



Shire of Busselton
Geographe Bay

ADDENDUM NO. 1
to
Council Agenda

27 May 2009

ALL INFORMATION AVAILABLE IN VARIOUS FORMATS ON REQUEST

Issue Date: 20 May 2009

SHIRE OF BUSSELTON

COUNCIL MEETING TO BE HELD ON 27 MAY 2009

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15. COMMUNITY INFRASTRUCTURE REPORT**15.2 COMMUNITY INFRASTRUCTURE - WORKS REVISION IN LIGHT OF ECONOMIC CLIMATE**

SUBJECT INDEX:	Asset Management
STRATEGIC INITIATIVE:	2.1.4 - Ensure community assets are effectively managed and maintained through improvement of asset base.
BUSINESS UNIT:	Infrastructure Development / Infrastructure Planning
SERVICE:	Civil Infrastructure Design
DATE OF COMPLETION:	Immediate
VOTING REQUIREMENT:	Absolute Majority
ATTACHMENT(S):	Nil

The original report for Council Meeting 27 May 2009, Item 15.2 Community Infrastructure - Works Revision in Light of Economic Climate has been amended as a result of additional information being provided for specific projects relating to the Bovell Lighting Upgrade and the Dunsborough Waste Facility Weighbridge. Officer Recommendation 3 has also been amended and additional recommendation made as Officer Recommendation 4.

PRECIS

The current economic climate and its effects on revenues and hence cash flow has necessitated a review of projects currently being delivered in the 2008/09 budget. The following report seeks to inform the Council of projects that might not be delivered or at least require re-consideration. This report raises the possibility of using the preserved funds as an offset for coastal asset works (new town beach groynes) or returned to general revenue assisting with the end of financial year position and hence the 2009/10 budget.

BACKGROUND

The 2008/09 Capital Works budget was adopted by the Council at its meeting of 13 August 2008. With the change in the economic climate it was viewed to be good financial management to review projects currently funded in the 2008/09 budget and determine whether these projects still remain a priority for completion. Projects identified for consideration include those where circumstances have changed (ability to deliver in full or requiring additional expenditure).

CONSULTATION

No external consultation has been undertaken regarding this report however the Shire's Community Infrastructure staff have discussed these issues at length.

STATUTORY ENVIRONMENT

Local Government Act 1995:

1. Section 6.2 (Local government to prepare annual budget) of the Local Government Act 1995, requires local governments to prepare annual budgets. This program will assist annual budget preparation.
2. Under Section 6.8(1)(b) of the Local Government Act 1995, a local government is not to incur expenditure from its municipal fund for any additional purpose except where the expenditure is authorised in advance by a resolution supported by an Absolute Majority of the Council.

Re-allocation of project funds already budgeted requires an absolute majority.

POLICY IMPLICATIONS

Nil.

FINANCIAL IMPLICATIONS

The financial implications of adoption of the officer recommendations are evident in the body of the report. In a global budget sense, staff are attempting to work towards a zero deficit end of year position and of the various elements that will affect this; these capital works projects represent a not insignificant affect.

STRATEGIC IMPLICATIONS

This proposal is considered relevant to the Shire's Strategic Plan 2006 – 2011:

- 1. Strategic Focus:** **Built and Physical (Infrastructure) Well Being:**
Strategic Objective: To develop and maintain the Shire's assets and built environment to maximise public benefit now and into the future.
Strategic Initiatives: Ensure community assets are effectively managed and maintained through improvement of asset base.
- 2. Strategic Focus:** **Built and Physical (Infrastructure) Well Being:**
Strategic Objective: To develop and maintain the provision of universally accessible and socially inclusive services, facilities and functions for all people within the community.
Strategic Initiatives: Ensure equitable access and inclusion to Shire facilities and services through the embedding of Access and Inclusion principles within Shire operations.

- 3. Strategic Focus:** **Organisational Well Being:**
- Strategic Objective: Create harmony and unity within the community through open communication, participation and accurate representation.
- Strategic Initiatives: Continue to utilise community survey outcomes and focus groups to ensure alignment of Shire activity to community requirements.

OFFICER COMMENT

The following projects have been identified for the Council's consideration of their status in the existing budget. They have minimal labour components and hence their deletion/delay will not affect the employment of staff (whose wages are paid for from the jobs they perform):

Caves Road Lighting - LS08

This project was intended to provide street lighting to Caves Road, which is a Main Roads Western Australia (MRWA) controlled road, between Cape Naturaliste Road and Elmore Road. This project was listed with a budget of \$68,800 which was derived from historical values for street light upgrade works undertaken as minor infill lighting by Western Power.

This lighting would provide indirect overspill to the footpath constructed parallel to the roadway which was part of the initial impetus for the works as it addressed the needs of night usage, particularly during Leavers.

The delivery of this project hinged on the successful addressing of the Aboriginal Heritage issues in the western section, design approval from MRWA and overall construction costs.

A Section 18 application for 'Consent to certain uses' was applied for in October 2008 with the full support of the local Nyungar community to address the Aboriginal Heritage issues. This approval is yet to be received as an assessment of the proposal needs to be undertaken by the Environmental Protection Authority (EPA).

Staff secured MRWA approval for the final lighting design and commenced liaison of the possibility of contributions from MRWA towards the lighting of their asset by the Shire. The discussion proved fruitful with a potential contribution offer of 50% of the initial installation costs and 50% of the ongoing running costs being secured.

Staff sought quotation for the works through a 'Request for Quotation' (RFQ) process with the expectation that the works would be achievable for under \$100,000. The received quotations were within the vicinity of \$153,000 which exceeded the budget amount and the RFQ process limit.

The staging of the works to remove the section impacted by the Aboriginal Heritage issues, being Cape Naturaliste Road to Dunsborough Lakes Drive was investigated further. This reduced scope would still not be achievable within the current budget, including any MRWA contributions, or the RFQ process and tenders would need to be sought for the works. The tender process would not be achievable prior to the end of the financial year.

In view of the information above, Officers believe this project should not be proceeded with for the following reasons:

- * Despite MRWA potentially providing funding, Caves Road falls under the jurisdiction of MRWA and could be argued it is solely its responsibility to light this road.
- * Quotes received for the whole project and the revised scope project exceeded budget allowances, (by 50%).
- * On receipt of all approvals there has been insufficient time to deliver the project prior to 30 June 2009.
- * As the 'leavers function location' has changed the justification to light this road has reduced.

Dugalup Brook Reserve Management Plan Implementation and Dugalup Brook Stage 1 (Path works) - C1009 & C1010.

This area was subject to an Aboriginal Heritage report by the Shire which identified it as a listed Heritage site and confirmed its significance to the local Nyungar community. A Section 18 application for 'Consent to certain uses' was applied for in October 2008 with the full support of the local Nyungar community to address the Aboriginal Heritage issues, this approval is yet to be received as an assessment of the proposal needs to be undertaken by the Environmental Protection Authority (EPA).

Without this approval no works can be undertaken that knowingly impact on a heritage site under the Aboriginal Heritage Act or where there is reason to believe that the area is of significance.

Staff will continue to pursue the approvals by the Environmental Protection Authority (EPA) and the Department of Indigenous Affairs (DIA) however it is unlikely that the approvals will be received prior to the end of this financial year in order to facilitate the work.

In view of the information above, Officers believe this project should not be proceeded with and it should be rescheduled to next year or only put on the budget after all approvals have been secured, (if secured in 2009/10, then budgeted for in 2010/11).

Yallingup Brick Path, Boardwalk and Lookout – C3009

The impetus for this project was initially due to the Yallingup foreshore's lack of universal access, identified in October 2006. A consultative group was formed with membership from the Shire's Access and Inclusion Committee, Yallingup Resident Association, Dunsborough and Districts Progress Association, Yallingup Land Conservation District Committee and Shire Representatives. Invitation was also sent to the Department of Conservation and Land Management (now the Department of Environment and Conservation).

Due to the broad requirements of the various stakeholders, a consensus on the overall design, including accessibility proved an exceptionally timely and emotional issue to address. This consultation process has been extensive with several high quality concepts being produced.

Consensus on the final design was finally achieved in March 2009. Staff have engaged the services of a Structural Engineer to produce the required structural documentation which is expected in two weeks. The preliminary construction cost has been estimated at \$80,000 which exceeds the current budget balance (of \$50,000). The estimated value of \$80,000 would require staff to call for a 'Request for Quotation (RFQ) which would further delay the project commencement until the mid June 2009 at the earliest. This would not allow for physical construction works to be completed and invoiced prior to the end of the financial year.

In recognition of the importance of this structure to the Yallingup Community, area tourism and proposed surfing events scheduled for later in the year and to ensure that the milestones achieved by the stakeholders group is maximised, it is considered paramount that this project be re-listed and completed as priority in the 2009/10 budget with an increase in contributions to \$37,000.

Busselton Beach Sea Wall Design C2501

The original purpose of the funds was to carry out design works for the town beach sea wall when the Jetty reconstruction was linked to the foreshore redevelopment. When the Government's funding arrangements changed, a redesign of the beach front was no longer a part of the project and its consideration is only envisaged as part of the future foreshore working group's deliberations.

In view of the information above, Officers believe this project should not proceed. This will save \$25,000.

Admin Building – Temporary Office accommodation B9000

Further to the economic downturn, MANEX have determined that no new (net) positions are to be created in the 2009/10 financial year. Office accommodation was reviewed on this basis and although working conditions are poor, with minimal expenditure existing staff could be accommodated within the Shire's various locations. It was therefore deemed unnecessary to spend additional funds

on the installation of a further mobile office awaiting the commencement of the new civic hub.

This will mean the (indexed) \$135,000 budgeted is likely to be required to be spent from 1 July 2010.

B9901 - Dance and Environmental Centre - Building Assets and Upgrade

The works planned for 08/09 consisted of the installation of new ceilings to bring them into compliance with current building regulations. There is no safety risk and this work is deemed unnecessary at this point in time as the future use of this building is unknown and could potentially be an inappropriate use of funds. A further difficulty is that the building is currently in use and the tenants would be required to be re located.

In view of the information above, Officers believe this project should not be proceeded with at present.

This project should be contemplated pursuant to the future use of the building being unknown. This will save \$ 98,000.

C3017 Bovell Park Upgrade Lighting Oval 2

The FY 08/09 budget allowed for an lighting upgrade to Bovell Park Oval 2. A provisional amount of \$65,000 (\$32,500 was from Community Facilities reserve) was allowed fro this project. The scope of works was to include and electrical upgrade as well as new and replacement light poles and lighting implemented. However, quotations have been sought from lighting consultants and electrical contractors and the proposed lighting cannot be put in place for the budgeted amount. To install Australian standard lighting to meet training standards for the Bovell Oval 2 would be in the region of \$120,000.

To date a total of \$15,500 has been spent on upgrading the electrical requirements for the training ovals 2 & 3. This leaves a residual of \$49,500, of which \$24750 can be returned to the Community Facilities reserve. This project can be reconsidered inline with the Shire's Sporting Leisure Plan.

Town Beach Groynes (Potential Funding 09/10)

The town beach groyne construction and installation was originally a two part project, totalling five groynes. The initial three groynes were installed and prior to spending any additional funds, the beach profile was to be assessed over a one to two year period to determine whether or not the groynes were working correctly. The purpose of the groynes is to retain sand. Unfortunately, the complementary effect is erosion occurring on the 'down drift' side of the groyne.

Officers are concerned that there is increased erosion at the jetty abutment. A report is being prepared on the potential need to install a fourth groyne immediately east of the jetty. Given this realisation has come after the compilation of the 2009/10 financial capital budget, Officers wish to highlight the possibility that an additional \$200,000 will need to be placed on the 2009/10 budget in addition to what has already been included. This would take the form

of \$400,000 cost and \$200,000 recoup (reserve) as it is expected that the \$200,000 will be matched by DPI CIBU (Department of Planning Infrastructure, Coastal Infrastructure Business Unit).

Waste Management – Completion of Weighbridge

A project for the construction delivery of a weighbridge for the Dunsborough Waste facility was implemented during the FY08/09. Due to insufficient information prior to the formation of the FY08/09 budget, insufficient funds were made available for the completion of the weighbridge. Hence, while the weighbridge construction has been completed, the weighbridge has not been put into operation. It has been estimated that a further \$20,000 is required to complete the weighbridge and to put into operation.

The benefit of transferring funds for the completion of the weighbridge in FY 08/09, is that we could have the works completed prior to June 30th 2009 and collecting waste information from the 1st July 2009. This will be of benefit for predicting waste to landfill and revenue per tonnage for a whole FY year.

The provision of funds for this project could be transferred from either of the capital projects above that will not be completed in FY08/09.

TIMELINE/S FOR IMPLEMENTATION OF OFFICER RECOMMENDATION

Officer recommendation can be implemented immediately.

VOTING REQUIREMENT

Absolute majority.

OFFICER RECOMMENDATION

ABSOLUTE MAJORITY DECISION REQUIRED

1. That the Council endorses the withdrawal of the following 2008/09 budget projects:
 - (a) Caves Road Lighting- \$68,800;
 - (b) Busselton Beach Sea Wall Design - \$25,000;
 - (c) Temporary Office accommodation - \$135,000; and
 - (d) Dance and Environment centre - \$98,000.
 - (e) Bovell Park Lighting Upgrade Oval 2 \$49,500
 - (f) Dugalup Brook Reserve Management Plan Implementation – C1009- \$25,000;
 - (g) Dugalup Brook Stage 1 (path works) – C1010 \$68,960.

2. That the Council list for inclusion in the draft 2009/10 financial year draft budget, an expenditure of \$400,000 and income of \$200,000 for foreshore groynes awaiting the groyne report currently being prepared.
3. That the Council endorse for transfer from C3071 (Bovell Park Lighting upgrade) to G0024 – Dunsborough _General Recycling Expenses in the 2008/9 financial year, an expenditure of \$20,000 for the completion of the Dunsborough Waste facility weighbridge.
4. That the Council acknowledges the re-listing of the following projects:
 - (a) Yallingup Boardwalk - \$37,000 in 2009/10 draft budget;
 - (b) Dugalup Brook Stage 1 - \$70,000 in 2010/11 draft budget; and
 - (c) Temporary office accommodation - \$135,000 (plus escalation) in 2010/11 budget.

