works, noting that RRG approval is pending for this to occur.

Project Name – Layman Road

Project Budget \$600,000

Financial information

Job	Budget	YTD Actual	Commitments	Project Balance	Status
S0067 Layman Road	\$600,000	\$357,000	\$36,500	\$206,500	Ongoing

Project Scope

Reconstruction between SLK 3250 and SLK 3620; asphalt overlay between SLK 5010 to 5110 and asphalt overlay with drainage improvements between SLK 6000 to 6500.

Progress Report

Works in Progress

Design works completed and have been issued for construction. Works commenced in March 2018.

Project Risks

Risk is currently low for this issue.

Project Name – S0068 Georgiana Molloy (GMAS) Bus Bay Facilities
\$200,000

Project	Budget
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Financial information

Job	Budget	YTD Actual	Commitments	Project Balance	Status
S0068 Georgiana Molloy Bus Bay Facilities	\$200,000	\$390	\$0	\$199,610	Ongoing

Project Scope

Funding provided by State Government via Libby Mettam MLA to assist with congestion associated with school busses around the GMAS during pick up and drop off.

Progress Report

Works in Progress

A design has now been agreed with GMAS. Detailed designs are underway. Construction is expected to be completed before the end of the FY. Officers are meeting with GMAS to finalise the construction of works with the works on the road reserve at a minimum being completed by the end of the FY

Project Risks

- Project Exceeds budget. On this basis the school will be requested to fund the balance.
- That the school further delay the project.

Project Name – V0002	Busselton	Dunsborough	Traffic	Implementation	Works
Project Budget					\$2,325,000

Financial information

Job	Budget	YTD Actual	Commitments	Project Balance	Status
V0002 Busselton Dunsborough Traffic Implementation Works	\$2,325,000	\$0	\$0	\$2,325,000	Ongoing

Project Scope

Funding has been provided for all elements of Busselton Dunsborough Traffic Implementation Works (Traffic Study) noting that the predominant action for this funding is the construction of the Eastern Link, connecting Causeway Road to Peel Terrace via a bridge from Rosemary Drive/Causeway Road to Peel Terrace (between Stanley Place and Cammilleri Street). This link road will provide East Busselton and Geographe-bound traffic with a more direct route.

Indicative estimated cost \$3.8M (*this project costing excludes potential land acquisition, relocation of services, draining and landscaping*).

Progress Report***Works in Progress***

The City has received a grant from the federal bridge renewal program of \$1.25 million towards the construction of the bridge spanning the Vasse River.

The bridge design, roundabout design (Rosemary, Causeway and Eastern Link Connection) and Peel Terrace design is in the detailed design phase and practically complete.

In addition to the above, the Council resolved through a Notice of Motion not to proceed with the construction of the Eastern Link for a period of 6 months, whilst further consultation on the Traffic Study is undertaken.

From a construction point of view this means that the roundabout connecting the Eastern Link/Cammilleri and Peel Terrace cannot proceed, nor the Stanley Road intersection upgrade (as this upgrade is specific to the roundabout noted above), nor the construction of the Bridge, or the construction of the Rosemary/Causeway roundabout and the section of road connecting the Eastern Link Bridge to the Causeway/Rosemary roundabout. These works (other than design works or similar) cannot proceed until further consultation has taken place and a further report presented to the Council.

Environmental approvals are currently underway. The environmental approval for the new Eastern Link Bridge was submitted for approval to Environmental Protection Authority (EPA) in early January 2018. The EPA has determined that the project does not need to be assessed and is currently in an appeals period. The EPBC (Commonwealth) have determined that the eastern link is to be assessed as a controlled action. We are now working on this with our environmental consultants.

City officers finalised in January 2018 negotiations with Guides WA and Scouts WA re relocation of their facilities, which are currently located on the land where the new road works (roundabout) will be located.

Consultation on these works has commenced and meetings have been held with the general public, specific resident and stakeholders during November and December 2017. Full details of the project have also been advertised in the local press; project hand-outs have been developed and are available in the Admin building front desk. Information is also available on the City's External website and the "Council's "Have Your Say" website.

Note as a result of the Nom further consultation is now due to take place, City officers are currently busy putting together a Communication Strategy/Plan to roll out the consultation process.

Project Risks

Full project budget is currently insufficient if the project were to proceed in its current form; however the City's Long Term Financial Plan (LTFP) provides a mechanism by which funds can be derived which will be included in 2018/19 Budget considerations.

Project delayed by EPA/Federal Government approvals.

Engineering & Works Services – Current Progress – Narrow Seal Rural Roads Report

Rural single lane seal roads were first identified as a priority area within the 2013 Roads Asset Management Plan. Along with the adoption of the plan, staff presented a report to the Council on the condition assessment and renewal program for rural single lane seal roads.

The report outlined that a large amount of road improvements were carried out in the 1960s, when State and Federal Government funding was made available to seal lengths of existing gravel roads. A majority of these roads were sealed to a width of 3.7m, which was deemed adequate at the time but no longer conforms to current road width standards.

The result of this work carried out in the 1960's was that the City had some eighty two kilometers of rural single lane seal roads with an average seal age of twenty one years and nearing the end of its useful life; twenty five years being the predicted average useful life for a seal within the City of Busselton.

The report also noted that maintenance costs on these narrow seal roads were indicatively very high, as both the seal edges and the gravel shoulders wear out more than on full width sealed roads. This is on the basis that the shoulders on the narrow seal roads get exposed to more traffic.

The plan provided detail on the rural single lane seal roads and identified a priority list of roads considered to be the most essential for renewal works within the first ten years of the plan. These priorities were based on location and linkage provided within the overall network, traffic volumes, school bus routes, tourism factors and condition.

The roads listed as priority roads in 2013 were Boallia Road, Hairpin Road, North Jindong Road, Tom Cullity Drive, Puzey Road, Yelverton Road and Wonnerup South Road. Works to Abbeys Farm Road were already in progress and therefore not included in the priority list.

Single lane Seal sections of Yoongarillup, Chapman Hill and Don Road have since been added to this list on the basis of providing network linkage in line with the other priority roads. These were added during the 2015 review.

Table 5 shows the list of priority rural single lane seal roads as it stood in 2015. Some of these roads have since been renewed as outlined in the works completed column of Table 7 below.

Table 5: 2015 Priority Rural Single Lane Seal Roads

Road Name	Priority Sections of Single Lane Seal Km (2015)
Tom Cullity Drive	1.9
Puzey Road	4.5
Yelverton Road	4.7
North Jindong Road	4.4
Yoongarillup Road	3.1
Boallia Road	5.3
Wonnerup South Road	5.0
Hairpin Road	5.1
Chapman Hill Road	1.6
Don Road	1.9
Total Kilometers	37.5

The remainder of the rural single lane seal roads are shown in Table 6. These will also be required to be renewed over time however will be subject to further assessment before this happens. These remaining roads are generally lower traffic roads with less strategic importance than those listed as priority roads. It is anticipated that the works to renew these, whilst including some level of upgrade works, will also include like for like renewal and rationalisation.

Like for like renewal may involve simply replacing the narrow seal with a new narrow seal and rationalisation could mean returning the road back to a gravel (unsealed) surface. The option of returning the road back to gravel would require some level of consultation with affected landowners before it can be undertaken.

It should also be noted here that once the priority roads are completed, the targeted and prioritised renewal of these narrow roads will cease. This will mean that all works to the remainder of the rural single lane seal roads will be assessed and prioritised against all other proposed road renewal projects. An outcome of this may be that these roads are not renewed at the same rate as the priority roads.

Table 6: Remainder of Rural Single Lane Seal Roads

Road Name	Length of Single Lane Seals (km)
Kaloorup Road	3.03
Sugarloaf Road	2.45
Wildberry Road	0.24
Dawson Drive	0.24
Wonnerup East Road	3.73
Capel - Tutunup Road	3.36
Floodgate Road	0.70
Old Vasse Highway	1.25
Marybrook Road	0.95
Chambers Road	0.95
Florence Road	0.11
Blythe Road	1.95
Yalyalup Road	1.98
Henry Road	1.54
Oates Road	0.82
Gale Road	5.57
Willanup Rise	0.30
Princefield Road	5.86
Yallingup Siding Road	0.41
Doyle Road	1.13
Slee Road	0.82
Nuttman Road	2.23
Injidup Spring Road	0.32
Downs Road	1.60
Total Kilometers	41.50

Subsequent works programs since the 2015 review have seen a reduction in the total kilometers of priority narrow seal roads. Table 7 shows the anticipated remaining kilometers at the conclusion of the 2017/2018 Capital works program which will see 4.7km of narrow seal for Yelverton Road renewed.

Table 7: 2019 Priority Rural Single Lane Seal Roads

Road Name	Priority Sections of Single Lane Seal Km (2015)	Works Completed 2015/16 – 2017/18Km	Remaining Kms at Conclusion of 2017/18
Miamup Road	0.45	0.45	0
Tom Cullity Drive	1.9	1.9	0
Puzey Road	4.5	4.5	0
Yelverton Road	4.7	4.7	0
North Jindong Road	3.1	0	3.1
Yoongarillup Road	4.4	0	4.4
Boallia Road	5.3	0	5.3
Wonnerup South Road	5.0	1.10	5.0
Hairpin Road	5.1	0	5.1
Chapman Hill Road	1.6	0	1.6
Don Road	4.9	0	4.9
Total Kilometers	37.5	11.1	26.4

The total 11.1km of reconstruction was undertaken at a total cost of approximately \$3.9M and will leave 26.4km of priority narrow seals remaining. During this period other works have also been undertaken to roads outside of the priority narrow list such as risk reduction works to Capel-Tutunup Road (\$121,000) for the reconstruction of a dangerous and extremely poor condition junction used by school buses, and the reconstruction and widening works to Miamup Road, at a cost of \$220,000. Miamup Road was handed to the City as a donated asset following a review of roads within the LGA boundaries; unfortunately a large section of this was immediately added to the priority single lane rural seals. These works were completed economically by combining them with reconstruction works to the adjoining Tom Cullity Rd.

During this time the City has also upgraded a large section of Carter Road for \$381,000. By sealing this previously unsealed road, the City has improved safety and reduced the whole of life costs to maintain this busy section of road.

The works undertaken to the priority narrow seals have also subsequently reduced the overall distance of narrow seal rural roads. The total will be reduced from eighty two kilometers (2013) down to around seventy one kilometers at the conclusion of the 2017/2018 financial year.

Chart 1 Overall Narrow Seal Roads Distance by Condition

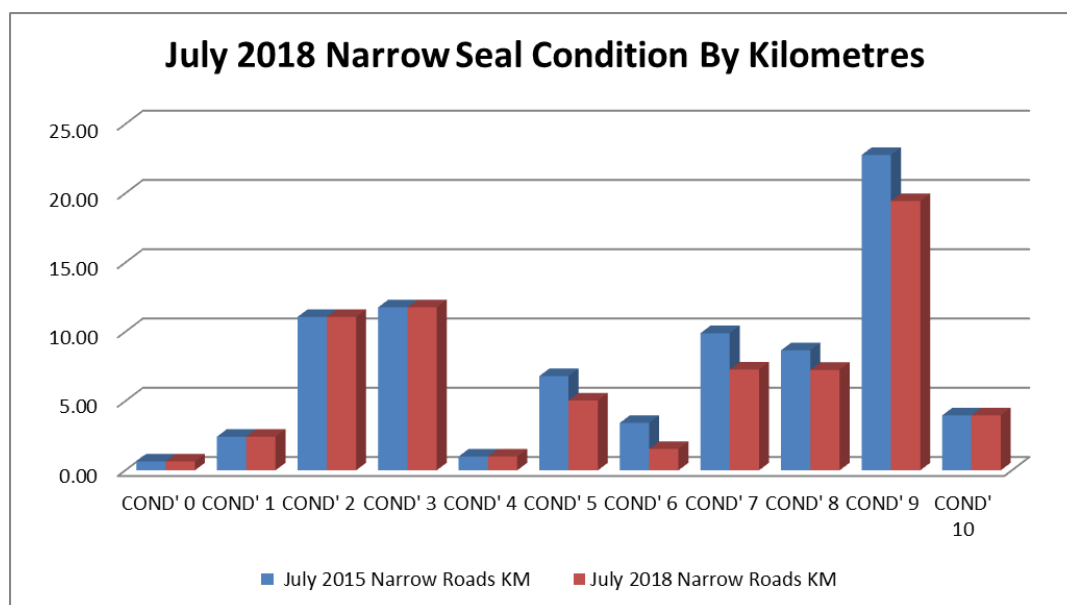


Chart 1 illustrates the spread of condition ratings and how they have reduced over time. As the chart shows, the reductions have occurred from condition five through to condition nine. In the normal course of events you would expect that the reductions would work from condition ten, nine and downwards, essentially reducing the worst condition first.

The scheduling of the works takes into account other factors in addition to condition. These factors include safety issues (mixed width seals, edge condition etc.), traffic (vehicles per day, school bus and heavy traffic routes etc.) and factors for tourism and network linkages. These factors will, from time to time, alter the priority over and above condition; however the end goal of reducing the total kilometers of narrow roads remains the same.

Also as noted above, as the program progresses there will be consideration for some roads to be returned to gravel or renewed in another manner that reflects their current usage or strategic importance.

Table 8 Narrow Roads Changes in Condition Ratings over Time

	COND' 0	COND' 1	COND' 2	COND' 3	COND' 4	COND' 5	COND' 6	COND' 7	COND' 8	COND' 9	COND' 10	Total
July 2015 Narrow Roads KM	0.64	2.43	11.08	11.77	1.00	6.80	3.42	9.90	8.66	22.77	3.967	82.44
July 2018 Narrow Roads KM	0.64	2.43	11.08	11.77	1.00	5.03	1.53	7.27	7.25	19.44	3.965	71.40
	0	0	0	0	0	-1.77	-1.89	-2.63	-1.41	-3.34	-0.002	-11.04
						Decrease	Decrease	Decrease	Decrease	Decrease	Decrease	Decrease

The largest reduction in condition rating has occurred in condition nine with 3.34km being renewed. The second highest was condition seven at 2.63km. The other reductions were spread amongst conditions eight, six and five.

Indicative delivery of the projects is as follows:

				2018/19 Forecast	2019/20 Forecast	2020/21 Forecast	2021/22 Forecast	2022/23 Forecast	2023/24 Forecast	2024/25 Forecast	2025/26 Forecast	2026/27 Forecast
36. Asset Management Plan - Roads Construction (Muni and Reserve)				3,290,000	3,402,000	3,518,800	3,640,000	3,870,000	3,910,000	3,955,000	4,000,000	4,120,000
		Annual resheets unsealed roads and shouldering		450,000	460,000	460,000	470,000	470,000	480,000	480,000	500,000	500,000
		Yoongarillup Rd (rural widening)		800,000	800,000	800,000						
		Sugarloaf rd (upgrade reconstruct)		700,000								
		North Jindong (rural widening)						780,000	800,000			
		Capel Tutenup (rural widening)				800,000	500,000					
		Wonnerup South Rd (rural widening)								800,000	800,000	500,000
		Boallia Rd (rural widening)							1,000,000	800,000		
		Hairpin Rd (rural widening)					750,000	750,000				

OFFICER RECOMMENDATION

That the Council note the Asset Management Report for May 2018.

6.7 REPROGRAMMING OF CITY WORKS

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

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:

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

STRATEGIC COMMUNITY OBJECTIVES

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

RISK ASSESSMENT

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

Consultation has occurred with the appropriate City of Busselton officers.

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, 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 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 is 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 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 which has been identified as an area of concern due to its proximity to the road edge.

The 1st stage of the State Black Spot funding, planned at undertaking the feature survey, preliminary design, land acquisition and fencing cannot be fully expended by the end of the financial year largely due to undertake the 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 undertake the required items to address flood modelling, land tenure resolution and fencing which 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 2nd 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. As part of the consultation for this project it was identified that the previously identified and recovered skeletal remains were not an intact skeleton, there is a potential that some skeletal remains are within the general area.

This would unfortunately have a greater impact on two (2) houses between Navigation Way and Jabiru Place as the verge area is steeper and has a large (non-native) tree which would require removal and 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.

Advice comment only.

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 30th June.

Advice comment only.

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.

Advice comment only.

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

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:

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.

The following projects and remaining budgets are required to be relisted in the 2018/19 capital budget:

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.

Based on anticipated savings of \$384,250 from W0108 Yelverton Road within the 2017/18 capital budget, the following is requested:

1. Transfer of \$100,000 from W0108 Yelverton Road to C1024 Dunsborough Road Access Improvements;
2. Transfer of \$50,000 from W0108 Yelverton Road to W0019 Marine Terrace;
3. Transfer of \$50,000 from W0108 Yelverton Road to S0314 Koorabin Drive Reseal;
4. Transfer of \$25,300 from W0108 Yelverton Road to Carter Road Second Coat Seal (Cost Code To Be Confirmed);
5. Creation of a new project within the 2018/19 capital budget – Miamup Road Second Coat Seal \$8,950;
6. Creation of a new project within the 2018/19 capital budget – Yelverton Road Second Coat Seal \$150,000.

Based on anticipated savings from projects within the 2017/18 capital budget, the following is requested:

1. Creation of a new project within the 2018/19 capital budget – Tom Cullity Drive Second Coat Seal \$47,000;
2. Creation of a new project within the 2018/19 capital budget – Ford Road Asphalt Overlay \$244,187 (including \$39,013 CWKS).

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.

OFFICER RECOMMENDATION

ABSOLUTE MAJORITY DECISION OF COUNCIL REQUIRED

That the Finance Committee recommends to Council endorsement of the Requested Budget Amendments contained within this report, resulting in no change to an Amended Budgeted Surplus Position of \$0.

6.8 BUDGET AMENDMENT REQUEST - INTEREST ON R4R FUNDING BUSSELTON FORESHORE PROJECT

SUBJECT INDEX:	Budget Planning and Reporting
STRATEGIC OBJECTIVE:	Governance systems, process and practices are responsible, ethical and transparent.
BUSINESS UNIT:	Finance and Corporate Services
ACTIVITY UNIT:	Finance and Corporate Services
REPORTING OFFICER:	Manager Financial Services - Kim Dolzadelli
AUTHORISING OFFICER:	Director Finance and Corporate Services - Tony Nottle
VOTING REQUIREMENT:	Absolute Majority
ATTACHMENTS:	Attachment A City of Busselton Request for Use of Interest Accumulated ↓ Attachment B Response from Department of Primary Industries and Regional Development ↓ Attachment C Draft Agreement Variation ↓

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 following Key Area/Project:

1. "BUSSELTON FORESHORE REDEVELOPMENT AND TOURISM ACCOMMODATION PRECINCT"

BACKGROUND

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.

PLANNED 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>	<i>Current Budget</i>	<i>Change</i>	<i>Proposed Amended Budget</i>
Revenue				
Equity Transfer	Restricted Asset – Interest On Government Grants	(80,000)	(22,888)	(102,888)
Expenditure				
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
Net Total		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

NA.

STRATEGIC COMMUNITY OBJECTIVES

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

RISK ASSESSMENT

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

Consultation has occurred with the appropriate City of Busselton officers.

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

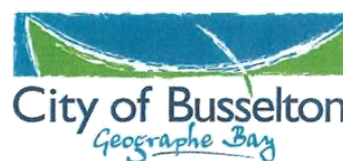
The Council could decide not to go ahead with any or all of the proposed budget amendment requests, this would result in all accrued interest is required to be returned to the State Government, which would total (as at 1 May 2018) \$102,888.

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.

OFFICER RECOMMENDATION**ABSOLUTE MAJORITY DECISION OF COUNCIL REQUIRED**

That Council endorse the requested Budget amendments as per table 1 contained within this report, resulting in no change to an amended budgeted surplus position of \$0.



8 January 2018

Melissa Murphy
Executive Director
Department of Primary Industries and Regional Development
Level 12, 140 William Street
PERTH WA 6000

Dear Melissa

RE: CITY OF BUSSELTON – Proj-0715-0215-1 – Busselton Foreshore Redevelopment (Tourism Accommodation Precinct) REQUEST TO USE INTEREST ON GRANT

In accordance with the Financial Assistance Agreement (FAA) for Proj-0715-0215-1 – Busselton Foreshore Redevelopment (Tourism Accommodation Precinct) the City of Busselton is nearing final completion of the project. As such, the City of Busselton respectfully requests that the accumulated interest on the grant funds be attributed to further works within the project area.

Royalties for Regions grant funding amounted to \$4,500,000 with an additional \$96,191.49 as of 30 November 2017 being accumulated interest. *This figure is likely to increase slightly as interest is calculated daily.* The initial program of works for this component of the Busselton Foreshore Redevelopment under the FAA was to be completed by 30 November 2017. It is anticipated that these initial program of works (totalling \$4,500,000) will be acquitted at the 30 December 2017 or second quarter report.

The City would like to propose using the accumulated interest of \$96,191.49 towards a Toddler Play Space which is located centrally within the project area. *Please refer to Attachment A.* This playground will contribute towards the attraction of tourists to the region and support the Tourism Accommodation Precinct through provision of facilities for younger children. It is therefore believed to be a suitable use for these funds.

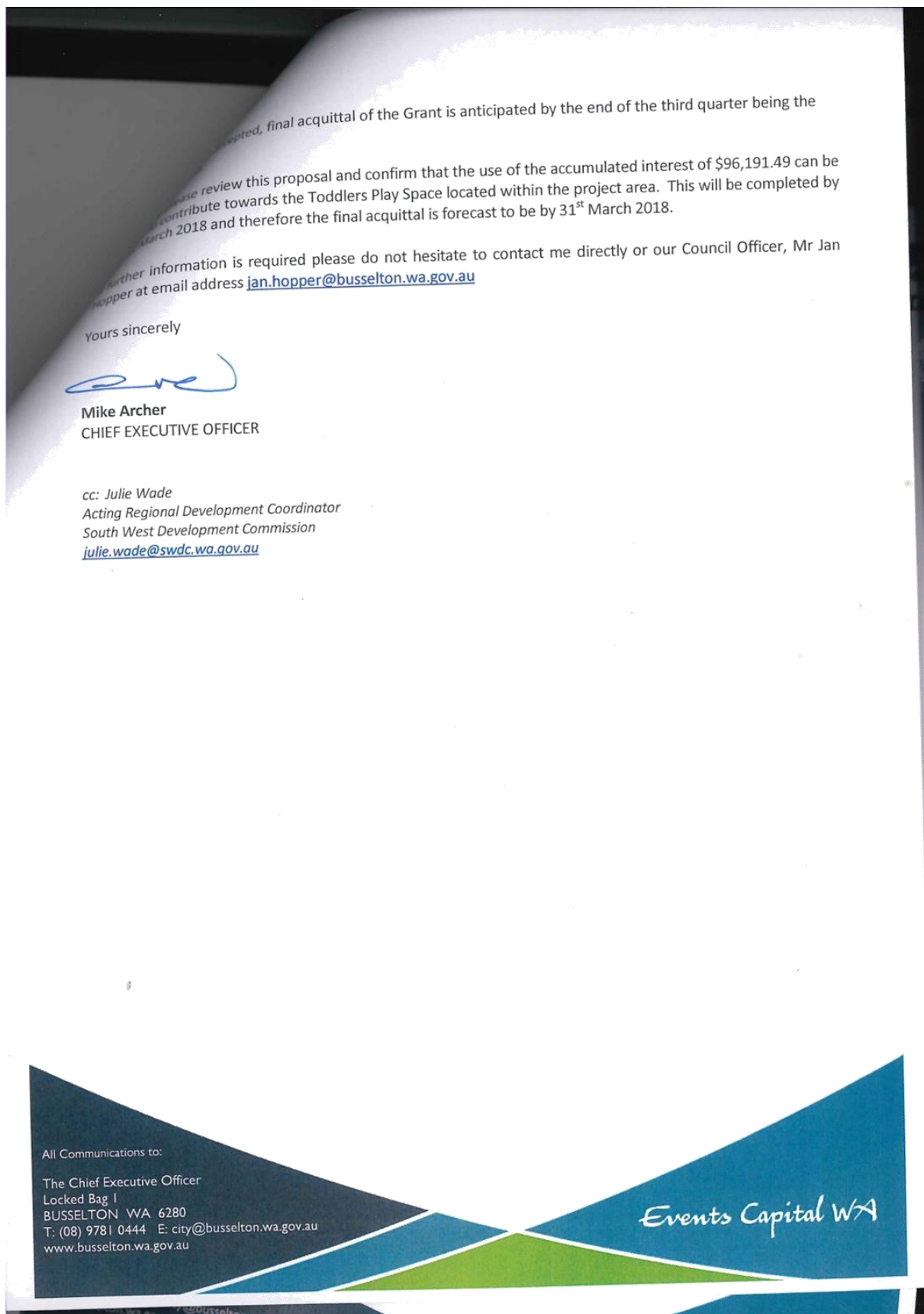
Design of this space has now been finalised and equipment purchased and delivered in readiness for construction to commence in February with completion expected by March 2018. A detailed budget has been prepared which itemises all equipment, material and labour to complete the project. The overall cost of this feature play space is \$210,295.61. *Expenditure for equipment, materials and labour please refer to the table below:*

Description	Subtotals
SITE WORKS	\$15,000.00
IRRIGATION	\$20,000.00
PLAYGROUND EQUIPMENT	\$61,732.71
DECKING	\$20,000.00
BOULDER, LOG AND TRAIL WORK	\$20,000.00
PAVEMENTS	\$26,505.00
STRUCTURES	\$25,000.00
SOFT SCAPE	\$5,307.90
SOFTFALL	\$16,750.00
Total Cost	\$210,295.61

All Communications to:

The Chief Executive Officer
Locked Bag 1
BUSSELTON WA 6280
T: (08) 9781 0444 E: city@busselton.wa.gov.au
www.busselton.wa.gov.au

Events Capital WA





Department of
Primary Industries and
Regional Development

Our reference: R00164-14 / DG-2018-245
Enquiries: Stefan Chappell, 6552 2092

Mr Mike Archer
Chief Executive Officer
City of Busselton
Locked Bag 1
BUSSELTON WA 6280

City of Busselton	Application No	Received	City of Busselton
	Client		
	28 MAR 2018		
	Priority	Doc ID	
	Referral		

Dear Mike

**Busselton Foreshore Redevelopment (Tourism Accommodation Precinct)
Project - Request to expend interest accrued on Royalties for Regions funding**

Thank you for your letter dated 8 January 2018 requesting the expenditure of interest accrued on the Royalties for Regions funded Busselton Foreshore Redevelopment (Tourism Accommodation Precinct) project. I apologise for the delay in this response.

I commend the City of Busselton for the successful delivery of this project to date, however, 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.

Under this arrangement, the Department will work with the City to amend the Financial Assistance Agreement established for the Busselton Foreshore Redevelopment project to accommodate the grant funding to BJI. This would include conditions relating to leveraged funding, use of revenue generated and future maintenance of the facilities.

Gordon Stephenson House, 140 William Street, Perth WA 6000

PO Box 1143, West Perth WA 6872

Telephone +61 (0)8 6552 1800 Facsimile +61 (0)8 6552 1850 enquiries@dpird.wa.gov.au

dpird.wa.gov.au

ABN: 18 951 343 745

In the interim, and in order to facilitate this arrangement, please contact Stefan Chappell at Stefan.chappell@dpird.wa.gov.au to discuss the progression of the variation to your FAA.

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

Please return these funds to into the following bank account within four (4) weeks of the date of signing of this letter.

Department of Treasury
Bank: Commonwealth Bank
BSB 066-040

Account Number: 10100002

Reference: RfR RIHF PY – REC (Busselton Foreshore Redevelopment)

I thank you for your consideration of this response and look forward to your reply. Should you wish to discuss this further, please contact Brett Sabien, Director Investment Management on (08) 6552 1828 or by email at brett.sabien@dpird.wa.gov.au.

Yours sincerely



Nigel Grazia
A/Deputy Director General
Industry and Economic Development

21 March 2018



Department of
Primary Industries and
Regional Development

Our reference:
Enquiries:

Mr Michael Archer
Chief Executive Officer
City of Busselton
Locked Bag 1
BUSSELTON WA 6290

Dear Mr Archer

**AGREEMENT VARIATION – BUSSELTON FORESHORE REDEVELOPMENT
(TOURISM ACCOMMODATION PRECINCT) PROJECT**

I refer to correspondence between the City of Busselton (City) and the Department of Primary Industries and Regional Development (DPIRD) dated the 8 January and 21 March 2018 regarding the expenditure of interest accrued on Royalties for Regions funding provided for the Busselton Foreshore (Tourism Accommodation Precinct) Project (the Project).

Following the decision to redistribute \$50,000 in interest accrued on this funding to the Busselton Jetty Inc. to support the delivery of a Safe Swimming Area, DPIRD agrees to amend the Financial Assistance Agreement (FAA) as per the following:

Schedule 4, item 3 – Manner in which Funding is to be Paid

Include the following row in table 3.2 – *Payment of Royalties for Regions Funding held in Western Australian Treasury Corporation Account*:

Deliverable	Payment details and timing	Amount (\$)
Progress Payment 3	Payment will be authorised within twenty (20) Business Days upon evidence of: <ul style="list-style-type: none">\$50,000 of funding being committed* to the Busselton Jetty Inc. (BJI) to support the delivery of a Safe Swimming Area.	Any funds remaining in Project's WATC account on the transaction date.

Regional Development

Gordon Stephenson House, 140 William Street, Perth WA 6000
PO Box 1143, West Perth WA 6872

Telephone +61 (0)8 6552 1800 Facsimile +61 (0)8 6552 1850 enquiries@dpird.wa.gov.au

dpird.wa.gov.au

ABN: 18 951 343 745

Deliverable	Payment details and timing	Amount (\$)
	<ul style="list-style-type: none"> The provision of a valid Western Australian Treasury Corporation Notice of Withdrawal. 	

** Note: The commitment of this funding is conditional, subject to BJI being successful in their application for funding through the Federal Government's Building Better Regions Fund (BBRF) made in December 2017.*

Schedule 4, item 4 – Detailed Description of Project

Append the following two paragraphs to section 4.1 *Project Description*:

"The Project will also support the delivery of a safe swimming area around the Busselton Jetty which will provide a safe diving environment and encourage visitation to the foreshore area.

The safe swimming area will be supported through the provision of a conditional grant to the Busselton Jetty Inc. (BJI) who have been working towards the delivery of a safe swimming area around the Busselton Jetty. Financial support will be provided to BJI on the condition that they are successful in their bid for additional funding from the Building Better Regions Fund to deliver the safe swimming area".

Insert the following row to *Table 4.2 – Recipient's Obligations*:

Recipient's Obligations	Performance Measures	Performance method Measure
Commitment of a \$50,000 conditional grant to BJI subject to the outcome of their application for commonwealth funding through the BBRF made in December 2017.	Evidence of a binding commitment of a \$50,000 grant to BJI conditional on their success in their application for commonwealth funding through the BBRF made in December 2017.	\$50,000 in funding to either be provided to BJI or to be returned to the State.

Insert the following row to *Table 4.3 – Project Timeframe*:

Obligations (Deliverables)	Milestone
Commitment of conditional funding to the Busselton Jetty Inc.	30 June 2018

Amend the total budget in *table 4.4 – Project Budget* to read \$10,550,000 instead of \$10,500,000, and insert the following row to the table.

Item of Expenditure	Budget (\$)	Source of Funds
Conditional grant for Busselton Jetty Inc.	\$50,000	Interest accrued on Royalties for Regions Funds

Schedule 4, item 5 – Special Conditions

Insert the following special condition:

5.5 Funding Agreement with Busselton Jetty Inc.

The City of Busselton are to enter into an agreement with the Busselton Jetty Inc. with regards to the commitment of \$50,000 in Funding provided under the terms of this FAA to support the delivery of a safe swimming area around the Busselton Jetty.

The provision of this grant is conditional, subject to BJI being successful in receiving funding through the Commonwealth Government's Building Better Regions Fund, which was applied for in December 2017. The agreement is to reflect this by including the following terms:

- 1) BJI are to quarantine \$50,000 in revenue generated by visitors accessing the safe swimming area towards the preservation and maintenance of the safe swimming area.
- 2) Any other conditions as guided by Clause 12 of the operative part of this Agreement.

Commented [SC1]: The Minister's original intent was to provide a \$50,000 repayable loan to BJI. RTR does not support the provision of loans and instead of repaying the funds BJI are to quarantine funds to maintain the infrastructure. We will need to have a discussion around this.

The above varies the FAA in accordance with its (i.e. this letter's) terms. Otherwise the FAA applies in accordance with its terms (as they are varied above). Words and

phrases used in this letter and defined in this agreement shall have the same meanings ascribed to them by the Agreement.

To confirm your acceptance of the variation above, please attach the original of this letter to the Shire of Manjimup's FAA. Please also sign the attached duplicate letter and return it to Stefan Chappell, Project Officer.

Yours Sincerely

Liam O'Connell
Executive Director
Trade and Investment
April 2018

I acknowledge and accept the Contract Variation to the FAA for the Busselton Foreshore Redevelopment (Tourism Accommodation Precinct) Project

Michael Archer
Chief Executive Officer
City of Busselton
April 2018