



Ordinary Council Meeting

Supplementary Agenda

Wednesday 16 October 2024

CITY OF BUSSELTON

Agenda for the Council Meeting to be held on Wednesday 16 October 2024

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10 REPORTS OF COMMITTEE

10.7 List of Payments Made - August 2024

Strategic Theme:	Key Theme 4: Leadership 4.2 Deliver governance systems that facilitate open, ethical and transparent decision making. 4.5 Responsibly manage ratepayer funds to provide for community needs now and in the future.
Directorate:	Corporate Strategy and Performance
Reporting Officer:	Manager Financial Services – Paul Sheridan
Authorised By:	Director Corporate Strategy and Performance – Sarah Pierson
Nature of Decision:	Noting: The item is simply for information purposes and noting.
Voting Requirements:	Simple Majority
Disclosures of Interest:	No officers preparing this item have an interest to declare.
Attachments:	1. List of Payments for Council August 2024 [10.1.1 - 10 pages]

OFFICER RECOMMENDATION

That the Council notes payment of voucher numbers for the month of August 2024 as follows:

CHEQUE PAYMENTS	120042 - 120076	131,602.33
ELECTRONIC TRANSFER PAYMENTS	105120 - 105613	5,920,966.22
TRUST ACCOUNT	EFT# TR000060 - TR000062	40,701.41
PAYROLL	01.08.2024 - 31.08.24	1,906,005.59
INTERNAL PAYMENT VOUCHERS - DIRECT DEBITS	5819 - 5860	69,643.96
SYSTEM GENERATED PAYMENTS - BOOKABLE	REF-1	32.00
TOTAL PAYMENTS		8,068,951.51

EXECUTIVE SUMMARY

This report provides details of payments made from the City’s bank accounts for the month of August 2024 for noting by the Council and recording in the Council Minutes.

STRATEGIC CONTEXT

Provision of the list of payments, while a statutory requirement, also supports open and accountable governance.

BACKGROUND

The *Local Government (Financial Management) Regulations 1996* (the Regulations) requires that, when the Council has delegated authority to the CEO to make payments from the City’s bank accounts, a list of payments made is prepared each month for presentation to, and noting by, the Council.

OFFICER COMMENT

In accordance with regular custom, the list of payments made for the month of August 2024 is presented for information.

Statutory Environment

Section 6.10 of the *Local Government Act 1995* (the Act), and more specifically Regulation 13 of the Regulations, refer to the requirement for a listing of payments made each month to be presented to the Council.

Relevant Plans and Policies

Not applicable.

Financial Implications

Not applicable.

External Stakeholder Consultation

Not applicable.

Risk Assessment

An assessment of the potential implications of implementing the officer recommendation has been undertaken using the City's risk management framework, with risks assessed taking into account any controls already in place. No risks of a medium or greater level have been identified.

Options

Not applicable.

CONCLUSION

The list of payments made for the month of August 2024 is presented for information.

TIMELINE FOR IMPLEMENTATION OF OFFICER RECOMMENDATION

Not applicable.

10.8 Monthly Financial Report - Year to Date 31 August 2024

Strategic Theme:	Key Theme 4: Leadership 4.2 Deliver governance systems that facilitate open, ethical and transparent decision making. 4.5 Responsibly manage ratepayer funds to provide for community needs now and in the future.
Directorate:	Corporate Strategy and Performance
Reporting Officer:	Manager Financial Services – Paul Sheridan
Authorised By:	Director Corporate Strategy and Performance – Sarah Pierson
Nature of Decision:	Legislative: adoption of “legislative documents” such as local laws, local planning schemes and local planning policies. Executive: Substantial direction setting, including adopting budgets, strategies, plans and policies (excluding local planning policies); funding, donations and sponsorships; reviewing committee recommendations.
Voting Requirements:	Simple Majority
Disclosures of Interest:	No officers preparing this item have an interest to declare.
Attachments:	<ol style="list-style-type: none"> 1. Monthly Financial Report - August 2024 [10.2.1 - 20 pages] 2. Investment Report - August 2024 [10.2.2 - 1 page] 3. Loan Schedule - August 2024 [10.2.3 - 1 page]

OFFICER RECOMMENDATION

That the Council receives the statutory monthly financial report for the period ending 31 August 2024, pursuant to Regulation 34(4) of the *Local Government (Financial Management) Regulations 1996*.

EXECUTIVE SUMMARY

Pursuant to Section 6.4 of the *Local Government Act 1995* (the Act) and Regulation 34(4) of the *Local Government (Financial Management) Regulations 1996* (the Regulations), a local government is to prepare, on a monthly basis, a monthly financial report that reports on the City’s Statement of Financial Activity, Statement of Financial Position, and its 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 31 August 2024.

STRATEGIC CONTEXT

Provision of the monthly financial report, while a statutory requirement, also supports open and accountable governance.

BACKGROUND

The Regulations detail the form and manner in which the monthly financial report is to be presented to the Council, and is 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); and
- Statement of Financial 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 on 31 July 2024, the Council adopted (C2407/206) the following material variance reporting thresholds for the 2024/25 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 2024/25 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 only if not to do so would present an incomplete picture of the financial performance for a particular period; and*
- *Reporting of variances only applies for amounts greater than \$50,000.*

OFFICER COMMENT

To fulfil statutory reporting requirements and to provide the Council with a synopsis of the City's overall financial performance on a year-to-date basis, the following financial reports are attached hereto (Attachment 1):

Statement of Financial Activity

This report provides details of the City's operating revenues and expenditures on a year-to-date basis, by nature (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.

Statement of Financial Position

A statement of financial position is a financial statement that summarises the reporting entities assets (what it owns), liabilities (what it owes), and equity (assets less liabilities) on a particular date.

Basis of Preparation Note (Note 1)

Explains the regulatory framework upon which the financial statements have been prepared.

Statement of Financial Activity Note (Note 2)

Explains the non-cash items that have been excluded from the calculation of the Net Current Position in the Statement of Financial Activity.

Explanation of Material Variances Note (Note 3)

Provides a breakdown by directorate and cost centre of each of the variances on the face of the Statement of Financial Activity that meet the Council's adopted material variance threshold for 2024/25.

Net Current Position Summary Report

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

Capital Acquisition & Construction 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

This report outlines the actual and budgeted movement from the start of the financial year to date, that result in the balances listed in the Statement of Financial Position for Property, Plant & Equipment.

Reserve Movements Report

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

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

Net Current Position Chart

Tracks the net Current Position over the year in comparison to previous 4 years.

Comments on Financial Activity to 31 August 2024

The Statement of Financial Activity (FAS) for the year to date (YTD) shows an overall Net Current Position (NCP) of \$66.9M as opposed to the YTD budget of \$69.7K. The following table summarises the major YTD cash variances that appear on the face of the FAS, which, in accordance with Council’s adopted material variance reporting threshold, collectively make up the above difference.

Each numbered item in this lead table is explained further in note 3 of the attached Monthly Financial Report.

Description	2024/25 Actual YTD \$	2024/25 Budget YTD \$	2024/25 Budget \$	2024/25 YTD Bud Variance %	2024/25 YTD Bud Variance \$	Change in Variance Current Month \$
Amount Attributable to Operating Activities (excluding non-cash items)				(1.17%)	(807,102)	(857,467)
Revenue from Operating Activities				0.51%	404,462	480,650
1. Interest Earnings	946,682	671,911	3,786,039	40.89%	274,771	131,535
Expenses from Operating Activities				0.64%	91,854	(810,272)
2. Other Expenditure	(346,965)	(445,914)	(8,292,981)	22.19%	98,949	(140,357)
Amount Attributable to Investing Activities (excluding non-cash items)				(5.15%)	(118,243)	(146,700)
3. Land & Buildings	(1,587,898)	(1,383,855)	(22,106,576)	(14.74%)	(204,043)	(63,402)
Amount Attributable to Financing Activities (excluding non-cash items)				(282.24%)	(1,864,850)	(2,711,196)
4. Transfer to Restricted Assets	(5,151,488)	0	-	(100.00%)	(5,151,488)	(2,975,029)
5. Transfer from Reserves	3,030,934	4,266,207	43,355,661	(28.95%)	(1,235,274)	(609,204)

Investment Report

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

A brief summary of the details contained in the report are as follows:

As at 31 August the value of the City’s invested funds increased to \$105.29M from \$99.28M as at 31 July 2024. The increase is due to rates funds received.

As at 31 August 2024 the 11am account balance is \$18.0M, being an increase from \$8.0M from 31 July 2024. The increase of \$10.0M to the 11am account is due to rate funds received.

During the month of August, three term deposits matured. One was closed and two were fully re-invested for a further 197 days at 4.90% on average.

The official cash rate remained steady during the month of August 2024 at 4.35%. The timing and nature of further movements of the cash rate are currently uncertain.

Borrowings Update

During the month no new loans were drawn, with no principal or interest repayments on existing loans. The attached Loan Schedule outlines the status of all existing loans YTD.

Chief Executive Officer – Corporate Credit Card

Details of transactions made on the Chief Executive Officer’s corporate credit card during August 2024 are provided below to ensure there is appropriate oversight and awareness.

Date	Payee	Description	\$ Amount
31/07/2024	MAILCHIMP	ELECTRONIC NEWSLETTER PR	419.20
1/08/2024	WEST AUSTRALIAN	MONTHLY DIGITAL SUBSCRIPTION	28.00
1/08/2024	ZAMPOL PTY LTD WEST PINJARRA	SUGITO VISIT	19.30
1/08/2024	KFC PINJARRA	SUGITO VISIT	15.45
2/08/2024	SUSHILION SAITAMA	SUGITO VISIT	126.00
3/08/2024	TRIBE PERTH	ACCOMMODATION FOLLOWING ATTENDANCE AT WALGA HONOURS AWARD NIGHT -CR. LOVE	229.00
3/08/2024	SEVEN-ELEVEN TOKYO	SUGITO VISIT	9.45
3/08/2024	SEVEN-ELEVEN TOKYO	SUGITO VISIT	6.22
4/08/2024	TULLYS COFFEE 0315 KASUKABE	SUGITO VISIT	30.05
5/08/2024	TOKYUPLAZA GINZA TOKYO	SUGITO VISIT	622.67
5/08/2024	NIKKOREN TOKYO	SUGITO VISIT	21.61
6/08/2024	TOKYO SOLAMACHI SUMIDAKU	SUGITO VISIT	134.42
6/08/2024	FUJIIIDOSHIYA TOKYO	SUGITO VISIT	10.07
6/08/2024	DOUTOR COFFEE TOKYO	SUGITO VISIT	18.80
6/08/2024	KOKUSAI MOTORCARS TOKYO	SUGITO VISIT	12.31
7/08/2024	THE COFFEE BEAN-T3TS SINGAPORE	SUGITO VISIT	39.35
7/08/2024	OKUNIJIDOSHA 00-0000-0000	SUGITO VISIT	304.37
7/08/2024	MCDONALD'S CHIBA	SUGITO VISIT	12.57
8/08/2024	INGOT HOTEL	ACCOMMODATION IN PERTH -LATE RETURN FORM SUGITO VISIT	157.00
8/08/2024	INGOT HOTEL	ACCOMMODATION IN PERTH -LATE RETURN FORM SUGITO VISIT	157.00
8/08/2024	SUSHI SUSHI	COUNCIL LUNCH 14/08/24	222.20
13/08/2024	SMITHEREENS CAFE COWARAMUP	MEETING BETWEEN CEO & SHIRE OF AMR SENIOR STAFF	54.00
29/08/2024	WEST AUSTRALIAN	MONTHLY DIGITAL SUBSCRIPTION	28.00
29/08/2024	MYGUESTLIST PTY LTD ABBOTSFORD	MAYOR CRONIN REGISTRATION FOR AUSTRALIAS TOP TOURISM AWARDS FUNCTIONS CANBERRA 9-10 SEPTEMBER	164.80

Date	Payee	Description	\$ Amount
30/08/2024	TICKETS*REGIONAL F BELROSE	BCCI – REGIONAL FUTURES BREAKFAST LAUNCH	21.97
30/08/2024	DUANE CORP PTY LTD BUSSELTON	STAFF BRIEF SAUSAGE ROLLS	250.00
31/08/2024	MAILCHIMP	BAY TO BAY NEWSLETTER	411.00
		TOTAL	3,524.81

Donations & Contributions Received

To the best of officer's knowledge, during the month no non-infrastructure assets (bridges, roads, POS etc), donations or contributions were received by the City or its key management personnel.

Statutory Environment

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

Relevant Plans and Policies

The officer recommendation aligns to the following adopted plan or policy:

Plan:

Annual Adopted Budget 2024-2025 (and subsequent adopted amendments)

[Strategic Community Plan 2021-2031](#)

[Corporate Business Plan 2022-2026](#)

[Long Term Financial Plan 2022/23 - 2031/32](#)

Policy:

There are no relevant policies for this report.

Financial Implications

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

External Stakeholder Consultation

Not applicable.

Risk Assessment

An assessment of the potential implications of implementing the officer recommendation has been undertaken using the City's risk management framework, with risks assessed taking into account any controls already in place. No risks of a medium or greater level have been identified.

Options

The Statements of Financial Activity are presented in accordance with Section 6.4 of the Act and Regulation 34 of the Regulations and are to be received by Council. Council may wish to make additional resolutions as a result of having received these reports.

CONCLUSION

As at 31 August 2024, the City's net current position stands at \$66.9M, and cash reserve balances remain sufficient for their purposes.

TIMELINE FOR IMPLEMENTATION OF OFFICER RECOMMENDATION

Not Applicable.

12 INFRASTRUCTURE AND ENVIRONMENT REPORTS

12.1 RFT 12/24 Geographe Bay Coastal Mitigation Works 2024-2025

Strategic Theme:	Key Theme 1: Environment 1.4 Respond to the impacts of climate change on the City's coastlines through informed, long term planning and action. Key Theme 2: Lifestyle 2.9 Provide accessible and connective pathways and cycleways. 2.12 Provide well maintained community assets through robust asset management practices.
Directorate:	Infrastructure and Environment
Reporting Officer:	Manager Engineering and Facilities - Daniell Abrahamse
Authorised By:	Director Infrastructure and Environment - Oliver Darby
Nature of Decision:	Contractual: To enter into a contract e.g. a lease or the award of a tender etc.
Voting Requirements:	Absolute Majority
Disclosures of Interest:	No officers preparing this item have an interest to declare.
Attachments:	1. Attachment A Mitigation Design Drawings S P 1 [12.1.1 - 8 pages] 2. Attachment B Mitigation Design Drawings S P 2 [12.1.2 - 6 pages] 3. Attachment C Mitigation Design Drawings S P 3 [12.1.3 - 7 pages] 4. CONFIDENTIAL REDACTED - Attachment D Tender Evaluation Report [12.1.4 - 34 pages]

OFFICER RECOMMENDATION

That the Council:

1. Endorse the outcome of the evaluation panel's assessment of the tender submissions received in response to RFT12/24 Geographe Bay Coastal Mitigation Works 2024-2025 (RFT12/24) and accept the tender submission from BCP Contractors Pty Ltd for:
 - a) SEPARABLE PORTION 1 (SP1) - East Busselton Coastal Path and Dunes; and
 - b) SEPARABLE PORTION 2 (SP2) - West Busselton (Vasse Drain) Coastal Path and Dunes.for \$2,520,928.91 (exclusive of GST) as the most advantageous to the City.
2. Endorse the outcome of the evaluation panel's assessment of the tender submissions received in response to RFT12/24 Geographe Bay Coastal Mitigation Works 2024-2025 (RFT12/24) and accept the tender submission from ES100 Pty Ltd AFT ES100 Trust trading as Earth and Stone WA for SEPARABLE PORTION 3 (SP3) - West Busselton (Dolphin Rd) Coastal Path, Dunes and Drainage Outlet, for \$735,480.24 (exclusive of GST) as the most advantageous to the City.

3. Endorse the following requested budget amendments:

PACP Coastal Protection Projects Budget Amendments					
Item #	Budgeted Municipal Net Current Position	Operational Expenditure Budget	Capital Expenditure Budget	Grant	Reserves or Restricted Assets
	Increase / (Decrease)	Increase / (Decrease)	Increase / (Decrease)	(Increase) / Decrease	Increase / (Decrease)
1	Adjust existing Coastal Operating Budget				
	14736 - PACP Coastal Grant Projects(O)				
		(\$1,425,000)		\$459,050	\$965,950
2	New Capital Project				
	Ford Road to Morgan Street Coastal Protection & Path Works (PACP Grant) (C)				
	-		\$2,300,400	(\$1,150,200)	(\$1,150,200)
3	New Capital Project				
	Vasse Drain (Margaret Steet) Coastal Protection & Path Works (PACP Grant) (C)				
	-	-	\$724,800	(\$362,400)	(\$362,400)
4	New Capital Project				
	Dolphin to Mandalay Coastal Protection & Path Works (PACP Grant) (C)				
	-	-	\$882,000	(\$441,000)	(\$441,000)
TOTALS		(\$1,425,000)	\$3,907,200	(\$1,494,550)	(\$987,650)

ABSOLUTE MAJORITY REQUIRED

EXECUTIVE SUMMARY

The City invited tenders under RFT12/24 Geographe Bay Coastal Mitigation (the RFT) for the construction of Geographe Bay Coastal Flood Mitigation Works at the following locations:

1. SEPARABLE PORTION 1 (SP1) – East Busselton Coastal Path and Dunes.
2. SEPARABLE PORTION 2 (SP2) - West Busselton (Vasse Drain) Coastal Path and Dunes.
3. SEPARABLE PORTION 3 (SP3) - West Busselton (Dolphin Rd) Coastal Path, Dunes and Drainage Outlet.

This report recommends that the Council endorse the outcome of the evaluation panel’s assessment and accept tenders for the above works.

This report also seeks Council approval for budget amendments for items within the Infrastructure and Environment Directorate, as detailed in this report. Adoption of the officer recommendation will have no impact on the City’s budgeted municipal net current position.

STRATEGIC CONTEXT

The nature of the works supports the provision of accessible and connective pathways and cycleways, in alignment with Key Theme 2 of the City’s Strategic Community Plan – Lifestyle. The

works form part of the City's strategy to respond to the impacts of climate change on the City's coastlines.

BACKGROUND

The City secured grant funding of \$3,532,500 from the federal Department of Industry, Science and Resources (through the Preparing Australian Communities (Local Stream) funding program) to improve the resilience of the community to flood and tropical cyclone by mitigating the risk of coastal flooding associated with tropical cyclone storm surges.

The grant deliverables are:

1. Emergency response: local, multi-agency emergency response plan for coastal flooding to mitigate the human risk of tropical cyclones and severe winter storms. (Completed)
2. Coastal investigations (flood modelling): coastal survey data (Lidar), high resolution wide scale flood modelling validated with a targeted oceanographic monitoring program (water levels and waves) and mapping of coastal flooding extents. (Completed)
3. Dune resilience works: rebuilding and re-vegetating coastal dunes to provide a consistent natural barrier to coastal flooding as a 'first line of defence'. (In Progress)
4. Coastal flood protection (levees): dune and construction of various earthworks, embankment protection and coastal protection structures to mitigate risk of coastal flooding. (In Progress)

This funding was matched with funding from the City, bringing the total available funding for the Project to \$7,065,000.

With most of the works completed for the first 2 deliverables, stage 3 and 4 can be delivered. Under RFT12/24 suitably qualified and experienced contractors were invited to submit tenders for undertaking the following works:

1. Referred to as SEPARABLE PORTION 1 (SP1) in RFT12/24 – East Busselton Coastal Path and Dunes. (Refer to Attachment A for a copy of the drawings)

Projects:

- a) Dune Resilience Works (Ford Rd to Port Geographe) – Construction of stabilised coastal dunes in the foreshore reserve.
- b) Coastal Path Refurbishment – Levee (Ford Rd to Guerin St) – Refurbishment of low-lying sections of the coastal path to improve capacity to mitigate coastal flooding and widening to improve amenity (multi-purpose structure).

2. Referred to as SEPARABLE PORTION 2 (SP2) in RFT12/24 - West Busselton (Vasse Drain) Coastal Path and Dunes. (Refer to Attachment B for a copy of the drawings)

Projects:

- a) Dune Resilience Works (Margaret St) – Construction of stabilised coastal dunes in the foreshore reserve.
- b) Coastal Path Refurbishment – Levee (Vasse Drain) – refurbishment of the coastal path along the eastern side of the Vasse Drain Diversion to improve capacity to mitigate coastal flooding and widening to improve amenity (multi-purpose structure).

3. Referred to as SEPARABLE PORTION 3 (SP3) in RFT12/24 - West Busselton (Dolphin Rd) Coastal Path, Dunes and Drainage Outlet. (Refer to Attachment C for a copy of the drawings).

Projects:

- a) Dune Resilience Works (Dolphin Rd) – Construction of stabilised coastal dunes in the foreshore reserve.
- b) Coastal Path Refurbishment – Levee (Dolphin Rd and Craig St) – refurbishment of the coastal path along the eastern side of the Vasse Drain Diversion to improve capacity to mitigate coastal flooding and widening to improve amenity (multi-purpose structure). This includes a vehicle cross-over at the boat ramp approach.
- c) Drain Outlet (Silverglen Ave): Extension of stormwater outlet with non-return valve, headwall and levee bank.

The funding program requires that the works to be completed and acquitted this financial year.

OFFICER COMMENT

On Wednesday 21 August 2024, tenders were invited via VendorPanel and advertised in ‘The West Australian’ newspaper and on the City of Busselton website. The request for tender closed at 2.00pm (AWST) on Wednesday 18 September 2024. The City received four tender submissions from the following tenderers:

- BCP Contractors Pty Ltd (BCP)
- Carbone Bros Pty Ltd (Carbone)
- ES100 Pty Ltd as trustee for the ES100 Trust T/a Earth and Stone WA (Earth and Stone)
- Leafy Umbrella Pty Ltd t/a Manglesii Contracting (Manglesii)

Assessment Process

In accordance with the City’s procurement practices and procedures, tender assessments were carried out by a tender evaluation panel comprising City officers with relevant skills and experience. The tender assessment process included:

- Assessing tenders received against relevant compliance criteria. The compliance criteria were not point scored. Each submission was assessed on a Yes / No basis as to whether each criterion was satisfactorily met.
- Assessing tenders against the following qualitative criteria (weighted as indicated in the table below).

	Criteria	Weighting
(a)	Relevant Experience	20%
(b)	Local Benefit	5%
(c)	Key Personnel Skills and Experience	10%
(d)	Respondents Resources	20%
(e)	Demonstrated Understanding	20%

Manglesii was excluded from the price evaluation as they did not have the capacity to undertake the entire requirements of the specification.

The qualitative criteria were scored depending on the extent to which the respondent was able to appropriately satisfy each criterion and the tenders scored and ranked to determine the most advantageous outcome to the City, based on principles of best value for money. That is, although price was a consideration, the tender containing the lowest price will not necessarily be accepted by the City and nor will the tender rank the highest on the qualitative criteria.

Assessment Outcomes

The request for tender was issued with separable portions being mindful of the timeframes within which the works are required be completed (to meet grant funding requirements) and to allow for the potential appointment of multiple suitable contractors.

The Evaluation Panel's assessment resulted in both BCP and Earth and Stone scoring favourably in relation to the qualitative criteria. Considering the assessment outcomes, clarifications and availability of the contractors the Evaluation Panel is recommending that the tender from BCP be accepted for Separable Portions 1 and 2 and the tender from Earth and Stone be accepted for Separable Portion 3.

The details of the evaluation panel's assessment are further set out in Confidential Attachment 4. A summary of the assessment outcomes is set out below for each tenderer.

- BCP ranked first on qualitative criteria and were able to demonstrate excellent experience and demonstrated understanding of the scope of requirements. They were also able to demonstrate the capacity to complete the scope of works within the required timeframes and event constraints. On price BCP ranked second.
- Earth and Stone ranked second on qualitative criteria and demonstrated relevant experience particularly within the coastal environment. They were able to demonstrate reasonable resources utilising two main sub-contractors to assist with the delivery of the project. Earth and Stone were first on price.
- Carbone ranked third on qualitative criteria and third on price. They were able to demonstrate good overall relevant experience on civil projects and an understanding of the scope of works.
- Manglesii ranked fourth on qualitative criteria and were excluded from price. They were unable to demonstrate relevant experience of civil works, and their methodology related to the supply and installation of plants.

Statutory Environment

In accordance with section 3.57 of the Act, a local government is required to invite tenders before it enters into a contract of a prescribed kind under which another person is to supply goods and service. Part 4 of the Local Government (Functions and General) Regulations 1996:

- requires that tenders be publicly invited for such contracts where the estimated cost of providing the required goods and/or service exceeds \$250,000; and
- under Regulations 11, 14, 18, 20 and 21A, provides the statutory framework for inviting and assessing tenders and awarding contracts pursuant to this process.

With regard to the RFT, City officers have complied with abovementioned legislative requirements.

As the contract value is greater than \$500,000, and in accordance with section 5.43(b) of the Act and Council delegation DA 1-07, Council endorsement of the successful tenderer is required.

Relevant Plans and Policies

The officer recommendation aligns to the following adopted plan or policy:

Plan:

[Asset Management Plan](#)

Policy:

[Asset Management](#)

[Purchasing](#)

Financial Implications

The 2024/25 endorsed budget includes provision for the project as follows - Project 14736 PACP (Preparing Australian Communities Program) - Coastal Grants Projects (operational) - \$2,225,000.

Council approval is sought for the following budget amendments:

1. Reducing the existing operating budget line item 14736 by \$1,425,000 and decreasing the Grant funding by \$459,050 and increasing the Coastal and Climate Adaptation Reserve with \$965,950.
2. Creating a new Capital Project for Separable Portion 1 (SP1) - Ford Road to Morgan Street Coastal Path & Levy (PACP Grant) with a budget of \$2,300,400 to be funded equally to the amount of \$1,150,200 from the Grant funding and the Coastal and Climate Adaptation Reserve.
3. Creating a new Capital project for Separable Portion 2 (SP2) - Vasse Drain (Margaret Steet) Coastal Path & Levy (PACP Grant) with a budget of \$724,800 to be funded equally to the amount of \$362,400 from the Grant funding and the Coastal and Climate Adaptation Reserve.
4. Creating a new Capital project for Separable Portion 3 (SP3) Dolphin to Mandalay Coastal Path, Levy & Drainage Outlet (PACP Grant) with a budget of \$882,000 to be funded equally to the amount of \$441,000 from the Grant funding and the Coastal and Climate Adaptation Reserve.

The project budget incorporates a 20% allowance for contingencies such as an increase in quantities as the tender is a lump sum with provision for adjustment based on actual quantities.

External Stakeholder Consultation

No external stakeholder consultation was required or undertaken in relation to the matter.

Risk Assessment

An assessment of the potential implications of implementing the Officer Recommendation has been undertaken using the City's risk assessment framework, with the intention being to identify risks which, following implementation of controls, are identified as medium or greater.

There are no such risks identified, with the preferred tenderers assessed as being capable of delivery the project on time and within budget to the specified standards

Options

As an alternative to the proposed recommendation the Council could:

1. Award Separable Portions 1 (SP1), 2 (SP2) and 3 (SP3) to one tenderer. This is not recommended as depending on which tenderer is chosen it may result in an increase in the cost of works overall, or cause the works not to be completed in accordance with the grant funding timeframes.
2. Decline to accept any tender. This would mean going back out to tender, resulting in significant delays to the contract award, delivery of the project and return of Federal Government grant funding.

CONCLUSION

It is recommended that the Council accept the tender submission from BCP Contractors Pty Ltd for Separable Portion 1 (SP1) and 2 (SP2) and accept the tender submission from ES100 Pty Ltd AFT ES100 Trust T/a Earth and Stone WA for Separable Portion 3 (SP3).

TIMELINE FOR IMPLEMENTATION OF OFFICER RECOMMENDATION

The officer recommendation will be implemented in full, or in stages as per the following table:

Milestone	Completion Date
Tender award	Mid/End October 2024

13 ECONOMIC AND BUSINESS DEVELOPMENT REPORTS

13.3 Proposed Marine Discovery Building Lease Terms

Strategic Theme:	Key Theme 4: Leadership 4.3 Make decisions that respect our strategic vision for the District.
Directorate:	Economic and Business Development
Reporting Officer:	Director Economic and Business Development - Maxine Palmer
Authorised By:	Director Economic and Business Development - Maxine Palmer
Nature of Decision:	Contractual: To enter into a contract e.g. a lease or the award of a tender etc.
Voting Requirements:	Absolute Majority
Disclosures of Interest:	No officers preparing this item have an interest to declare.
Attachments:	1. Attachment 1 Concept Drawing Set [13.1.1 - 7 pages] 2. Attachment 2 Lot 501 Reserve 38558 [13.1.2 - 1 page] 3. MDC Base Financial Model [13.1.3 - 3 pages]

OFFICER RECOMMENDATION

That the Council:

1. Resolves to enter into a lease with Busselton Jetty Inc (BJI) for the construction and operation of a Marine Discovery Building, as per the concept design in attachment 1, situated within Lot 501, Reserve 38558, Busselton Foreshore, as depicted in attachment 2, subject to the consent of the Minister for Lands and there being no objections raised through the section 3.58 (of the *Local Government Act 1995*) advertising.
2. Delegates power and authority to the Chief Executive Officer to negotiate and agree the lease on the following terms and conditions:
 - a) Term: minimum 21 years and maximum of 42 years.
 - b) Annual rent of:
Year 1 - \$100 + GST and other outgoings
Year 2 - \$15,000 + GST and other outgoings
Year 3 - \$33,000 + GST and other outgoings adjusted in accordance with CPI from the commencement of the Lease term.
 - c) Commencement of lease no later than 30 June 2025.
 - d) Rent Review: adjusted annually in accordance with CPI and subject to market rent review every 5 years.
 - e) A requirement for the Tenant to adequately insure the building and contents and establish and maintain a contingency fund for the purpose of asset management and capital improvements to the Premises. Annual transfer amounts are to be determined by the development by BJI of a Lifecycle Management Plan on completion of the building construction. The Lifecycle Management Plan is to be approved by the City.

- f) Permitted Purpose: Marine Discovery Centre, exhibition/event space, museum, marine themed interactive experiences/education and ancillary staff offices, food and beverage services.**
 - g) All costs associated with the preparation of the lease are to be met by the Tenant; and**
 - h) Such further terms and conditions as required by the CEO.**
- 3. Resolves that all rent and proceeds collected in relation to point 3b are to be transferred into the Jetty Maintenance Reserve; and**
 - 4. Authorises the Chief Executive Officer to commence negotiations in relation to an amendment to the Jetty Licence Agreement dated 30 October 2009 (including all variations and amendments thereafter) between the City and Busselton Jetty Inc. with the objective of determining an annual Licence Fee amount that sufficiently provides for the maintenance needs of the Busselton Jetty to be transferred to the Jetty Maintenance Reserve (JMR) and Jetty Self Insurance Reserve, set by the requirements of the 50 year Jetty Maintenance Plan.**

EXECUTIVE SUMMARY

Further to the decision in September to defer the proposed lease terms and advertising of the disposition of Lot 501, 12 Busselton Foreshore to the October Ordinary Council Meeting, this report presents an amended proposal for the Council's consideration.

The main change has been the removal of the requirement for Busselton Jetty Inc. (BJI) to contribute 25% of the total gross revenue generated from operating a Marine Discovery Building (MDB) on Lot 501. This was negotiated on the condition that a review of the current Busselton Jetty Licence Agreement (Licence) with BJI is undertaken to agree an annual amount to be transferred to the Jetty Maintenance Reserve (JMR) and Jetty Self Insurance Reserve, set by the requirements of the 50 year Jetty Maintenance Plan.

STRATEGIC CONTEXT

Providing a lease arrangement to operate the MDB in this location will help to increase funding going into the JMR to help bridge gaps in future asset renewal costs and add to visitor experiences available in the City of Busselton. As such, it satisfies the strategic priorities of providing unique visitor experiences and maintaining significant assets.

BACKGROUND

BJI is a Busselton based voluntary incorporated association who have a vision for the Busselton Jetty to be a must-see coastal attraction, connecting community and the environment. Their mission is to sustain the Jetty and its environment for all generations. Through their operations under the Jetty Licence Agreement between BJI and the City BJI is obligated to provide funds for the preservation and maintenance of the Busselton Jetty.

In 2019, BJI was successful in obtaining \$13m in Federal Government funding to develop an Australian Underwater Discovery Centre (AUDC), at the end of the Jetty. With rising construction

costs, BJI sought State and Local Government assistance towards the project. In 2021 the State Government announced a contribution of \$9.5m (funding previously allocated the Busselton Margaret River Airport new terminal).

Since 2021 the City has worked with BJI to rescope the project several times. However, in February 2023, with construction costs continuing to rise and issues associated with having to strengthen and raise the jetty, BJI terminated their building contract for a marine discovery centre and other facilities at the end of jetty (known as the Jetty Village).

To ensure continued project delivery the Federal Government indicated support to transfer the unspent balance of their funding to the state via the agency of Department of Primary Industries and Regional Development (DPIRD), subject to a supported business case. DPIRD established a Project Control Group (PCG) to oversee further rescoping of the project to ensure it aligns with the original purpose and outcomes and is delivered within the remaining funds available; being \$7,377,702 from the Federal Government and \$8,625,000 from the State Government (total \$16,002,702).

Concept designs for the proposed MDB on Lot 501 have been developed and costed by a quantity surveyor at a total project cost of \$15,385,000.

On 13 December 2023, Council resolved (C2312/206) to enter into a lease and licence with BJI for a portion of the Ballarat Room, in Railway House to temporarily accommodate the Marine Discovery Centre (MDC) element of the project. The interactive software and hardware had already been developed and this gave BJI a location in which to install and to operate the MDC whilst a permanent solution was progressed. The term of that lease is two years with an option of a further two years. The proposed MDB (the subject of this report) will be the permanent home for the MDC.

On 15 May 2024, the Council resolved (C2405/141) to:

1. *Provide in principle support to enter into a lease with Busselton Jetty Inc (BJI) for the construction and operation of a Marine Discovery Building, as per the concept design in attachment 1, situated within Lot 501, Reserve 38558, Busselton Foreshore, as depicted in attachment 2, subject to state and federal government approval of funding and authorisation to commence the project.*
2. *Agree that the terms and conditions of the lease are to be subject to a further report and decision of the Council, and are to consider:*
 - a. *Responsibilities for the maintenance and insurance of the asset.*
 - b. *Annual costs and budget to maintain and insure the asset; and*
 - c. *The financial benefit to the Jetty Maintenance Reserve.*

On 18 September 2024, the Council considered the following recommendation:

That the Council:

1. *Resolves to enter into a lease with Busselton Jetty Inc (BJI) for the construction and operation of a Marine Discovery Building, as per the concept design in attachment 1, situated within Lot 501, Reserve 38558, Busselton Foreshore, as depicted in attachment 2, subject to the consent of the Minister for Lands and there being no objections raised through the section 3.58 (of the Local Government Act 1995) advertising.*

2. *Delegates power and authority to the Chief Executive Officer to negotiate and agree the lease on the following terms and conditions:*
 - a) *Term: minimum 21 years and maximum of 42 years.*
 - b) *Rent:*
 - Year 1 - \$100 + GST and other outgoings*
 - Year 2 - \$15,000 + GST and other outgoings*
 - Year 3 - \$33,000 + GST and other outgoings adjusted in accordance with CPI from the commencement of the Lease term plus.*
 - c) *An amount equal to 25% of the total gross revenue for the previous financial year generated by the Marine Discovery Building, excluding the following:*
 - i. Food and beverage kiosk revenue.*
 - ii. Bar revenue.*
 - iii. Grant funding.*
 - iv. Deductible Gift Recipient funding as defined in the Income Tax Assessment Act 1997.*
 - v. GST on Gross Revenue.*
 - vi. Interest received; and*
 - vii. Employee related payments received from Government Agencies.*
 - d) *Commencement of lease no later than 30 June 2025.*
 - e) *Rent Review: adjusted annually in accordance with CPI and subject to market rent review every 5 years.*
 - f) *A requirement for the Tenant to adequately insure the building and contents and establish and maintain a contingency fund for the purpose of asset management and capital improvements to the Premises. Annual transfer amounts are to be determined by the development by BJI of a Lifecycle Management Plan approved by the City.*
 - g) *Permitted Purpose: Marine Discovery Centre, exhibition/event space, museum, marine themed interactive experiences/education and ancillary food and beverage services.*
 - h) *All costs associated with the preparation of the lease are to be met by the Tenant; and*
 - i) *Such further terms and conditions as required by the CEO.*
3. *All rent and proceeds collected in relation to points 2b and c are to be transferred into the Jetty Maintenance Reserve.*

The Council resolved to defer a decision on the proposed lease terms until the October 2024 Ordinary Council Meeting due to concerns about the 25% of the gross revenue contribution and to enable further strategic planning and discussions with BJI. On 24 September 2024, the City of Busselton CEO and Director Economic and Business Development met with the BJI CEO and Project Manager to discuss the concerns of the Council. This report provides an amended recommendation to the Council from the agreements reached at that meeting.

OFFICER COMMENT

Asset maintenance and insurance

As explained in the September Council agenda report, subsequent to the Council's in principle support for construction and operation of a MDC on Lot 501, 12 Busselton Foreshore (attachment 2), \$16m of funding was approved by the Minister for Regional Development (Minister) to be reallocated to BJI for that purpose. The funding was conditional on the City managing the procurement. City Officers discussed this condition with the PCG, raising concerns with the City's capacity to deliver a project for an external party. It was also felt that in order for the building to operate as forecast in BJI's business case, and to deliver the project to budget and acquit the funding that BJI should be the contract principal for the design and construction of the MDB. Equally BJI has to be responsible for generating sufficient operating profit to provide a return to the Jetty Maintenance Reserve (JMR) in the form of the rent charged to them by the City, maintain the asset, insure and run it.

Through consultation with BJI it became clear that to achieve the above, it would be in the best interest of both BJI and the City if the building asset was BJI's responsibility and a land lease from the City would be the most appropriate form of tenure.

Subject to the Council's approval of the lease terms in this report, a joint proposal will be taken to the PCG that will recommend, for the reasons outlined, that BJI will be responsible for the development, but be required to use the City's procurement processes, and the City will:

- oversee the procurement processes.
- have input into and sign off on all scopes of work and requirements specification.
- form part of evaluation panels and decisions to award contracts; and
- have representatives on the project management team.

At the 24 September 2024 meeting with BJI and City Executive it was agreed that BJI would update their operating financial plan to reflect all estimated costs to lease, service, maintain and insure the building asset. The building costs and outgoings financial forecast is in attachment 3 to this report. BJI have included the following costs:

- \$33k ground lease increasing with CPI,
- Annual insurance estimated at \$84k,
- Annual asset maintenance transfers into a reserve starting at \$200k; and
- Rates (Water, Sewerage, City of Busselton) estimated at \$77k
- Totalling \$424,148 from year 1 of operating.

Annual rent and return to the Jetty Maintenance Reserve

The concept design for the building (attachment 1) is a preliminary draft and subject to change based on detailed design and further costings. The design is a three-storey structure; the ground floor will house a reception/ticket sale area, a kiosk, office space, and the Jetty Museum/Exhibition area which will take up most of the ground floor space. The first floor will have the MDC, a theatre/VR Room and Enviro/Schools Space. The concept for the second floor is a marine themed mini golf space, a roof top function/event area and a bar. The outside of the building will have a decorative screen which will give the suggestion of bubbles under the sea.

The business case developed by BJI forecast the licence fee payable to the City based on the current Jetty License Agreement of 25% of gross revenue excluding GST. This was estimated at \$746,678 from the first full year of operation, see table 6 extract from the Business Case below. This assumed the food and beverage kiosk and sky bar would operate under a commercial lease arrangement at \$25,000 per annum each and that the City would be responsible for the MDB maintenance from the JMR. Insurance costs and other outgoings would be passed through to BJI.

Table 6: Estimated Jetty Maintenance Reserve annuity assuming Licence Fee 25% of ticket sales 2028/29:

COMPONENT	ESTIMATED LICENCE FEE to JMR – 25% of Gross Revenue after GST	Estimated Surplus to BJI for Asset Management/Replacement AUDC reserve and other investment/s
Dive Trolley and Dive Tank Refills	\$17,299	(\$5,016)
Jetty Museum / Multipurpose Space	\$157,514	\$165,894
Food and Beverage Kiosk	\$25,000	\$235,241
Marine Discovery Centre	\$345,102	\$518,531
Marine Themed Experience	\$176,763	\$92,287
Sky Bar	\$25,000	\$21,012
TOTAL – YR1	\$746,678	\$1,027,948

The City obtained an independent market valuation report dated 5 August 2024. The report compared existing ground leases on the Busselton foreshore, Hilary’s Harbour and Aurora Esplanade Jindalee. The ground rental evidence presented ranges from circa \$44 to \$59 per m² net of GST and outgoings. The report highlighted that the analysed ground rentals for the three nearby properties of 1, 11 and 15 Foreshore Parade, Busselton range from circa \$56 to \$59 per m² per annum net of GST. These properties are located within closer proximity to the beachfront and provide superior ocean views and therefore a lower rate per m² would apply to the proposed building.

The market rent was assessed at \$33,000 per annum net of GST and outgoings on an “As Is” ground lease basis. This was based on the mid-point of a range of \$45 to \$50 per m².

The City also requested an “As If Complete,” market rent assessment to determine the value of the asset once constructed. The report provides a range of market comparisons. The rental evidence presented ranges from \$130 to \$594 per m²per annum net of GST and outgoings with an overall quantum of rental value ranging from \$65,000 to \$300,000 per annum net of GST and outgoings. The assessment took into consideration alternative commercial/hospitality aligned tenancy arrangements should the subject improvements not be utilised for their proposed “Marine Discovery Centre” purposes. The report considered comparable hospitality evidence, and highlighted the proposed building provides large scale three level improvements (>1,800m²) and therefore generally lower rates per square metre of lettable area are considered applicable. The report also considered there to be a relatively shallow pool of potential tenants for the property type given the magnitude of the proposed building and associated high quantum of rental and noted the substantial trading competition within the immediate locality with superior views.

Based on the available rental evidence and the assumptions above the report assessed the “As If Complete” market value at \$265,000 per annum net of GST and outgoings. This equates to an overall rental rate of \$146 per m² per annum net of GST and outgoings.

To ensure parity with other foreshore leases and noting that the proposed development will assist with increasing contributions into the JMR, Officers are recommending a ground lease with an annual rent net of outgoings commencing at \$33,000 per annum. To allow time for the design and construction of the MDB the following rent periods are proposed:

Year 1 - \$100 + GST

Year 2 - \$15,000 + GST

Year 3 - \$33,000 GST per annum and other outgoings adjusted in accordance with CPI from commencement of the Lease term.

In the September Council agenda report, officers recommended there should be alignment with BJI’s business case, which committed that through the development of this asset there would be sufficient revenue generated to both maintain it and make additional contributions to the JMR. In addition to the annual rent, it was recommended that an amount equal to 25% of the total gross revenue for the previous financial year be transferred into the JMR. Officers made this recommendation consistent with the methodology applied under the current Jetty Licence Agreement, with the calculation to exclude the food, beverage and bar revenue.

BJI’s updated operating financial plan has however removed the 25% of the total gross revenue contribution and replaced the forecast with an updated profit and loss (sheet 1 of attachment 3) which shows the increased costs to maintain, service and insure the building, described above, and reduced revenue forecasts based on the experience of operating the MDC in the Ballarat Room since June. In year one an operating profit of \$286,929 has been forecast for the MDB.

At a strategic workshop with the BJI CEO (and key BJI staff) Board, Elected Members and City of Busselton Executive Officers it was agreed that the current Licence could look to be simplified, aligned to completion of the five-year regular review of the 50 Year Jetty Maintenance Plan. The review is due to be completed in the first quarter of 2025.

Any profits that BJI make from the MDB and their operations under the Jetty Licence Agreement could be considered as part of the review of the current License Agreement, with the potential to agree an annual amount to be transferred to the Jetty Maintenance Reserve (JMR) and Jetty Self Insurance Reserve, set by the requirements of the 50 year Jetty Maintenance Plan.

The officer recommendation therefore recommends that the Council enter into a lease based on the payment of an annual rent as outlined, without the additional payment of 25% of gross revenue.

Term

To allow time for the procurement of a project manager, detailed designs and funding to be released to BJI it is recommended the lease commence no later than 30 June 2025.

The Reserve purpose is “Recreation and Community.” The City has management of the Reserve with power to lease (consistent with the reserve purpose) for any period not exceeding 42 years and subject to the prior approval of the Minister for Lands.

However, BJI have indicated a preference to tie the lease term to coincide with the end of the current Jetty Licence Agreement, the first term expires 5 April 2038. BJI have the option to renew for three further 7 year terms with the last expiring on 29 October 2058. Given this and the recognised need to review and simplify the Jetty Licence Agreement Officers are recommending the CEO be delegated power and authority to negotiate the term of the lease and for it to be a minimum of 21 years with a maximum of 42 years, subject to Minister for Lands approval.

Statutory Environment

Local Government Act 1995 (LGA)

When disposing of property whether by sale, lease or other means, a Local Government is bound by the requirements of section 3.58 of the LGA which requires giving local public notice when disposing of property. Under regulation 30(2)(b) of the *Local Government (Functions and General) Regulations 1996* disposition of local government property to incorporated bodies with objects of benevolent, cultural, educational or similar nature can be exempt from the advertising and tender requirements of the act.

However, given the high-profile nature of the Busselton foreshore, Officers recommend advertising the disposition to seek broader community feedback. BJI are supportive of this approach.

Land Administration Act 1997 (LAA)

Lot 501, Deposited Plan 402933, Volume LR3166, Folio 949, 12 Foreshore Pde Busselton (Lot 501) is located on Part Reserve 38558, managed by the City under a Management Order. The City has power to lease for purposes consistent with the designated purpose of 'Recreation and Community' for periods up to 42 years, subject to the consent of the Minister for Lands, under section 18 of the LAA City officers have sought informal, officer level, support for the proposition from the Department of Planning, Lands and Heritage (DPLH) which has raised no issues.

Relevant Plans and Policies

The officer recommendation aligns to the following adopted plan or policy:

Plan:

[Corporate Business Plan 2022-2026](#)

This proposal links most strongly to the area of Opportunity and the creation of a vibrant City with diverse opportunities and a prosperous economy, and specifically the following Strategic Priorities:

- 3.1 Work with key partners to facilitate the activation of our town centres, creating vibrant destinations and consumer choice; and
- 3.2 Facilitate an innovative and diversified economy that supports local enterprise, business investment and employment growth.

Policy:

[Commercial Use of City Land and Facilities](#)

The objectives of this Policy are to set out a framework for managing the commercial use of City Land and Community Facilities which:

- Encourages innovation, business development, and overall economic growth.
- Provides diversified goods and services to residents and visitors.
- Value adds to the overall resident and visitor experience; and
- Enhances the vibrancy and activation of public spaces.

Financial Implications

Currently the amount required to be placed into the JMR to meet the cost of asset replacement and annual maintenance of the Jetty exceeds the amount generated from existing foreshore commercial rents and the existing contributions by BJI. \$33,000 per annum from the proposed rent will be accumulated into the JMR to help towards reducing the funding gap for the Jetty's forecast maintenance.

Based on BJI's updated operating financial plan the MDB is expected to generate \$286,929 in profit from the first year of operating.

The City will not have any maintenance, insurance or cleaning obligations in respect of the MDB. The lease will provide that BJI will be responsible to maintain the MDB (including structural repair and maintenance) and that BJI must establish and maintain a trust account as a contingency fund for the purpose of making capital improvements to the premises and complying with their maintenance obligations. The annual transfer amount should be that forecast in BJI's operating financial plan in attachment 3. City officers will recommend to DPIRD that this transfer to reserve is a requirement of BJI's Funding Agreement.

External Stakeholder Consultation

Whilst previous consultation for the Australian Underwater Discovery Centre and Jetty Village has informed the concept for the MDB there has been no specific community engagement for the MDB concept; to avoid raising expectations should the project not be funded to progress.

The proposed building concept has been discussed with the other foreshore commercial operators. As a result, the kiosk servery window on the ground floor will be removed in detailed design and the 2nd storey bar will be designed to be ancillary to the marine themed mini golf experience.

Risk Assessment

An assessment of the potential implications of implementing the officer recommendation has been undertaken using the City's risk management framework, with risks assessed taking into account any controls already in place. No risks of a medium or greater level have been identified.

Options

As an alternative to the proposed recommendation the Council could:

1. Resolve not to support the proposed lease terms for public advertising for the Marine Discovery Building to BJI;
or
2. Require different or other terms and conditions to be considered.

CONCLUSION

The use of Lot 501 provides an ideal location for a permanent home for the MDC and other marine experiences which relate to the Jetty heritage and Geographe Bay. Use of this land for the MDB operated by BJI is in keeping with the site’s designated purpose of ‘Recreation and Community’.

The business case and operating financial plan developed by BJI has demonstrated operating the building for its design purpose will generate sufficient revenues to maintain and insure the buildings and pay the proposed rent to support increase transfers into the JMR. This will help towards the future maintenance of the Jetty. The MDB will also offer an alternative indoor experience on the foreshore which will be accessible all year round and support the sustainability of BJI’s operations.

The Council are requested to enter into a lease with BJI for the construction and operation of a MDB on Lot 501 subject to the consent of the Minister for Lands and there being no objections raised through section 3.58 of the LGA advertising process.

TIMELINE FOR IMPLEMENTATION OF OFFICER RECOMMENDATION

The officer recommendation will be implemented in full, or in stages as per the following table:

Milestone	Completion Date
S3.58 Advertising commence	By 31 October 2024
S3.58 Advertising closing	By 15 November 2024

14 CORPORATE STRATEGY AND PERFORMANCE REPORTS

14.2 Council Plan 2024 - 2034

STRATEGIC THEME	Key Theme 4: Leadership 4.3 Make decisions that respect our strategic vision for the District.
DIRECTORATE	Corporate Strategy and Performance
REPORTING OFFICER	Manager People, Culture and Strategy - Shannon Pettengell
AUTHORISED BY	Director Corporate Strategy and Performance - Sarah Pierson
NATURE OF DECISION	Executive: Substantial direction setting, including adopting budgets, strategies, plans and policies (excluding local planning policies); funding, donations and sponsorships; reviewing committee recommendations.
VOTING REQUIREMENTS	Absolute Majority
DISCLOSURES OF INTEREST	No officers preparing this item have an interest to declare.
ATTACHMENTS	1. Council Plan [14.1.1 - 29 pages] 2. Community Workshop Priorities [14.1.2 - 13 pages]

OFFICER RECOMMENDATION

That the Council adopt the City of Busselton Council Plan 2024 – 2034 as per Attachment 1, in accordance with section 5.56 of the *Local Government Act 1995* and regulation 19C and 19DA of the *Local Government (Administration) Regulations 1996*.

EXECUTIVE SUMMARY

This report seeks Council adoption of the City of Busselton Council Plan 2024 – 2034 as per Attachment 1 (the Plan). The Plan is the outcome of a major review of the City’s Strategic Community Plan 2021 – 2031 and incorporates the annual review and adoption of the City’s Corporate Business Plan, bringing the two strategic planning documents into one, and enabling the community to see the complete medium-term plan in one place. It is being presented to the Council for formal adoption as the Council’s Plan for the Future.

STRATEGIC CONTEXT

The Council Plan sets out the City’s ‘Plan for the Future’ under the *Local Government Act 1995* (the Act). It sets the strategic direction of the Council and guides the good governance of the district and the responsible management of ratepayer funds. In accordance with the Act, it has been reviewed following engagement with community to inform the vision, aspirations and objectives for the City of Busselton district and community over the next 10 years. This supports achievement of a Council that connects with the community and is accountable in its decision making, in accordance with the current Strategic Community Plan.

BACKGROUND

Section 5.56 of the Act requires that local governments plan for the future, and in doing so comply with any regulations.

The *Local Government (Administration) Regulations* require that local governments prepare a Strategic Community Plan (SCP) reflecting the vision, aspirations and objectives of the community in the district, informed by community engagement; and a Corporate Business Plan (CBP) setting out a

local government's priorities to achieve the objectives and aspirations of the SCP. This framework is commonly referred to as the Integrated Planning and Reporting Framework (IPR).

The Council last adopted its SCP in 2021, with a major review due in 2025. The Corporate Business Plan was adopted in September 2024 and is reviewed annually.

Following local government elections in October 2023 and the appointment of a new popularly elected Mayor and four new Councillors, as well as appointment of a new CEO at the end of 2022, it was recognised that earlier review of the City's strategic direction would be beneficial. The City has largely fulfilled its previous strategic focus with redevelopment of the Busselton Foreshore complete, the Busselton Margaret River Regional Airport now servicing flights from both Melbourne and Sydney, and the Saltwater performing arts and convention centre in progress. While continued growth of the airport (including a Terminal) and successful operation of Saltwater remain a key focus, review of the SCP allows the current Council to consider its future strategic direction.

The Department of Local Government, Sport and Cultural Industries (DLGSCI) has been reviewing the plan for the future requirements. The *Local Government Amendment Act 2023* prescribes the deletion of the Section '5.56 – Planning for the Future' and replacement with '5.56 – Council Plan'. The Council Plan approach simplifies the IPR by combining the Strategic Community Plan and Corporate Business Plan into one document addressing the inherent overlap and duplication that often occurs between the two plans. The Council Plan format communicates the complete medium-term plan in one place, enabling the community to review the committed actions of the local government in response to the community objectives.

While the final design of the new IPR Framework is awaiting drafting of regulations, the DLGSCI has supported local governments to transition to a Council Plan format, provided it meets the requirements prescribed in 19C and 19DA of the Regulations.

In recognition of the above, the City appointed Catalyse – a survey and strategic planning consultancy - in early 2024 to facilitate a major review of the SCP and to transition to one Council Plan, incorporating a review of the CBP.

OFFICER COMMENT

Strategic Direction Review – Formation of the Council Plan

The City commenced its strategic review in February 2024 with the Catalyse Community Scorecard which was open 19 February 2024 to 15 March 2024. To encourage participation the City undertook engagement activities as detailed in the external stakeholder consultation section of this report.

The Scorecard received 1,363 responses including over 95,000 written words where the community qualitatively described their priorities and aspirations. The scorecard results provided clarity around community perceptions and priorities for consideration when developing the Council Plan.

Using the Scorecard the City was benchmarked against a range of other local governments and was rated one of the top ranking regional local governments in WA. The City of Busselton was identified as a leading council in the areas of community spirit, sense of belonging, pride in the local area, being a great place to visit, access to goods and services, and tourism and destination marketing. Council's investment in creating a place to live and invest rated highly as well. The top three performing areas identified were:

Performance Area	Positive Rating	Performance Index Score	Industry Average
Libraries	98%	76	70
Tourism and Destination marketing	96%	75	48
Festivals, events, art and cultural activities	95%	74	61

While sport and recreation scored highly with an 82% positive rating, the community identified a clear desire for new facilities to meet increasing demand. This made up one of the top five priorities identified by the community:

Performance Area	Positive Rating	Performance Index Score	Industry Average
Sports and recreation	82%	61	65
Responsible growth and development	57%	42	44
Local rivers, inlets and waterways	54%	41	55
Community safety and crime prevention	79%	54	46
Housing	61%	45	47

The full Scorecard report was published on the City’s website 30 May 2024.

In conjunction with the scorecard process, Catalyse, supported by officers, undertook a detailed desktop review of the City’s current strategy documents to identify current actions, identify completed actions and then reviewed their alignment with the scorecard feedback.

The City’s Executive Leadership Team and Elected Members then collectively workshopped the vision, community priorities and objectives along with a draft City response in the form of a list of priority actions on 11 June 2024. The results of this workshop informed community workshops.

130 people attended three community workshops held across 17 and 18 July 2024, with one workshop held in Dunsborough and two in Busselton. The community workshops confirmed the ongoing relevance of the City’s current vision, however community feedback supports a shift from a place **where lifestyle, environment and opportunity meet** to a place **where lifestyle, environment and opportunity thrive**; as a more active and descriptive vision.

The community were also asked to provide feedback on the City’s draft action plan through prioritisation (high, medium or low) of the listed actions and provision of as well as general feedback, such as being clearer in describing actions. Actions were prioritised as:

- 45 – High Priority
- 42 – Medium Priority
- 18 – Low Priority

As an outcome of the community workshops, majority of high rated priority actions were included in the Plan either as written or with edits to improve readability, refined into one broader action to remove repetition i.e. reviewing the Energy Strategy (which includes some removed listed actions) or have been reflected in service delivery statements around what the City will continue to do at a service level. Attachment 2 is a table of the outcomes of the community workshops. Of note, after reviewing the community feedback, we have added an additional community objective to the Opportunity Theme - *Collaborate with key partners to strengthen opportunities for education and life-long learning*. Under this objective we have listed our library services as a key service element and two priority actions – advocate for higher education offerings and investigate expansion of library services - which were rated as a high and medium priority respectively with the community. Libraries were also one of the top performing areas in the Community Scorecard.

Following the community workshops, the City’s leadership team aligned the draft Council Plan with resourcing requirements. Service teams were allocated and actions which require capital or more significant operating expenditure noted.

Catalyse facilitated a final workshop with the City’s Executive Leadership Team and Elected Members on 11 September 2024 to finalise the draft Council Plan.

Council Plan

The Council Plan is now presented to the Council for adoption as the plan for the future.

The Plan resets Council’s vision for the City of Busselton district to be a place **‘where environment, lifestyle and opportunity thrive’**. The current SCP vision ‘where environment, lifestyle and opportunity meet’ represents the coming together of social, economic and environmental outcomes however community feedback supports a more active vision statement, where we aspire for all three to thrive.

Supporting the vision, the Plan sets out five strategic or key themes of Lifestyle, Environment, Place, Opportunity and Leadership, with the community’s aspiration in relation to each theme reflected in an outcome statement:

1. Lifestyle – Our community is safe, welcoming and inclusive, with access to services and facilities to support good health and wellbeing.
2. Environment – An environment that is valued, conserved and able to be enjoyed by current and future generations.
3. Place – Responsible planning is helping the region to experience sustainable growth with retention and enhancement of our unique character, identity and lifestyle.
4. Opportunity – We have a vibrant and growing economy with diverse opportunities for everyone to learn, work and flourish.
5. Leadership – We actively engage with community to deliver visionary, collaborative and accountable leadership.

The Plan retains the themes of the current SCP – Lifestyle, Environment and Opportunity - with a specific focus now on place (as distinct from lifestyle), recognising the continued growth of the City as a district and the priority placed by the community on responsible growth and development. Achievement of the Plan’s vision continues to be underpinned by the strategic theme of Leadership.

Achievement of these outcomes is further defined by 18 community objectives and supported by service provision, priority actions and resources.

The Plan highlights six strategic priority areas in response to the community's feedback. These are outlined at the beginning of the Plan, ensuring that the reader can quickly and clearly identify the City's actions in response to their feedback. The six priority strategic areas highlighted in the Plan are:

- Sport and Recreation
- Rivers and Waterways
- Responsible Development and Housing
- Airport Services
- Community Safety
- Communication and Engagement

The Plan then lists under each community objective (on a best fit basis) service elements that support achievement of each objective and priority actions (85 in total) over the next 4 years – 2024/25 to 2027/28. This part of the Plan replaces the existing CBP and these priority actions and services will be reviewed annually to adapt to social, environmental, economic and political requirements and changing community needs.

The timing of these priority actions and whether they are reliant on funding to be secured is notated by year with either a dot or a \$ sign. Where capital or operating expenditure is required (over and above staffing and recurrent budgets) this is tabled at the back of the plan. Noting that the Council is currently working to revise and readopt its LTFP, future year actions are notated with a \$ sign where they are outside of current resourcing.

Importantly the Plan sets out the various roles the City plays in the provision of services and actions to support community objectives. Local governments deliver services and infrastructure to their community and also work collaboratively with key partners including other levels of government and local community groups to facilitate and partner in the delivery. Advocacy is also a key role of local government. These various roles are outlined as:

- Lead
- Advocate
- Facilitate
- Provide
- Regulate

The Plan has been developed with consideration for the City's resourcing capacity, with many of the actions accommodated within recurrent operating expenditure and workforce capacity. Some, however, are dependent on the securing of future resourcing. It is worth noting also that many actions reflect next steps and will likely be further built upon in future iterations of the Council Plan.

Progress over future years will be measured through tracking achievements towards priority actions as contained within the Plan as well as future community surveys. To assist in measuring performance, the Plan includes target data in relation to service areas measured by the Catalyse MARKYT Community Scorecard. Progress towards the achievement of the community objectives outlined in the Plan should deliver maintained and improved performance results in these areas. This will be supported by service metrics as part of more detailed service planning.

Statutory Environment

Section 5.56 of the *Local Government Act 1995* (the Act) requires a local government to plan for the future of the district and to ensure that any such plans are in accordance with regulatory requirements.

Regulation 19C *Local Government (Administration) Regulations 1996* (the Regulations) sets out the requirements of a local government to develop or when modifying a strategic community plan for its district.

The strategic community plan must:

- cover at least 10 financial years;
- set out the vision, aspirations and objectives of the community in the district;
- review the current strategic community plan for its district at least once every 4 years;
- ensure that electors and ratepayers of the district are consulted when preparing modifications;
- contain a description of the involvement of the electors and ratepayers of the district in the preparation of modifications of the plan.
- be adopted by an Absolute Majority of the Council.

Regulation 19DA of the *Local Government (Administration) Regulations 1996* (the Regulations) sets out the requirements of a local government to develop or when modifying a corporate business plan for its district.

A corporate business plan must:

- have a minimum 4 year outlook;
- identify and prioritise the principal strategies and activities the Council will undertake in response to the aspirations and objectives stated in the strategic community plan;
- state the services, operations and projects that a local government will deliver over the period of the plan;
- reference resourcing considerations such as asset management plans, finances and workforce plans; and
- be adopted by an Absolute Majority of the Council.

Section 68 of the *Local Government Amendment Act 2023* prescribes amendment of the *Local Government Act 1995* by deleting Section '5.56 – Planning for the future' and replacement with '5.56 – Council Plan'.

The Council Plan presented complies with these statutory requirements.

Relevant Plans and Policies

The officer recommendation aligns to the following adopted plan or policy:

Plan:

Strategic Community Plan 2021 – 2031

[Corporate Business Plan 2022-2026](#)

Policy:

Not applicable

Financial Implications

The Plan has been developed cognisant of the City’s resourcing capacity and will inform the current review of the City’s Long Term Financial Plan (LTFP). For instance, the draft LTFP will include an allocation of funding to a financial reserve dedicated to future sport and recreation planning and infrastructure, and funding towards a new terminal at the Busselton Margaret River Airport. It also provides for the funding of core services, with several sources of revenue available, including rates, borrowings, reserves, contributions and grants.

External Stakeholder Consultation

To encourage participation in completion of the Community Scorecard City Officers undertook the following engagement activities:

City of Busselton ‘Your Say’ website	Launched 30 January 2024
Bay to Bay Newsletter	Over 13,500 subscribers emailed promotion of the Scorecard and Council Plan Your Say page in January and February.
Email	Catalyse sent Scorecard invitations to 11,000 randomly selected households; 1,000 by mail and 10,000 by email.
Local Newspaper	Advertised 21 February 2024, 28 February 2024 and 6 March 2024.
Social Media	Facebook (4 posts) Reach: 10,138 estimated views LinkedIn (1 post) Reach: 578 estimated views Instagram (1 post) Reach: 693 estimated views
Business Cards with QR Codes	250 cards were printed and distributed to Elected Members, at City facilities and at pop-up events.
Pop-Up Events	The City attended the following events to promote completion of the scorecard: Vasse Twilight Markets – 19 people Dunsborough Arts Festival – 20 people Girls to the Front Youth Event – 20 people Rotary Markets – 33 people
Flyers	The City distributed 20 flyers across City owned facilities including the Busselton Margaret River Airport, Busselton and Dunsbrough Depots, Geographe Leisure Centre, Naturaliste Community Centre, Busselton and Dunsborough Libraries and Youth Centres. They were also sent via City community and cultural Services teams to their community groups.
Local Schools	The City contacted 5 high schools requesting they offer their students time to complete the survey. 4 schools participated.
Internal Promotion	Promotion on the City’s intranet and an all staff briefing 5 March 2024.

Additional Community Workshop promotion	
Bay to Bay Newsletter	Over 13,500 subscribers emailed promotion of the Council Plan Your Say page and workshops in March, June and July.
Local Newspaper	Advertised 12 June 2024, 19 June 2024 and 3 July 2024.
Social Media	Facebook (3 posts) Reach: 3,748 estimated views
Flyers	The City re-distributed 20 flyers across City owned facilities including the Busselton Margaret River Airport, Busselton and Dunsborough Depots, Geographe Leisure Centre, Naturaliste Community Centre, Busselton and Dunsborough Libraries and Youth Centres. They were also sent via City community and cultural Services teams to their community groups.
Local Schools	5 Principals were sent letters from the Mayor inviting representation at the community workshops. 4 schools participated sending 35 students.
Local Groups	The City’s community and cultural services teams actively promoted the workshops with local Chamber of Commerce and Industry groups, the City’s Disability Access and Inclusion Reference Group and Cultural groups requesting their attendance.
City website	Community Scorecard results published 30 May 2024 directing community members to Council Plan Your Say page where they could register for the workshops.
Internal promotion	Results were shared with staff and encouraged to promote the community workshops at an all staff briefing 18 June 2024.

Risk Assessment

An assessment of the potential implications of implementing the officer recommendation has been undertaken using the City’s risk management framework, with risks assessed taking into account any controls already in place. No risks of a medium or greater level have been identified.

Options

As an alternative to the proposed recommendation the Council could

1. Decide not to adopt the Council Plan 2024 – 2034. It should be noted that a local government is to review the current corporate business plan for its district every year. The current corporate business plan was last adopted in September 2023.
2. Decide to adopt the Council Plan 2024 – 2034 with amendments.

CONCLUSION

The City with the support of Catalyse, has undertaken a major review of its Strategic Community Plan and Corporate Business Plan, with the Council Plan now presented to the Council for formal adoption as the Council’s Plan for the Future.

The review involved community consultation facilitated by Catalyse via the MARKYT Community Scorecard and community workshops. It involved a detailed review of existing strategies, plans and actions as well as a number of leadership and Elected Member workshops.

The City’s current vision was reconfirmed with a shift to a place **where lifestyle, environment and opportunity thrive**; as a more active and descriptive vision. Six priority strategic areas were identified as a focus of the Council Plan and for the City of Busselton over the next 10 years.

In consideration of community aspirations and feedback, the Council Plan has been developed by building on and enhancing the City’s existing strategic priorities and re-sets the Council’s Plan for the Future.

As outlined in the Plan, there is a limit to what can be achieved solely by the City of Busselton within its legislative, financial and workforce resources. Where aspirations cannot be achieved by local government alone, the Plan notes Council’s commitment to work with its key partners to advocate and respond in a way that can make a positive difference.

TIMELINE FOR IMPLEMENTATION OF OFFICER RECOMMENDATION

The officer recommendation will be implemented in full, or in stages as per the following table:

Milestone	Completion Date
Council Plan published for distribution	Within 1 month of adoption
Official Launch/Sundowner	Within 2 months of adoption