

Please note: These minutes are yet to be confirmed as a true record of proceedings

CITY OF BUSSELTON

MINUTES FOR THE COUNCIL MEETING HELD ON 27 MARCH 2019

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MINUTES

MINUTES OF A MEETING OF THE BUSSELTON CITY COUNCIL HELD IN THE COUNCIL CHAMBERS, ADMINISTRATION BUILDING, SOUTHERN DRIVE, BUSSELTON, ON 27 MARCH 2019 AT 5.30PM.

1. DECLARATION OF OPENING ACKNOWLEDGEMENT OF COUNTRY / ACKNOWLEDGEMENT OF VISITORS / DISCLAIMER / NOTICE OF RECORDING OF PROCEEDINGS

The Presiding Member opened the meeting at 5.30pm.

2. ATTENDANCE

Presiding Member:

Cr Grant Henley Mayor

Members:

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

Officers:

Mr Mike Archer, Chief Executive Officer
Mr Oliver Darby, Director, Engineering and Works Services
Mr Paul Needham, Director, Planning and Development Services
Mrs Naomi Searle, Director, Community and Commercial Services
Mr Tony Nottle, Director, Finance and Corporate Services
Mrs Emma Heys, Governance Coordinator
Miss Kate Dudley, Governance Officer

Apologies:

Nil

Approved Leave of Absence:

Cr Rob Bennett

Media:

“Busselton-Dunsborough Mail”

Public:

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3. PRAYER

No prayer was delivered.

4. APPLICATION FOR LEAVE OF ABSENCE**COUNCIL DECISION****C1903/044**

Moved Councillor P Carter, seconded Councillor J McCallum

That Leave of Absence be granted to Cr Rob Bennett for the ordinary Council Meetings held on 10 April 2019 and 24 April 2019.

CARRIED 8/0**5. DISCLOSURE OF INTERESTS**

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

- Cr Kelly Hick in relation to Agenda Item 13.2.

The Mayor advised that in accordance with the Local Government (Rules of Conduct) Regulations 2007 this declaration would be read out immediately before Item 13.2 was discussed.

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

Nil

7. QUESTION TIME FOR PUBLIC**Question Time for Public****7.1 Mr Terry Best****Question**

Does Busselton have an Access and Inclusion Committee? How often does the committee meeting? When did they last meet and who are the members?

Response

The Presiding member responded that the reference group will continue as per the Draft Disability Access and Inclusion Plan. The group meets bi-monthly and last met on Monday, 11 February 2019. The reference group members include Naomi Davey - Community Development Officer, Ant Pursell - SW Disabled Surfers Assoc., Greg Morris - Community Member, Brioney McLean – Acting Customer Services Coordinator, Coralie Tarbotton-Councillor, Kevin Hall - Community Member, Justin Smith - Design & Survey Coordinator, Fiona Bowden - Disability Services, Stuart Schonell - Community Member, Alanah Marriott-Building Officer/Building Surveyor, Jennifer Richards - Richmond Wellbeing, John Gosper-Senior Building Surveyor and Simon Dowling - Cam Can.

8. CONFIRMATION AND RECEIPT OF MINUTES**Previous Council Meetings**8.1 Minutes of the Council Meeting held 13 March 2019**COUNCIL DECISION****C1903/045** Moved Councillor J McCallum, seconded Councillor R Reekie

That the Minutes of the Council Meeting held 13 March 2019 be confirmed as a true and correct record.

CARRIED 8/0**Committee Meetings**8.2 Minutes of the Policy and Legislation Committee held 12 March 2019**COUNCIL DECISION****C1903/046** Moved Councillor K Hick, seconded Councillor R Reekie

That the Minutes of the Policy and Legislation Committee held 12 March 2019 be noted.

CARRIED 8/08.3 Minutes of the Audit Committee meeting held 14 March 2019**COUNCIL DECISION****C1903/047** Moved Councillor P Carter, seconded Councillor K Hick

That the Minutes of the Audit Committee meeting held 14 March 2019 be noted.

CARRIED 8/0

8.4 Minutes of the Airport Advisory Committee meeting held 13 March 2019

COUNCIL DECISION

C1903/048

Moved Councillor C Tarbotton , seconded Councillor J McCallum

That the Minutes of the Airport Advisory Committee meeting held 13 March 2019 be noted.

CARRIED 8/0

8.5 Minutes of the Finance Committee Meeting held 21 March 2019

COUNCIL DECISION

C1903/049

Moved Councillor P Carter, seconded Councillor R Reekie

That the Minutes of the Finance Committee Meeting held 21 March 2019 be noted.

CARRIED 8/0

9. RECEIVING OF PETITIONS, PRESENTATIONS AND DEPUTATIONS

Petitions

Nil

Presentations

Nil

Deputations

Nil

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

11. **ITEMS BROUGHT FORWARD**

For the convenience of the Public

Nil

Adoption by Exception Resolution

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

COUNCIL DECISION/COMMITTEE RECOMMENDATION AND OFFICER RECOMMENDATION

C1903/050 Moved Councillor C Tarbotton , seconded Councillor J McCallum

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

- 12.1 Policy and Legislation Committee - 12/03/2019 - Council Policy: Portable Advertising Signs in Public Places
- 12.2 Policy and Legislation Committee - 12/03/2019 - RESCISSION OF COUNCIL POLICY 235 - ACCESS AND INCLUSION
- 12.3 Policy and Legislation Committee - 12/03/2019 - PROPOSED POLICY NEUTRAL AMENDMENTS TO THE LOCAL PLANNING POLICY MANUAL
- 12.5 Audit Committee - 14/03/2019 - GOVERNANCE SYSTEMS REVIEW - STATUS UPDATE
- 13.1 BOUNDARY REALIGNMENT AND AMENDED MANAGEMENT ORDER FOR RESERVE 37775 (BUSSELTON KART CLUB LAND)
- 17.1 COUNCILLORS' INFORMATION BULLETIN


CARRIED 8/0

EN BLOC

ADOPTION BY EXCEPTION RESOLUTION

12. REPORTS OF COMMITTEE

12.1 Policy and Legislation Committee - 12/03/2019 - Council Policy: Portable Advertising Signs in Public Places

SUBJECT INDEX:	Council Policy
STRATEGIC OBJECTIVE:	Development is managed sustainably and our environment valued.
BUSINESS UNIT:	Environmental Services
ACTIVITY UNIT:	Ranger and Emergency Services
REPORTING OFFICER:	Ranger & Emergency Services Coordinator - Ian McDowell
AUTHORISING OFFICER:	Director, Planning and Development Services - Paul Needham
VOTING REQUIREMENT:	Simple Majority
ATTACHMENTS:	Attachment A Council Policy - Portable Signs in Public Places 

This item was considered by the Policy and Legislation Committee at its meeting on 12 March 2019, the recommendations from which have been included in this report.

PRÉCIS

The purpose of this report is to seek the Council's endorsement of a proposed amendment to Council Policy: Portable Advertising Signs in Public Places (the Policy); specifically, clause 5.6 of the Policy that requires businesses or commercial ventures to provide evidence of current public liability insurance to the value of \$10 million and which indemnifies the City against any claims for damages arising from the sign on the public land.

In practice this clause has proven to be unworkable, or at the very least difficult to administer, due to the fact that while most applicants to date provided current Public Liability Insurance Certificates, none specifically indemnified the City as required by the Policy. Further, two of the applicants only had \$2m cover and not the \$10m required by the Policy.

To overcome this, Officers propose to amend this clause so that businesses need only provide evidence of "broad form" cover to the value of at least \$2m with their application for a permit.

BACKGROUND

The Council endorsed the Policy as a new Policy on 9 May 2018 (C1805/090) – see Attachment A.

The new Council Policy was developed as a means of providing a regulatory framework for the design and placement of portable advertising signs within the City of Busselton. The policy, underpinned by the Activities in Thoroughfares and Public Places and Trading Local Law 2015 (the Local Law), is intended to provide clear direction to local business as to where they can display portable advertising signs, the types of signs requiring a permit, and the restrictions with regard to the number of signs and the times they may be displayed

STATUTORY ENVIRONMENT

Pursuant to section 2.7(2)(b) of the *Local Government Act 1995*, a role of the Council is to determine the local government's policies.

Pursuant to clause 3.2 of the *Activities in Thoroughfares and Public Places and Trading Local Law 2015*:

- (1) *A person shall not without a permit, erect, place or maintain an advertising sign:*
- a. on or above a thoroughfare;*
 - b. on a path;*
 - c. over a path where the resulting vertical clearance between the sign and the path is less than 2.5 metres (s.45B of the Building Regulations 2012 requires a vertical clearance of 2.75 metres and supercedes this sub-clause of the Local Law);*
 - d. in any location where the sign is likely to obstruct line of sight along a thoroughfare or cause danger to the person using the thoroughfare; or*
 - e. on any natural feature including a rock or tree on a thoroughfare, or on any bridge or the structural approaches to a bridge;*
- (2) *Notwithstanding subclauses (1) and (2), a permit is not required in respect of a home open sign or a garage sale sign provided that:*
- a. the sign neither exceeds 500mm in height or 0.5m² in area;*
 - b. the sign is placed or erected on a thoroughfare no more than half an hour prior to the garage sale or home open and is removed within half an hour of the close of the garage sale or home open; and*
 - c. there is no more than one garage sale or home open sign at any road intersection and no more than six separate signs which delineate not more than two alternative routes to the home open or garage sale.*

RELEVANT PLANS AND POLICIES

There are no other relevant plans or policies relating to this matter.

FINANCIAL IMPLICATIONS

There are no financial implications associated with the officer recommendation of this report.

LONG-TERM FINANCIAL PLAN IMPLICATIONS

There are no Long-term Financial Plan implications associated with the officer recommendation of this report

STRATEGIC COMMUNITY OBJECTIVES

The Policy aligns with and supports Key Goal Area 3 – Environment: valued conserved and enjoyed of the City's Strategic Community Plan 2017; and more specifically Community Objective 3.1 – development is managed sustainably and our environment valued.

The Policy provides a regulatory framework for the design and placement of portable advertising signs within the City of Busselton. In doing so it provides a mechanism for the management of portable advertising signs in the natural and built environment.

RISK ASSESSMENT

An assessment of the potential implications of implementing the officer recommendation has been undertaken using the City's risk assessment framework.

Although it is proposed to remove the condition that applicants provide evidence of public liability indemnifying the City against claims for damage as the result of portable advertising signs being displayed in public places, the risk of damage occurring is considered low. Portable advertising signs have been used by businesses across Australia as a means of advertising their business, products or services for decades with no known incidents or claims for damages.

Further, it is more likely that a sign being displayed remotely from the business, which under the Local Law and Policy cannot be displayed in a public place except with some exceptions such as home open and garage sale signs, present a greater risk to public safety than a sign that is displayed immediately outside the business and for which conditions to display the sign apply under the Local Law and Policy. These conditions require the signs to be removed from the public place when the business is not occupied, and when there are severe weather warnings in place. There are also restrictions on the placement of the signs so as to provide clear access for pedestrians.

CONSULTATION

Prior to adopting the Policy in May 2018, the draft policy was available for public comment from the end of January 2018 to 19 March 2017. There were minor changes made to the draft Policy prior to the Council adopting it in May 2018.

Given the nature of the amendment which would make it easier for applicants to be granted a permit, there has been no consultation undertaken with regard to the proposed amendment.

OFFICER COMMENT

As at Friday, 22 February 2019 the City had received 55 applications to display portable advertising signs. Of the applications received, 54 provided evidence of public liability insurance with two of these in the amount of \$2m whilst the rest provide between \$10m and \$20m cover. None of the applicants provided evidence of public liability cover indemnifying the City. Further, their ability to obtain such cover is considered highly unlikely and will only increase the time and administrative burden of processing the applications when the risk to the City is low.

Officers propose to amend clause 5.6 of the Policy from:

"The owner of a portable advertising sign advertising a business or commercial venture will be required to provide evidence of current public liability insurance to the value of \$10,000,000, which indemnifies the City of Busselton against any claims for damages arising from the sign on public land".

to:

"The owner of a portable advertising sign advertising a business or commercial venture will be required to provide evidence of current broad form public liability insurance to the minimum value of \$2,000,000".

CONCLUSION

To simplify the application process for businesses and to reduce the administrative burden on the City, it is proposed to amend the requirements of clause 5.6 of the Policy so as to remove the requirement for cover that indemnifies the City, and reducing the minimum amount from \$10m to \$2m.

OPTIONS

Should the Council not agree with the proposed changes to the Public Liability Insurance requirements of the Policy they may require the Policy to remain as is, or direct officers to amend it further.

TIMELINE FOR IMPLEMENTATION OF OFFICER RECOMMENDATION

If the officer recommendation is approved by the Council it will take immediate effect.

COUNCIL DECISION/COMMITTEE RECOMMENDATION AND OFFICER RECOMMENDATION

C1903/051 Moved Councillor C Tarbotton , seconded Councillor J McCallum


That the Council approves changes to clause 5.6 of Council Policy – Portable Advertising Signs in Public Places to read as follows:

“The owner of a portable advertising sign advertising a business or commercial venture will be required to provide evidence of current broad form public liability insurance to the minimum value of \$2,000,000”.

CARRIED 8/0

EN BLOC

12.2 Policy and Legislation Committee - 12/03/2019 - RESCISSION OF COUNCIL POLICY 235 - ACCESS AND INCLUSION

SUBJECT INDEX:	Council Policy
STRATEGIC OBJECTIVE:	A friendly safe and inclusive community with a strong community spirit.
BUSINESS UNIT:	Community Services
ACTIVITY UNIT:	Community Development
REPORTING OFFICER:	Community Development Officer - Naomi Davey
AUTHORISING OFFICER:	Director, Community and Commercial Services - Naomi Searle
VOTING REQUIREMENT:	Simple Majority
ATTACHMENTS:	Attachment A Council Policy 235 - Access and Inclusion 

This item was considered by the Policy and Legislation Committee at its meeting on 12 March 2019, the recommendations from which have been included in this report.

PRÉCIS

In August 2017 the CEO commissioned a high level independent review of the City's governance systems – the Governance Systems Review (GSR). Included in the scope of the review was the City's policy and procedure framework with recommendations made in relation to the nature and intent of Council policies; namely that Council policies should deal with higher level strategies and objectives.

In accordance with the recommendations of the GSR, the purpose of this report is to recommend that Council Policy 235 – Access and Inclusion (the Policy) be rescinded.

BACKGROUND

The Policy, which was originally adopted in June 2006 and subsequently reviewed in March 2011 and May 2015, outlines the purpose, scope, context, principles and values of creating and encouraging accessibility and social inclusive services, facilities and functions for all people within the community. The purpose of the Policy is to recognise that the whole of community are equally valued members of society and make a unique and valuable contribution to community wellbeing, community vibrancy and way of life. The vision for an accessible and inclusive community concentrates on seven key areas:

1. Existing services
2. Access to buildings and facilities
3. Information and communication
4. Advice and services
5. Opportunity to make complaints
6. Opportunity to participate in any public consultation
7. Staff employment and training opportunities

The Policy applies to all activities undertaken within the City of Busselton district and states that its aims and objectives will be realised through the City of Busselton Disability Access and Inclusion Plan.

There is a legislative requirement for all local governments to develop a Disability Access and Inclusion Plan (DAIP) under the *Disability Services Act 1993, Part 5 – Disability Service Plans by Public Authorities*, addressing the same seven outcome areas listed above.

STATUTORY ENVIRONMENT

Part 5 – Disability Service Plans by Public Authorities of the Disability Services Act 1993 requires all local governments to develop a Disability Access and Inclusion Plan. DAIPs assist public authorities to plan and implement improvements to access and inclusion across seven outcome areas, in regards to services and events, buildings and facilities, information, quality of service, complaints, consultation processes and employment.

RELEVANT PLANS AND POLICIES

The GSR was undertaken over a 3 month period by Mr John Woodhouse LLB Juris and made the following recommendations, including but not limited to, the City's policy and procedure framework:

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

In response a Policy Framework has been developed and endorsed by Council, setting out the intent of Council policies, as opposed to operational documents such as Staff Management Practices and operational procedures.

FINANCIAL IMPLICATIONS

There are no financial implications associated with the officer recommendation.

LONG-TERM FINANCIAL PLAN IMPLICATIONS

There are no long term financial plan implications associated with the officer recommendation.

STRATEGIC COMMUNITY OBJECTIVES

The officer recommendation will not impact adversely on the achievement of any of the community objectives contained within the Strategic Community Plan 2017. The City's DAIP will serve to meet the objectives of Key Goal Area 1, Community Objective 1.1 – A friendly safe and inclusive community with a strong community spirit.

RISK ASSESSMENT

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

CONSULTATION

The review and relevance of Council Policy 235 -Access and Inclusion was discussed with the Disability Access and Inclusion Reference Group at their meeting held 11 February 2019. The Reference Group supported the view that the policy was a duplication of the City's DAIP and were in favour of recommending its rescission to Council.

OFFICER COMMENT

The purpose of Council Policy 235 -Access and Inclusion is to recognise that the whole of community are equally valued members of society and make a unique and valuable contribution to community wellbeing, community vibrancy and way of life. The Policy states that its aims and objectives will be realised through the City's DAIP, a legislative requirement of the *Disability Services Act 1993*. The Policy lists the same seven key areas as the DAIP in which access and inclusion for the community will be achieved.

The City's DAIP and supporting annual implementation plan contain similar elements of purpose, scope, definitions and strategic context as the Policy. Given the requirement for a DAIP to be adopted by Council under *Part 5 – Disability Service Plans by Public Authorities* of the *Western Australian Disability Services Act (1993)*, the Policy could be considered a duplication and therefore an unnecessary policy; and, noting the recommendations of the GSR, it is recommended that it be rescinded.

CONCLUSION

It is recommended that the Policy be rescinded, as the City has an existing DAIP (Disability Access and Inclusion Plan 2018-2022) that describes how the City of Busselton will plan and implement improvements to access and inclusion across seven outcome areas, in regards to services and events, buildings and facilities, information, quality of service, complaints, consultation processes and employment.

OPTIONS

Council could instead require that the Policy is maintained and updated to the new template and / or further reviewed.

TIMELINE FOR IMPLEMENTATION OF OFFICER RECOMMENDATION

The Policy will be rescinded immediately upon adoption of the officer recommendation.

COUNCIL DECISION/COMMITTEE RECOMMENDATION AND OFFICER RECOMMENDATION

C1903/052

Moved Councillor C Tarbotton , seconded Councillor J McCallum

That the Council rescinds Council Policy 235 – Access and Inclusion.

CARRIED 8/0

EN BLOC

12.3 Policy and Legislation Committee - 12/03/2019 - PROPOSED POLICY NEUTRAL AMENDMENTS TO THE LOCAL PLANNING POLICY MANUAL

SUBJECT INDEX:	Development Control Policy
STRATEGIC OBJECTIVE:	Planning strategies that foster the development of healthy neighbourhoods that meet our needs as we grow.
BUSINESS UNIT:	Development Services
ACTIVITY UNIT:	Development Services
REPORTING OFFICER:	Manager Development Services - Lee Reddell
AUTHORISING OFFICER:	Director, Planning and Development Services - Paul Needham
VOTING REQUIREMENT:	Simple Majority
ATTACHMENTS:	Attachment A Published Under Separate Cover Attachments 1 to 39⇒

This item was considered by the Policy and Legislation Committee at its meeting on 12 March 2019, the recommendations from which have been included in this report.

PRÉCIS

Council is asked to consider a policy neutral review of the City's local planning policies as Stage 1 in a larger review of the policies intended to be undertaken in 2019.

BACKGROUND

A need to undertake a review of the existing local planning policies (LPP) has been identified. While a full review of the content and relevance of the City's LPP's is required, this proposal seeks to undertake a preliminary, policy neutral review with the aim of transferring the policies into a new, easier to read template as well as breaking them out of the existing manual structure into individual policies with the aim of making them easier to distribute and read, and to enable them to be amended more easily as required.

A copy of the new template and the proposed policies are attached under separate cover (Attachment A).

STATUTORY ENVIRONMENT

The key statutory environment is set out in the *Planning and Development Act 2005* (Planning Act) and related subsidiary legislation, including the *City of Busselton Local Planning Scheme No. 21* (Scheme) and the *Planning and Development (Local Planning Schemes) Regulations 2015* (Regulations), especially Schedule 2 (Deemed Provisions) of the Regulations, which form part of the Scheme.

The Deemed Provisions specifies that an LPP must be based on sound town planning principles. Policies may address either strategic or operational matters, apply generally or to a particular class of matters, and may apply to the whole of the Scheme area or particular parts of the Scheme area. While due regard to relevant policies is required in decision making it is noted that an LPP does not hold the same weight as a Scheme provision. LPP's act only as guidelines in land use and development considerations and nothing prevents the City from making a decision contrary to a policy based on the merits of a particular proposal.

It is proposed to use the minor amendment provisions of the Regulations (such that public advertising is not required) to process the changes to the LPP's on the basis that while some text has been removed from the introduction and/or background notes for existing Parts 1 – 9 (which are

considered unnecessary) and the order of some of the policies has been modified to fit the new template, there are no significant or material changes to the policies proposed.

RELEVANT PLANS AND POLICIES

The City's Local Planning Policies No.s 1-9.

FINANCIAL IMPLICATIONS

There are no financial implications associated with the recommendations of this report.

LONG-TERM FINANCIAL PLAN IMPLICATIONS

There are no Long-Term Financial Plan implications associated with the recommendations of this report.

STRATEGIC COMMUNITY OBJECTIVES

The officer recommendation primarily aligns Key Goal Area 2: Places and Spaces of the City's Strategic Community Plan 2017 and Community Objective 2.1 – 'planning strategies that foster the development of healthy neighbourhoods that meet our needs as we grow'.

RISK ASSESSMENT

An assessment of the risks associated with the implementation of the officer recommendation has been undertaken using the City's risk assessment framework. No significant risks have been identified.

CONSULTATION

Part 2, Division 2 of the Deemed Provisions requires that a local government undertake consultation before adopting or amending an LPP, unless in the opinion of the local government, the amendment is a minor amendment. No definition of minor amendment is provided. The current proposal however seeks generally to undertake a policy neutral conversion of the City's existing LPP's. While some text has been removed from the background notes for Parts 1-9 and some text has been modified to fit within the new template headings, no material changes to the policies are proposed.

Any further stages of review, which propose to revoke or amend or materially alter the text and objectives of the policies will require public advertising in accordance with the Deemed Provisions. It should also be noted if Council resolves to proceed with any policy, including those considered minor amendments as recommended in this report, the local government must publish notice of the amendments to the policy in a newspaper circulating in the area.

OFFICER COMMENT

This report requires the consideration of a proposed policy neutral conversion of the existing local planning policies. There are essentially two components to the proposal, being the use of a new local planning policy template and a change from the current policy manual structure into individual policies.

The proposed changes to the template, formatting and structure of the policies is recommended as the first stage in a wider review of the content and relevance of all of the City's LPP's. While the shuffling of some text within the existing policies is required to suit the proposed template and sub-headings, no material changes to the text or objectives of any of the policies is proposed.

Separating the policies out of the existing manual structure, which groups all of the policies into nine categories (see list below) is proposed in order to make them easier to read, distribute and amend as required, forward of a full review being completed. It is proposed to maintain the numbers associated with the current policy sub-sections in order to prevent any confusion prior to there being any significant, and advertised, amendments proposed to the current policies.

Existing grouping of Local Planning Policies:

1. Residential Development
2. Traffic and Transport
3. Special Character Areas and Visual Management
4. Urban Centres
5. Rural Areas Land Use and Development
6. Development Contribution
7. Commercial and industrial Development
8. General Development and Process Standards
9. Environment and Heritage Conservation

List of 38 individual policies as proposed to be broken out of the manual structure (as contained within Attachment A):

Existing No.	Proposed No.	Policy	Attachment
N/A	N/A	NEW TEMPLATE	1
1	1a	Canal Lots	2
1	1b	Coastal Setbacks	3
1	1c	Single Dwelling Design	4
1	1d	Lots Adjoining Public Open Space	5
1	1e	Grouped and Multiple Dwellings	6
1	1f	Rear Loaded Lots	7
1	1g	Kalgaritch Estate	8
1	1h	Abbey Green Estate	9
1	1i	Private Jetties and Boat Lifting Structures	10
1	1j	Outbuildings	11
2	2a	Busselton Bypass Access	12
2	2b	Traffic Assessment	13
3	3a	Yallingup Special Character Area	14
3	3b	Eagle Bay Special Character Area	15
3	3c	Old Dunsborough Special Character Area	16
3	3d	Quindalup Special Character Area	17
3	3e	Adelaide Street Special Character Area	18
3	3f	Reflective Building Materials	19
3	3g	Caves Road Visual Management	20
3	3h	Outbuildings Assessment	21
3	3i	Busselton Bypass/Bussell Highway – Setback and Buffer Provisions	22
4	4a	Port Geographe Village Centre – Design Guidelines and Performance Standards	23
4	4b	Busselton Town Centre Urban Design Provisions	24
5	5a	Extractive Industries	25
5	5b	Rural Tourist Accommodation	26
5	5c	Relative (Ancillary Accommodation)	27
5	5d	Food and Wine Sales	28
6	6a	Percent for Art	29

6	6b	Mosquito Control Contribution	30
6	6c	Road, Footpath and Cycle Network Upgrade Contribution	31
6	6d	Drainage Infill Contributions	32
7	7a	Childcare Premises	33
7	7b	Industrial Development	34
7	7c	Holiday Homes	35
8	8a	Car Parking Provisions	36
8	8b	Social Impact Statement Provisions	37
8	8c	Stormwater Management	38
9	9a	Busselton Heritage Conservation Provisions	39

Should the policy neutral conversion be supported, the intent is for officers to undertake a review of the currency of all of the LPP's with a view to identifying which policies should be revoked, require minor changes, require significant changes and any new policies that should be considered. How any such changes are progressed will be dependent on the amount of work required to redraft and consult on any relevant policies, as well as internal resourcing, but it is expected that a further item to Council suggesting which policies should be revoked could be presented within three months of any initial Council decision to support the policy neutral conversion. There are a number of policies, such as the Special Character Area Policies, which have not been reviewed in any meaningful way in many years and are no longer contemporary in their structure, style, language or content. It is expected that such policies will require more substantial efforts to re-draft, appropriately consult and update than more technical policies such as Stormwater Management given differing community interest.

CONCLUSION

It is recommended that the Council support the proposed policy neutral amendments as described in this report.

OPTIONS

The Council could decide to not adopt or amend the local planning policies as recommended, or it could choose to require changes to the proposed template and/or change from the existing manual structure for grouping of the local planning policies.

TIMELINE FOR IMPLEMENTATION OF OFFICER RECOMMENDATION

Implementation of the officer recommendation would involve formalising the new policy format and publication of the new look policies on the City's website. It is expected this would occur within one week of the Council decision.

COUNCIL DECISION/COMMITTEE RECOMMENDATION AND OFFICER RECOMMENDATION

C1903/053 Moved Councillor C Tarbotton, seconded Councillor J McCallum

1. That the Council adopt the reformatted local planning policies as proposed below and set out in Attachment A (2 – 39):

Existing No.	Proposed No.	Policy	Attachment
N/A	N/A	NEW TEMPLATE	1
1	1a	Canal Lots	2
1	1b	Coastal Setbacks	3
1	1c	Single Dwelling Design	4


1	1d	Lots Adjoining Public Open Space	5
1	1e	Grouped and Multiple Dwellings	6
1	1f	Rear Loaded Lots	7
1	1g	Kalgaritch Estate	8
1	1h	Abbey Green Estate	9
1	1i	Private Jetties and Boat Lifting Structures	10
1	1j	Outbuildings	11
2	2a	Busselton Bypass Access	12
2	2b	Traffic Assessment	13
3	3a	Yallingup Special Character Area	14
3	3b	Eagle Bay Special Character Area	15
3	3c	Old Dunsborough Special Character Area	16
3	3d	Quindalup Special Character Area	17
3	3e	Adelaide Street Special Character Area	18
3	3f	Reflective Building Materials	19
3	3g	Caves Road Visual Management	20
3	3h	Outbuildings Assessment	21
3	3i	Busselton Bypass/Bussell Highway – Setback and Buffer Provisions	22
4	4a	Port Geographe Village Centre – Design Guidelines and Performance Standards	23
4	4b	Busselton Town Centre Urban Design Provisions	24
5	5a	Extractive Industries	25
5	5b	Rural Tourist Accommodation	26
5	5c	Relative (Ancillary Accommodation)	27
5	5d	Food and Wine Sales	28
6	6a	Percent for Art	29
6	6b	Mosquito Control Contribution	30
6	6c	Road, Footpath and Cycle Network Upgrade Contribution	31
6	6d	Drainage Infill Contributions	32
7	7a	Childcare Premises	33
7	7b	Industrial Development	34
7	7c	Holiday Homes	35
8	8a	Car Parking Provisions	36
8	8b	Social Impact Statement Provisions	37
8	8c	Stormwater Management	38
9	9a	Busselton Heritage Conservation Provisions	39

2. Councilors acknowledge that the reformatting inconsistencies will be addressed in the subsequent review of individual policies.

CARRIED 8/0

EN BLOC

12.5 Audit Committee - 14/03/2019 - GOVERNANCE SYSTEMS REVIEW - STATUS UPDATE

SUBJECT INDEX:	Governance Systems
STRATEGIC OBJECTIVE:	Governance systems, process and practices are responsible, ethical and transparent.
BUSINESS UNIT:	Governance Services
ACTIVITY UNIT:	Governance Services
REPORTING OFFICER:	Governance Coordinator - Emma Heys Manager Governance and Corporate Services - Sarah Pierson
AUTHORISING OFFICER:	Director Finance and Corporate Services - Tony Nottle
VOTING REQUIREMENT:	Simple Majority
ATTACHMENTS:	Attachment A List of Recommendations 

This item was considered by the Audit Committee at its meeting on 14 March 2019, the recommendations from which have been included in this report.

PRÉCIS

This report presents an update on the status/progress of the implementation of the recommendations identified in the Governance Systems Review undertaken in August 2017 by Mr John Woodhouse LLB B.Juris.

BACKGROUND

In August 2017, the CEO commissioned a high level independent review of the City's governance systems and processes, the Governance Systems Review (GSR), undertaken over a 3 month period by Mr John Woodhouse LLB B.Juris. As a result of the GSR, Mr Woodhouse identified nine broad topics or areas with opportunities for improvement. The GSR and resulting recommendations for improvement (see Attachment A) were presented to Council at a briefing in October 2017 and as a result of that briefing, it was agreed that staff would commence implementation of the recommendations and would periodically report to Council on the progress of their implementation.

The GSR recommended improvements in the areas of:

- Council;
- Policies and procedures;
- Procurement and tendering;
- Supporting local business;
- Contracts;
- Misconduct prevention;
- Codes of conduct; gifts;
- Local laws; and
- Internal reporting.

A total of 66 recommendation were made across these nine areas of focus.

This report provides an update to the Audit Committee as to the current status of the implementation of the GSR recommendations.

STATUTORY ENVIRONMENT

The GSR reviewed the City's performance against various governance requirements of the *Local Government Act 1995* and associated regulations. Comparisons to 'best practice' local governments (generally larger metropolitan Band 1 Councils) were also made.

RELEVANT PLANS AND POLICIES

As a result of the recommendations of the GSR, the City developed a Policy Framework. This framework has formed the basis of how our subsequent policy and Staff Management Practice (SMP) reviews have taken place.

FINANCIAL IMPLICATIONS

There are no financial implications directly associated with the officer recommendation. Having said that implementation of the recommendations of the GSR has and will continue to require resourcing, with significant staff time being dedicated to progressing the recommendations.

LONG-TERM FINANCIAL PLAN IMPLICATIONS

There are no long term financial plan implications associated with the officer recommendation.

STRATEGIC COMMUNITY OBJECTIVES

The officer recommendation primarily aligns with the following Key Goal Area and Community Objective of the City of Busselton's Strategic Community Plan 2017:

Key Goal Area 6 – LEADERSHIP: Visionary, collaborative, accountable

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

RISK ASSESSMENT

The primary purpose of this report is to provide an update with respect to the progress of the recommendations of the GSR; as such there are no applicable or identified risks associated with the officer recommendation. More broadly there is a risk that, due to levels of resourcing and competing priorities, not all of the recommendations of the GSR will be able to be implemented within an appropriate timeframe (suggested as two years or October 2019). This risk is considered of a medium level, that is, minor in terms of consequence but likely.

CONSULTATION

External consultation of varying types has, and will continue to be, undertaken as required in relation to the GSR recommendations.

OFFICER COMMENT

The GSR resulted in a total of 66 recommendations, spread across nine areas (as per Attachment A). It is important to note however that 4 of the recommendations under policies and procedures (to review all Council policies, delete inappropriate Council policies, review all OPPs and review 3 protocols) require the review of 159 separate documents.

Overall progress to date (of the 66 recommendations) is outlined in Table 1 below and further detailed under each subheading.

Measure	Percentage
Recommendations completed	43.9%
Recommendations partially completed or commenced	13.6%
Recommendations not yet commenced	37.9%
Recommendations proposed for non-adoption	4.5%

Council

A total of ten recommendations were made in relation to the Council. In general, these recommendations addressed the ease of access to documents, guidelines, Acts and Regulations, and local laws for Councillors. All ten recommendations were accepted by the CEO and implementation was completed by December 2018.

Policies and procedures

A total of six recommendations were made in relation to Policies and Procedures. The recommendations include a thorough review of all Council policies, OPP's and protocols and the development of a new organisational policy framework. As stated above this area of recommendation requires the review of 159 documents.

Currently, two of the six recommendations have been complete, with the development of a new policy framework setting out the purpose of a Council policy as opposed to a (new) Staff Management Practice document and other operational documents, and four are progressing. Of the 159 documents identified for review, 42 have been completed.

Through use of the new policy framework and the process of review to date of the current council policies, OPP's and protocols, several additional areas of improvement have been identified. Governance are currently re-evaluating the policy framework, with the aim of providing improved clarity and education to staff in policy development and improving the overall review process, particularly in relation to consultation. This may result in the policy review schedule extending beyond October 2019.

Procurement and tendering

The GSR made seven recommendations in relation to procurement and tendering policies, including the amalgamation of several separate policies into one, the development of a new OPP, review and revision of the City's Regional Price Preference policy and the management and availability of evaluation and pricing information for tenders.

Four of the seven recommendations are now complete with a revised Purchasing Policy, Regional Price Preference Policy and a new Procurement Selection Criteria SMP, two are progressing and expected to be completed by 30 April 2019, while the final recommendation, 'to delegate to the CEO the authority to make a Purchasing Policy' is not proposed to be actioned as a decision has been made to leave this as a Council Policy.

Supporting local business

A recommendation to review the City's current approach to supporting local business through policy was implemented by July 2018, along-side the review of Council policies and the implementation of the new Procurement Selection Criteria SMP. A local benefit criteria with a fixed weighting of 5 percent was included in this selection criteria SMP.

Contracts

The GSR made nine recommendations in the area of contracts, covering off issues in relation to variations, appointment of superintendents, management and document control. In addressing these recommendations, officers have progressed the development of a suite of standard contracts to meet new objectives, with these set for completion by the end of April 2019. Officers have also considered the appointment of a panel of superintendents but have determined not to proceed with this. The City would only appoint an external superintendent for very large value projects, and, given the limited number of these, officers do not feel that appointment of a panel is necessary or an efficient use of resourcing. The remaining seven recommendations, relating to the implementation of practices and procedures, are pending a wider review of the current processes and systems.

Misconduct prevention

Eleven recommendations were made in relation to the City's misconduct prevention systems and processes. Staff have now completed three of the recommendations, including the provision made in the workforce plan for the appointment of an internal auditor (currently scheduled for 2021/2022); a review of the credit card policy and testing of the City's key financial controls. A number of the other recommendations align more closely with a review of the codes of conduct and therefore will be considered and implemented under that area. Specifically, the development of a misconduct prevention strategy document will be considered post the review of the codes of conduct.

Codes of conduct

In total, five recommendations were made to realise opportunities for improvement in the City's codes of conduct. A review of the current structure of the codes was undertaken and while it is supported to keep the four codes separate, the format of the codes will be amended to align more closely with a council policy template for increased formality and to ensure they are clearer and more readily understood. Officers are also developing a Councillor Charter, amending the Councillor Code of Conduct and developing a Councillor manual, with expected completion in draft form (for further workshopping with Council) by 31 March 2019. With the exception of a recommendation to delegate to the CEO the authority to prepare an employees' code, which officers don't believe is required, all other recommendations are progressing.

Gifts

The GSR made six recommendations relating to gifts to employees. Of those, two are completed, the development and provision of guidance information on the City's intranet and establishment of a regular review of the gift register by the CEO and Senior Management Group, and three are pending. Officers propose that the final one, to combine the existing gift registers and publish to the City's website, is not progressed at present, noting that there are significant changes pending in relation to gift provisions as part of the Local Government Act review process. There is currently no legislative requirement to publish the notifiable gift register, only to have it available for public viewing on request.

As with the misconduct prevention recommendations, a number of the recommendations in relation to gifts will be included in the review of the codes of conduct and subsequent induction / training of staff and elected members.

The outstanding recommendation are expected to be completed by 30 May 2019.

Local laws

A total of nine recommendations were made for improvements to the City's local laws, of which six are now completed, all in relation to the review of several clauses within the City's Standing Orders Local Law. Officers are continuing to progress the development of two new local laws under the Bush Fires Act 1954 and an Extractive Industries Local Law, with completion targeting 30 June 2019. The recommendation to develop a new Council policy for the Property Local Law is currently pending and is unlikely to be completed until the bulk of the current Council policies are reviewed.

Internal reporting

The GSR made two recommendations in relation to internal reporting – to document the CEO’s expectation of Directors and the Directors’ expectations for Managers within the organisation. In effect these recommendations require the formalisation of a more structured internal performance reporting system / methodology. Consideration is being given as to what sort of system / methodology might suit the City’s needs, with a proposal expected to be presented to the CEO by 30 June 2019.

Other

While there were no recommendations in relation to delegations or employee culture, there is and has been a large amount of work undertaken in these two areas, with both identified internally as areas where improvement was required.

In relation to delegations, a number of gaps have been identified as compared to best practice and in response a number of delegations from Council to the CEO have been reviewed. Additionally delegations from the CEO to officers have also been reviewed and updated. This review process is nearing finalisation, as is development of a new delegations register which combines both levels of delegations. Processes in relation to issuing of delegations have also been reviewed.

With respect to employee culture, the CEO, in 2018, determined that there was a need to better understand the current levels of engagement amongst staff and what impacts the organisational culture has on engagement and ultimately performance. Work has been underway in relation to this since mid-2018.

CONCLUSION

This report presents an update on the status/progress of the implementation of the recommendations identified in the GSR. With a current completion percentage of 43.9% and a number of additional items significantly progressed, progress to date is considered to be satisfactory.

OPTIONS

The Committee / Council could request that additional information is provided.

TIMELINE FOR IMPLEMENTATION OF OFFICER RECOMMENDATION

Not applicable given the nature of this report and the recommendation

COUNCIL DECISION/COMMITTEE RECOMMENDATION AND OFFICER RECOMMENDATION

C1903/054 Moved Councillor C Tarbotton , seconded Councillor J McCallum

That the Council notes the progress of the implementation of the Governance Systems Review recommendations.

CARRIED 8/0

EN BLOC

13. PLANNING AND DEVELOPMENT SERVICES

13.1 BOUNDARY REALIGNMENT AND AMENDED MANAGEMENT ORDER FOR RESERVE 37775 (BUSSELTON KART CLUB LAND)

SUBJECT INDEX:	SLAD018 : Strategic Land Acquisition and Disposal : Reserve 48157 - Lot 500 Gordon Road Kalgup Property
STRATEGIC OBJECTIVE:	A community with access to a range of cultural and art, social and recreational facilities and experiences.
BUSINESS UNIT:	Strategic Planning
ACTIVITY UNIT:	Strategic Planning
REPORTING OFFICER:	Senior Strategic Planner - Helen Foulds
AUTHORISING OFFICER:	Director, Planning and Development Services - Paul Needham
VOTING REQUIREMENT:	Simple Majority
ATTACHMENTS:	Attachment A Location Plan  Attachment B Proposed Boundary Realignment 

PRÉCIS

The Council is requested to support the expansion of Reserve 37775, Lot 4747 Vasse Highway, Kalgup and accept the resulting amended Management Order. This will increase the land potentially available for recreational use, including potentially allowing for the expansion of the area available for the Busselton Kart Club (BKC), who are the current users of the existing, somewhat smaller reserve.

BACKGROUND

Reserve 37775 is a 'C' Class Reserve subject to a Management Order in favour of the City for 'Recreation' purposes. The 2.2ha parcel is currently leased to the Busselton Kart Club (BKC), with the current lease extending to June 2022. The site is located near the southern end of the Busselton-Margaret River Airport and is located between the Vasse Diversion Drain and Gordon Road. Land to the west is owned in freehold by the Water Corporation and Reserve 48157, to the east, is a Reserve currently vested in the Water Corporation for drainage purposes. A location plan is provided at Attachment A.

To accommodate their growing activities and provide security for future investment, BKC requested an increase to their lease area for car parking and storage. Given the cooperation provided by the BKC during the negotiations for the Pistol Club co-location, City officers agreed to proceed with facilitating expansion of the Reserve. The proposal under consideration is therefore to increase the size of Reserve 37775 by shifting the eastern boundary further east into Reserve 48157 by approximately 60 metres, increasing the City's land by approximately 0.6ha (Attachment B).

Expansion to the west, into the Water Corporation's freehold land parcel was also considered, but not further pursued for three key reasons. Firstly, the City would most likely need to purchase the land, ultimately at ratepayer's expense. Secondly, that land is currently used to provide access for farm vehicles between agricultural holdings located to the north and south of Reserve 37775, and it is difficult to see how the land could be usefully used without critically compromising that access. Thirdly, there is not now seen to be any clear need to secure that land.

A formal request to modify the reserve boundaries has been lodged with the Department of Planning, Lands and Heritage (DPLH) and the Water Corporation has raised no objection to the proposal. A survey has been commissioned for the proposed boundary adjustment, following which the new area is proposed to be re-vested in the City, resulting in a change to the land description within the Management Order for the subject land.

The current proposal came about when the site was identified for potential co-location of BKC with the Busselton Pistol Club in late 2017. Although that is no longer being pursued, limitations on the BKC lease area were identified. BKC had been using private farmland to the north when major events were held, but this use has discontinued due to a change in use of that land. Additional informal use of a section of the adjacent Reserve 48157 by the club had been taking place for storage of material, which has since been removed following requests from the City.

STATUTORY ENVIRONMENT

There are no provisions under the *Local Government Act 1995* (LGA) that fully address the power/authority requirements for accepting an expanded Management Order over a reserve, nor is there a City of Busselton delegation that deals specifically with this matter.

The *Land Administration Act 1997* (LAA), section 46 'Care, control and management of reserves' discusses the powers of the Minister to place the management of a reserve to "one person or jointly with any 2 or more persons". The changes to the boundary will result in the amendment of the Management Order to Reserve 37775, requiring the support of the Council. Pursuant to the LAA, officers request that the Council supports the re-vesting of the portion of the adjacent Reserve 48157 and accepts the amended Management Order.

RELEVANT PLANS AND POLICIES

The proposal is supported by planning directions set out in the City of Busselton *Draft Local Planning Strategy* (2016) that "encourage the development of new and improved community facilities to meet the needs of a growing and increasingly diverse population" (clause 6.2(i)) and "identify locations for noisy sports, e.g. motor sports" (clause 6.2(l)).

FINANCIAL IMPLICATIONS

Costs to the City for the vesting and acceptance of a Management Order over this parcel would be limited to managing bushfire risk (and dependent on the outcomes of future lease or licence matters, those obligations may in practice be borne by BKC in future anyway). There is no City infrastructure currently located within the new area of land proposed to be included into Reserve 37775, nor is there a proposal for this to take place. Minimal maintenance of the land parcel is anticipated.

LONG-TERM FINANCIAL PLAN IMPLICATIONS

There are no long term financial plan implications associated with the officer recommendation.

STRATEGIC COMMUNITY OBJECTIVES

The officer recommendation is consistent with Key Goal Area 1 – 'Community' of the *City of Busselton Strategic Community Plan 2017*, specifically Objective 1.3 "A community with access to a range of cultural and art, social and recreational facilities and experiences."

RISK ASSESSMENT

An assessment of the implications of the officer recommendation has been undertaken using the City's risk assessment framework. The assessment identified 'downside' risks only, rather than upside risks as well. In this regard, there are no risks identified of a medium or greater level.

CONSULTATION

The City has approached the Water Corporation and DPLH to propose realigning the boundary between Reserve 37775 and Reserve 48157. No objections were raised to the proposal and a formal request was subsequently lodged with DPLH. In accordance with standard practice, DPLH then issued instructions for the necessary survey works to be undertaken. The City is yet to give its final authorisation for commencement of the survey, which will be given should the Council provide support for this proposal.

OFFICER COMMENT

Until recently the BKC have been using part of neighbouring Reserve 48157 for storage of inappropriate material and parking, although use of this land had ceased while investigations were made into the expansion. Given Reserve 48157 is managed for drainage purposes, use of the land for 'Recreation' purposes is precluded and these differing management approaches can therefore create conflict. By shifting the boundary between Reserve 37775 and Reserve 48157 and re-vesting the affected area to the City, this will provide the City with the ability to more effectively ensure the site's use is consistent throughout the actively used areas.

It should be noted that this report and its recommendation relate to the enlargement of Reserve 37775 only, and not to the potential leasing of the additional land to BKC. It is envisaged that consideration of that matter would follow the issuing of the new management order to the City. It is also envisaged that, in looking at future leasing (or licencing), the City would seek to identify what and whether there may be opportunities for future co-location in future, for purposes consistent with or complementary to the BKC and the locality.

CONCLUSION

By supporting the officer recommendation to re-vest part of Reserve 48157 and acceptance of an amended Management Order over Reserve 37775, the land administration of this area will be simplified and there will be options available for the City to negotiate extended use of the land by the BKC and co-location of other groups on the land.

OPTIONS

Should the officer recommendation not be supported, the Council could resolve not to support the boundary realignment and amended Management Order over Reserve 37775.

TIMELINE FOR IMPLEMENTATION OF OFFICER RECOMMENDATION

There is no prescribed timeline to complete this process although it is anticipated that following the Council Resolution, the amended Management Order would be accepted by the City within 6 months.

COUNCIL DECISION AND OFFICER RECOMMENDATION

C1903/055 Moved Councillor C Tarbotton , seconded Councillor J McCallum

That the Council –

1. Pursuant to the *Land Administration Act 1997*, advise the Department of Planning, Lands and Heritage and the Water Corporation that the City of Busselton supports re-vesting part of Reserve 48157 into Reserve 37775 with an amended Management Order issued in favour of the City of Busselton; and
2. Subsequently, considers leasing and licencing options in consultation with Busselton Kart Club, including consideration of potential opportunities for co-location of other group(s).

CARRIED 8/0

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17. CHIEF EXECUTIVE OFFICER'S REPORT**17.1 COUNCILLORS' INFORMATION BULLETIN**

SUBJECT INDEX:	Councillors' Information Bulletin
STRATEGIC OBJECTIVE:	Governance systems, process and practices are responsible, ethical and transparent.
BUSINESS UNIT:	Governance Services
ACTIVITY UNIT:	Governance Services
REPORTING OFFICER:	Administration Officer - Governance - Kate Dudley
AUTHORISING OFFICER:	Chief Executive Officer - Mike Archer
VOTING REQUIREMENT:	Simple Majority
ATTACHMENTS:	Nil

PRÉCIS

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

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

INFORMATION BULLETIN**17.1.1 2018/2019 TENDERS****RFT16/18 OLD BUTTER FACTORY REPAIR WORKS**

- Requirement – repair and rectification works to the Old Butter Factory following fire damage to the building.
- A Request for Tender was advertised on 20 October 2018 with a closing date of 9 November 2018.
- No submissions were received.
- The CEO determined that a private request for quotation be made in respect of the works.
- One response was received in respect of the request for quotation.
- Officers have completed an evaluation, recommending the contract to be awarded to Clinton Long Project Management Pty Ltd.
- The contract will be awarded once final arrangement with the City's insurance are in place.

RFT17/18 PORT GEOGRAPHE FINGER JETTY REPLACEMENT

- Requirement – the demolition of existing finger jetty or jetties (as determined by the City) located at the Port Geographe Marina boat launching facility in Busselton and the replacement of such jetty or jetties with floating pontoon style finger jetty or jetties.
- A Request for Tender was advertised on 3 November 2018 with a closing date of 20 November 2018.
- Four submissions were received which provided quotes on completing either 1 or all 3 jetties (as a one-off project).
- The submissions received indicated a significant saving should the City resolve to proceed with replacement of all 3 jetties.
- The cost of replacing all 3 jetties will exceed the budget for this project.

- The Finance Committee Meeting for Council in February 2019 approved an increase of the funding for this project to allow replacement of all 3 jetties.
- The preferred tenderer's submission for replacement of all 3 jetties is less than \$500,000. It is expected a contract will be awarded to the preferred tenderer under delegation by the CEO in March 2019.

EOI01/18 CONSTRUCTION OF THE CITY CENTRE EASTERN LINK – STAGE 1

- Requirement – Construction of the City Centre Eastern Link Stage 1.
- An Expression of Interest was advertised on 15 December 2018 with a closing date of 22 January 2019.
- The process for making a preliminary selection among prospective tenderers has been completed and pursuant to delegation LG3K, the CEO determined that Ertech Pty Ltd, Georgiou Group Pty Ltd and BMD Constructions Pty Ltd be accepted by the City as “acceptable tenderers” and thus eligible to participate in the forthcoming request for tender.
- It is anticipated that the tender phase for acceptable tenderers will commence in March 2019.

PQS01/19 PLANT AND EQUIPMENT HIRE – REQUEST FOR APPLICATIONS TO JOIN A PANEL OF PRE-QUALIFIED SUPPLIERS

- Requirement – hire of plant and equipment.
- The PQS was advertised on 9 February 2019 with a closing date of 7 March 2019.
- The closing date has been extended until 14 March 2019. A further State wide advertisement providing notification of the extension was provided by the City on 9 March 2019.
- In accordance with delegation LG3M the CEO has authority to establish the panel and to decide which applications to accept.
- It is anticipated that the panel of pre-qualified suppliers will be established by the CEO in March 2019.

PQS02/19 SUPPLY OF CONCRETE SERVICES – REQUEST FOR APPLICATIONS TO JOIN A PANEL OF PRE-QUALIFIED SUPPLIERS

- Requirement – supply of concrete services.
- The PQS was advertised on 9 March 2019 with a closing date of 2 April 2019.
- In accordance with delegation LG3M the CEO has authority to establish the panel and to decide which applications to accept.
- It is anticipated that the panel of pre-qualified suppliers will be established by the CEO in April 2019.

RFT01/19 SUPPLY OF MOBILE WASTE SHREDDER

- Requirement – the supply of a mobile waste shredder to be delivered at the Dunsborough Waste Facility.
- A Request for Tender was advertised on 9 March 2019 with a closing date of 26 March 2019.
- The value of the contract is expected to exceed the CEO's delegated authority under Delegation LG3J and will require Council approval.
- It is anticipated that the contract will be awarded in May 2019.

RFT02/19 PROVISION OF CLEANING SERVICES TO CITY OWNED FACILITIES

- Requirement – the provision of cleaning services to City owned facilities.
- A Request for Tender was advertised on 9 March 2019 with a closing date of 4 April 2019.
- The value of the contract is expected to exceed the CEO's delegated authority under Delegation LG3J and will require Council approval.
- It is anticipated that the contract will be awarded in May 2019.

17.1.2 Donations Contributions and Subsidies Fund – February 2019

The Council allocates an annual budget allowance to the Donations, Contributions and Subsidies (Sponsorship Fund). This is provided such that eligible groups and individuals can apply for and receive sponsorship to assist them in the pursuit of endeavours that bring direct benefit to the broader community. Allocation of the funds is delegated to the Chief Executive Officer, in accordance with published guidelines and funding availability.

Three applications were supported in February 2019, totalling \$1,300.00 as outlined in the table below:

App. No.	Recipient	Purpose	Amount
February 2019			
50/1819	WA Rovers Owners Club South West Branch	Seeking funds to assist with covering the cost of promoting the British Auto Classic being held at Signal Park on 6 April 2019. Over 100 cars will be displayed, therefore the event will bring over 200 visitors to Busselton. Members of the public are welcome to attend the event. Funds provided as a contribution towards the purchase of two new banners and printing of promotional materials for the event.	\$500.00
51/1718	The Busselton Old Time Dance Inc.	Seeking funds to assist with covering the cost of hosting the South West Dance Festival being held at the High St Hall on 5 April 2019. Funds provided as a Contribution towards the cost of venue hire & DJ music. The event attracts over 200 attendees from throughout the South West region and beyond.	\$500.00
52/1819	Charlie Allen	Selected to represent WA as part of the U17 WA State team competing at the Netball Australia National Netball Championships being held in Brisbane QLD. Funds to assist with associated travel expenses.	\$300.00
		February Total	\$1,300.00

At the end of February 2019, expenditure from the Donations, Contributions and Subsidies Fund for the current financial year totalled \$17,921.00 leaving a balance of \$12,079.00.

17.1.3 Capes Region Organisation of Councils Minutes

Attachment A shows the minutes of the CapeROC meeting held on 8 February 2019. Please note there are no actions arising from this meeting.

COUNCIL DECISION AND OFFICER RECOMMENDATION

C1903/056 Moved Councillor C Tarbotton , seconded Councillor J McCallum


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

- [17.1.1 2018/2019 TENDERS](#)
- [17.1.2 Donations Contributions and Subsidies Fund – February 2019](#)
- [17.1.3 Capes Region Organisation of Councils Minutes](#)

CARRIED 8/0

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ITEMS TO BE DEALT WITH BY SEPARATE RESOLUTION, WITHOUT DEBATE**12. REPORTS OF COMMITTEE****12.4 Audit Committee - 14/03/2019 - COMPLIANCE AUDIT REPORT 2018**

SUBJECT INDEX:	Reporting and Compliance
STRATEGIC OBJECTIVE:	Governance systems, process and practices are responsible, ethical and transparent.
BUSINESS UNIT:	Governance Services
ACTIVITY UNIT:	Governance Services
REPORTING OFFICER:	Governance Coordinator - Emma Heys Administration Officer - Governance - Kate Dudley
AUTHORISING OFFICER:	Director Finance and Corporate Services - Tony Nottle
VOTING REQUIREMENT:	Absolute Majority
ATTACHMENTS:	Attachment A Compliance Audit Return 2018 

This item was considered by the Audit Committee at its meeting on 14 March 2019, the recommendations from which have been included in this report.

PRÉCIS

The Compliance Audit Return (CAR) is a statutory reporting tool that seeks to evaluate the City's compliance with targeted sections of the *Local Government Act 1995* during the period 1 January 2018 to 31 December 2018.

The City has completed the CAR and it is included in this report at Attachment A for consideration by the Audit Committee. The completed CAR is recommended for adoption, after which it will be lodged with the Department of Local Government, Sport and Cultural Industries (the Department) as required by 31 March 2019.

BACKGROUND

The Department has made available the 2018 CAR for completion by local governments.

Section 7.13 of the Act requires a local government to complete the CAR in the form specified by the Department. The *Local Government Audit Regulations* require the CAR to be considered by the Audit Committee and Council prior to being submitted to the Department by 31 March.

STATUTORY ENVIRONMENT

Section 7.13 of the Local Government Act 1995 provides for the making of Regulations as to Audits.

Regulation 13 of the Local Government (Audit) Regulations 1996 sets out the prescribed statutory requirements for which the compliance audit needed. Regulation 14 and 15 state as follows:

14. *Compliance audits by local governments*

- (1) *A local government is to carry out a compliance audit for the period 1 January to 31 December in each year.*
- (2) *After carrying out a compliance audit the local government is to prepare a compliance audit return in a form approved by the Minister.*

- (3A) *The local governments audit committee is to review the compliance audit return and is to report to the council the results of that review.*
- (4) *After the audit committee has reported to the council under sub regulation (3A), the compliance audit report is to be –*
- (a) presented to council at a meeting of the council; and*
 - (b) adopted by council; and*
 - (c) recorded in the minutes of the meeting at which it is adopted.*

15. *Compliance audit return, certified copies of etc. to be given to Executive Director.*

- (1) *After the compliance audit report has been presented to the council in accordance with regulation 14(3) a certified copy of the return, together with –*
- (a) a copy of the relevant section of the minutes referred to in regulation 14(3)(c); and*
 - (b) any additional information explaining or qualifying the compliance audit, is to be submitted to the Executive Director by 31 March next following the period to which the return relates.*
- (2) *In this regulation – **certified** in relation to a compliance audit means signed by –*
- (a) the mayor or president; and*
 - (b) the CEO.*

RELEVANT PLANS AND POLICIES

There are no relevant plans or policies to consider in relation to this matter.

FINANCIAL IMPLICATIONS

There are no budget implications associated with the officer recommendation.

LONG-TERM FINANCIAL PLAN IMPLICATIONS

There are no long term financial plan implications associated with the officer recommendation.

STRATEGIC COMMUNITY OBJECTIVES

The officer recommendation primarily aligns with the following Key Goal Area and Community Objective of the City of Busselton's Strategic Community Plan 2017:

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

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

RISK ASSESSMENT

An assessment of the potential implications of implementing the officer recommendation has been undertaken using the City's risk management framework. Risks are only identified where the individual risk, once controls are identified, is medium or greater. No such risks have been identified with the CAR reflecting a high level of compliance.

CONSULTATION

No external consultation was undertaken or considered necessary in relation to this matter.

OFFICER COMMENT

In completing the CAR, relevant officers designated by the Chief Executive Officer have undertaken an audit of the City's activities, practices and procedures in line with the Act and its associated Regulations.

The internal audit is summarised in Table 1 below:

Compliance Area	Compliant
Commercial Enterprises by Local Government	YES
Delegation of Power and Duty	YES
Disclosure of Interest	NO (minor delays in compliance only)**
Disposal of Property	YES
Finance	YES
Integrated Planning and Reporting	YES
Local Government Employees	YES
Official Conduct	YES
Tenders for Providing Goods and Services	YES

Where required, additional commentary has been provided in response to questions in the CAR, also included in Attachment A.

The CAR represents a high level of compliance by the City.

With regards to disclosures of interest, one annual return was not lodged by a designated employee within the required timeframe. The City took all appropriate and required steps with respect to this matter and considers this a delay in compliance only. Additionally one primary return was not submitted within the required timeframe due to the employee not commencing with the City on a full time basis initially. This is considered a minor delay in compliance only. Additional information regarding the noncompliance has been included in Attachment A.

CONCLUSION

It is recommended that the Council adopts the CAR for submission to the Department prior to 31 March 2019.

OPTIONS

Council may choose to request further information from officers prior to adopting the CAR, however the CAR must be completed endorsed by Council and submitted to the Department prior to 31 March 2019.

TIMELINE FOR IMPLEMENTATION OF OFFICER RECOMMENDATION

The CAR will be lodged with the Department prior to 31 March 2018.

OFFICER RECOMMENDATION

That Council, having reviewed the 2018 Compliance Audit Return, adopt the 2018 Compliance Audit Return and authorises the Mayor and Chief Executive Officer to sign in joint the certificate.

COUNCIL DECISION AND COMMITTEE RECOMMENDATION

C1903/057 Moved Councillor C Tarbotton , seconded Councillor J McCallum

ABSOLUTE MAJORITY DECISION OF COUNCIL REQUIRED

That Council, having reviewed the 2018 Compliance Audit Return, adopt the 2018 Compliance Audit Return, and authorises the Mayor and Chief Executive Officer to sign in joint the certificate, including the below committee amendments:

- Question 5 of the Disclosure of Interest to be amended to *no*, due to one delay in lodgement as per the explanation under comments
- Questions 5 and 12 of the Delegation of Power / Duty to be amended to include the review date which fell within the 2017/2018 financial year.

Reason: While the delay was minor and is explained in the comments the most accurate response to question 5 under Disclosure of Interest in No - as identified in the Officer's covering report. Questions 5 and 12 refer to the financial year despite the Compliance Audit Return being for the 2018 calendar year.

CARRIED 8/0
BY ABSOLUTE MAJORITY
EN BLOC

12.7 Finance Committee - 21/03/2019 - BUDGET AMENDMENT REQUEST / REVIEW

SUBJECT INDEX:	Budget Planning and Reporting
STRATEGIC OBJECTIVE:	Governance systems, process and practices are responsible, ethical and transparent.
BUSINESS UNIT:	Finance and Corporate Services
ACTIVITY UNIT:	Finance and Corporate Services
REPORTING OFFICER:	Acting Manager Financial Services - Jeffrey Corker
AUTHORISING OFFICER:	Director Finance and Corporate Services - Tony Nottle
VOTING REQUIREMENT:	Absolute Majority
ATTACHMENTS:	Nil

This item was considered by the Finance Committee at its meeting on 21 March 2019, the recommendations from which have been included in this report.

PRÉCIS

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

BACKGROUND

Council adopted its 2018/2019 municipal budget on Wednesday, 25 July 2018 with a balanced budget position.

Since this time Council has been advised of certain funding changes that have positively impacted the original budget and Council is now being asked to consider budget amendments for the following key areas/projects:

1. Armistice Centenary Program
2. Sculpture by the Bay
3. Mosquito Control

STATUTORY ENVIRONMENT

Section 6.8 of the *Local Government Act 1995* refers to expenditure from the municipal fund that is not included in the annual budget. In the context of this report, where no budget allocation exists, expenditure is not to be incurred until such time as it is authorised in advance, by an absolute majority decision of the Council.

RELEVANT PLANS AND POLICIES

There are multiple plans and policies that support the proposed budget amendments.

FINANCIAL IMPLICATIONS

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

LONG-TERM FINANCIAL PLAN IMPLICATIONS

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

STRATEGIC COMMUNITY OBJECTIVES

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

RISK ASSESSMENT

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

CONSULTATION

No external consultation was considered necessary in relation to the budget amendments.

OFFICER COMMENT

The Officer recommends the following requested budget amendments to the Finance Committee for consideration and recommendation to Council.

1. “Armistice Centenary Program”

The City has procured a grant from the Department of Veterans Affairs (DVA) under the Armistice Centenary Grants Program (ACGP) in the amount of \$13,637. This grant is to install seating as part of the construction of the memorial Walk Trail in Busselton.

The ACGP is a one-off electorate-based grants program with funding of up to \$50,000 available for each Federal Member of Parliament to support community commemorative projects in their electorate commemorating the end of the First World War.

Planned Expenditure Item

Officers propose that the 2018/2019 adopted budget be amended to reflect the following funding changes, shown in Table 1.

Table 1:

<i>Cost Code</i>	<i>Description</i>	<i>Current Budget</i>	<i>Change</i>	<i>Proposed Amended Budget</i>
Expenditure				
545-C3191-3280-0000	Contractors	0	13,637	13,637
Income				
545-C3191-1221-0000	Capital Grants Other (Federal)	0	-13,637	-13,637
	Net Total	0	0	0

2. “Sculpture by the Bay”

The Sculpture by the Bay is an annual outdoor sculpture exhibition held as part of the Dunsborough Arts Festival early March. The festival is run by the Dunsborough & Districts Progress Association (DPA). Since 2012, the City has offered an Acquisitive Prize of \$5,000 with an additional \$2,000 for installation costs. In past years this has been reflected in the Capital works expenditure.

The line for this particular expenditure has not been included in the 2018-19 Annual budget.

On reviewing the existing budget all Capital Expenditure budget items are fully committed. The expenditure could be accommodated by redirecting existing budget from the Consultancy - Reconciliation Plan and Contractors - Sculpture Walk Installation Support Expenditure Account line items to be allocated to the Dunsborough Sculpture Project of \$7,000.

Planned Expenditure Items

Officers propose that the 2018/2019 adopted budget be amended to reflect the following funding changes, shown in Table 2.

Table 2:

<i>Cost Code</i>	<i>Description</i>	<i>Current Budget</i>	<i>Change</i>	<i>Proposed Amended Budget</i>
Expenditure				
330-10900-7743-0000	Ex Offset Acc – Furn & Equip – Dunsborough Sculpture by the Bay	0	7,000	7,000
330-10900-3260-9650	Consultancy – Reconciliation Plan	6,550	-2,000	4,550
330-10900-3280-0000	Contractors – Sculpture Walk Installation Support	15,000	-5,000	10,000
	Net Total	21,550	0	21,550

3. “Mosquito Control”

In 2018/2019 Environmental Health Services requests to reallocate the budget amounts for salaries, consultancy and contractors within the Preventative Services mosquito’s budget. This opportunity was identified shortly after the finalisation of the 2018/19 budget and following successful previous employment of a casual EHO resource.

The purpose of the change is increase the salary allocation to employ a casual EHO to conduct in house mosquito monitoring and communication activities. A casual EHO employee can perform twice as many hours of work compared to engaging a consultant for the same work. The City will be using the allocated resources more effectively.

The budget amendment is requested to reallocate a greater amount to salaries using amounts taken from existing consultancy and contractor budget allocations. The net total amount remains the same, there are no additional funds requested.

Planned Expenditure Items

Officers propose that the 2018/2019 adopted budget be amended to reflect the following funding changes, shown in Table 3.

Table 3:

<i>Cost Code</i>	<i>Description</i>	<i>Current Budget</i>	<i>Change</i>	<i>Proposed Amended Budget</i>
Expenditure				
440-10922-3001-0000	Salaries Normal	2,000	9,000	11,000
440-10922-3260-0000	Consultancy	13,000	-8,000	5,000
440-10922-3280-0000	Contractors	6,100	-1,000	5,100
	Net Total	21,100	0	21,100

CONCLUSION

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

OPTIONS

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

TIMELINE FOR IMPLEMENTATION OF OFFICER RECOMMENDATION

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

COUNCIL DECISION/COMMITTEE RECOMMENDATION AND OFFICER RECOMMENDATION**C1903/058**

Moved Councillor C Tarbotton , seconded Councillor J McCallum

ABSOLUTE MAJORITY DECISION OF COUNCIL REQUIRED

That Council endorse the requested budget amendments outlined in tables 1 to 3 below, resulting in no change to an amended budgeted surplus position of \$0.

Table 1:

<i>Cost Code</i>	<i>Description</i>	<i>Current Budget</i>	<i>Change</i>	<i>Proposed Amended Budget</i>
Expenditure				
545-C3191-3280-0000	Contractors	0	13,637	13,637
Income				
545-C3191-1221-0000	Capital Grants Other (Federal)	0	-13,637	-13,637
	Net Total	0	0	0

Table 2:

<i>Cost Code</i>	<i>Description</i>	<i>Current Budget</i>	<i>Change</i>	<i>Proposed Amended Budget</i>
Expenditure				
330-10900-7743-0000	Ex Offset Acc – Furn & Equip – Dunsborough Sculpture by the Bay	0	7,000	7,000
330-10900-3260-9650	Consultancy – Reconciliation Plan	6,550	-2,000	4,550
330-10900-3280-0000	Contractors – Sculpture Walk Installation Support	15,000	-5,000	10,000
	Net Total	21,550	0	21,550

Table 3:

<i>Cost Code</i>	<i>Description</i>	<i>Current Budget</i>	<i>Change</i>	<i>Proposed Amended Budget</i>
Expenditure				
440-10922-3001-0000	Salaries Normal	2,000	9,000	11,000
440-10922-3260-0000	Consultancy	13,000	-8,000	5,000
440-10922-3280-0000	Contractors	6,100	-1,000	5,100
	Net Total	21,100	0	21,100

CARRIED 8/0
BY ABSOLUTE MAJORITY
EN BLOC

15. COMMUNITY AND COMMERCIAL SERVICES REPORT

15.1 COMMUNITY SPORT & RECREATION FACILITIES FUND - SMALL GRANTS ROUND APPLICATION FEBRUARY 2019

SUBJECT INDEX:	CSRFF 2019
STRATEGIC OBJECTIVE:	A community with access to a range of cultural and art, social and recreational facilities and experiences.
BUSINESS UNIT:	Community Development
ACTIVITY UNIT:	Community Development
REPORTING OFFICER:	Club Development Officer - Pam Glossop
AUTHORISING OFFICER:	Director, Community and Commercial Services - Naomi Searle
VOTING REQUIREMENT:	Absolute Majority
ATTACHMENTS:	Attachment A CSRFF Application to Sport and Recreation 

PRÉCIS

Each year local government authorities are required to rate and prioritise the Community Sport and Recreation Facilities Fund (CSRFF) submissions received within their municipality.

Small grant applications must be submitted by local government authorities to the Department of Local Government, Sport and Cultural Industries (DLGSC) by 29 March 2019. The purpose of this report is to meet the CSRFF criteria, by outlining the submissions received for projects within the City for the current funding round and request that Council rates and ranks the applications prior to forwarding to DSR for final consideration.

BACKGROUND

Administered by DLGSC, the CSRFF program provides financial assistance of up to one third of the total capital cost for the development of well-planned facilities for sport and recreation.

Local government authorities are required to assess, rate and rank small grant applications received within their municipality and make submission to DLGSC by the end of March and August of each year. In 2019/2020 the total project value for the small grant round is \$5,000 to \$200,000 (excluding GST).

In order to assist with the evaluation of submissions and to ensure projects are viable and appropriate, DLGSC has developed assessment criteria. Accordingly, each submission is to be assessed against those criteria and local government authorities are required to rate and prioritise local submissions using the following guide;

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

Applications for the current funding round closed on Monday, 28 February 2019 and must be assessed and submitted to the South West Office of Sport and Recreation no later than 29 March 2019.

During April to June, local applications (along with others received throughout the State) will be evaluated and ranked by relevant State Sporting Associations and the CSRFF Assessment Panel, prior to the outcome being announced. Funds for successful applications will become available around July 2019.

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

1. *Dunsborough Lakes Golf Club – Construction of an all-weather training facility (Lot 9050, Plan 401791, Clubhouse Drive, Dunsborough WA 6281)*

STATUTORY ENVIRONMENT

There are no key statutory considerations to note in relation to this matter.

RELEVANT PLANS AND POLICIES

A key goal of this City of Busselton's Social Plan 2015-2025 is to 'create needed, quality, sustainable recreation and leisure facilities and services for our community.'

FINANCIAL IMPLICATIONS

The application received from Dunsborough Lakes Golf Club (DLGC) is for the construction of an indoor golf training facility at a total cost of \$54,633 (ex GST), one third of which is requested through CSRFF. As part of the project DLGC have requested a City contribution of \$18,211, one third of the total project cost. DLGC would fund the balance of the project.

Officers recommend that the City's contribution is funded from the City's 2019/20 community bids program. With a proposed budget of approximately \$238k, the next funding round for the program opens in April 2019, however the CSRFF application must be submitted prior to this and total funding contributions must be confirmed at the date of submission. Should CSRFF funding application be unsuccessful, or the full amount of the funding request be reduced, the Club will fund the shortfall. Based on this the proposed funding contribution is as follows:

Contribution towards Project	Cost ex GST
Applicant Cash (including in kind)	18,211
City – Community Bids Budget	18,211
CSRFF grant application	18,211
Total Project Cost	54,633

LONG-TERM FINANCIAL PLAN IMPLICATIONS

The Community Bids Program is included in the long term financial plan.

STRATEGIC COMMUNITY OBJECTIVES

This matter aligns with the City of Busselton Strategic Community Plan 2017 and principally with the following Key Goal Area and community objectives:

Key Goal Area 1: Community – Welcoming, friendly and healthy

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

It further links to Council Strategy: e. Create sport and recreation hubs to service local and regional communities.

RISK ASSESSMENT

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

CONSULTATION

Consultation has taken place with the DLGC and DLGSC - South West Office.

OFFICER COMMENT

DLGC has indicated the need of an all-weather training facility to increase participation across user groups with special emphasis on juniors, ladies and all abilities groups, capitalising on the skills of a coach employed to train people with disabilities.

DLGC has grown from 365 members in 2016/17 to a current membership of 465, with a target of 500 by the 2019 season which opens in March 2019. Through their strategic plan, DLGC has set a growth membership target of 15% and a retention target of 90%.

DLGC has a range of clinics and programs proposed to utilise the new training facility targeting existing members, new members, juniors and women. In addition DLGC will introduce community activities such as the Stay on Your Feet program and other low impact activities such as yoga and pilates.

At a total cost of \$54,633 (ex GST), DLGC propose to contribute one third of the cost with the City and CSRFF contributing one third each. Should the CSRFF application not be successful, DLGC will fund the shortfall to ensure the project proceeds.

Officers are confident that DLGC members and broader community will benefit from this facility as it will be available for other user groups. As such officers recommend the project be assessed as a 'high' priority, rated (B) as it is well planned and needed by the applicant, and ranked number one (1) as it is the only application received.

CONCLUSION

The application received for the 2019/20 CSRFF small grants funding round presents sound reasoning and justification. It is recommended that this project be assessed as a 'high' priority and that it is a (B) well planned and needed by the applicant and a number one (1) priority for consideration in this round.

OPTIONS

Council could decide not to support the DLGC's application or determine an alternate rating and rank.

TIMELINE FOR IMPLEMENTATION OF OFFICER RECOMMENDATION

DLGSC - South West Office staff will be advised in writing of Council's decision prior to the end of March 2019, when the application is submitted.

COUNCIL DECISION AND OFFICER RECOMMENDATION

C1903/059

Moved Councillor C Tarbotton , seconded Councillor J McCallum

ABSOLUTE MAJORITY DECISION OF COUNCIL REQUIRED

That the Council:

1. Allocates \$18,211 towards the Dunsborough Lakes Golf Club all weather training facility, to be funded from the 2019/20 community bids budget;
2. Submits the Dunsborough Lakes Golf Club all weather training facility funding application to the Department of Local Government, Sport and Cultural Industries Community Sport and Recreation Facilities Fund and rates the application as a priority 'B' project, rank number 1;



CARRIED 8/0

BY ABSOLUTE MAJORITY

EN BLOC

16. REPORTS OF COMMITTEE

12.6 Finance Committee - 21/03/2019 - FINANCIAL ACTIVITY STATEMENTS INCORPORATING BUDGET REVIEW - PERIOD ENDING 28 FEBRUARY 2019

SUBJECT INDEX:	Budget Planning and Reporting
STRATEGIC OBJECTIVE:	Governance systems, process and practices are responsible, ethical and transparent.
BUSINESS UNIT:	Finance and Corporate Services
ACTIVITY UNIT:	Financial Services
REPORTING OFFICER:	Acting Manager Financial Services - Jeffrey Corker
AUTHORISING OFFICER:	Director Finance and Corporate Services - Tony Nottle
VOTING REQUIREMENT:	Absolute Majority
ATTACHMENTS:	Attachment A Statement of Financial Activity - Period Ended 28 February 2019 
	Attachment B Investment Report - Period Ended 28 February 2019 

This item was considered by the Finance Committee at its meeting on 21 March 2019, the recommendations from which have been included in this report.

PRÉCIS

Financial Activity Statements

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

This report has been compiled to fulfil the statutory reporting requirements of the Act and associated Regulations, whilst also providing the Council with an overview of the City's financial performance on a year to date basis for the period ending 28 February 2019.

Review of Budget

Between January and March in each financial year, a local government is to carry out a review of its annual budget for that year. The Council is required to consider the review submitted to it and determine (by absolute majority) whether or not to adopt the review, any parts of the review or any recommendations made in the review.

BACKGROUND

Financial Activity Statements

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

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

- The net current assets at the end of the month to which the statement relates (including an explanation of the composition of the net current position)

Additionally, and pursuant to Regulation 34(5) of the Regulations, a local government is required to adopt a material variance reporting threshold in each financial year. At its meeting of 25 July 2018, the Council adopted (C1807/138) the following material variance reporting threshold for the 2018/19 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 2018/19 financial year as follows:

- *Variances equal to or greater than 10% of the year to date budget amount as detailed in the Income Statement by Nature and Type/ Statement of Financial Activity report, however variances due to timing differences and/or seasonal adjustments are to be reported on a quarterly basis; and*
- *Reporting of variances only applies for amounts greater than \$25,000.”*

Review of Budget

The requirement for a local government to carry out an annual budget review is prescribed via Regulation 33A of the Local Government (Financial Management) Regulations.

Essentially, the purpose of an annual budget review is to ensure that a local government conducts a review of its financial performance at an appropriate time in the financial year such that any significant budget variances can be identified and remedial action instigated as necessary; prior to financial year end.

This report, based on the City’s financial performance for the period ending 28 February 2019, has been compiled to fulfil the statutory reporting requirements of the Local Government Act and associated Regulations in respect of the annual budget review process.

STATUTORY ENVIRONMENT

Financial Activity Statements

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.

Review of Budget

33A. Review of budget

- (1) *Between 1 January and 31 March in each financial year a local government is to carry out a review of its annual budget for that year.*
- (2A) *the review of an annual budget for a financial year must —*
 - (a) *Consider the local government’s financial performance in the period beginning on 1 July and ending no earlier than 31 December in that financial year; and*
 - (b) *Consider the local government’s financial position as at the date of the review; and*
 - (c) *Review the outcomes for the end of that financial year that are forecast in the budget.*
- (2) *Within 30 days after a review of the (2) annual budget of a local government is carried out it is to be submitted to the council.*

- (3) *A council is to consider a review submitted to it and is to determine* whether or not to adopt the review, any parts of the review or any recommendations made in the review.*

**Absolute majority required.*

- (4) *Within 30 days after a council has made a determination, a copy of the review and determination is to be provided to the Department.*

RELEVANT PLANS AND POLICIES

There are no plans or policies directly relevant to this matter.

FINANCIAL IMPLICATIONS

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

LONG-TERM FINANCIAL PLAN IMPLICATIONS

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

STRATEGIC COMMUNITY OBJECTIVES

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

RISK ASSESSMENT

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

CONSULTATION

Consultation is not applicable in relation to this matter.

OFFICER COMMENT

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

- Statement of Financial Activity

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

- Net Current Position

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

▪ Capital Acquisition Report

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

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

▪ Reserve Movements Report

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

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

COMMENTS ON FINANCIAL ACTIVITY TO 28 February 2019

The Statement of Financial Activity for the period ending 28 February 2019 shows a better than expected Net Current Position "Surplus" of \$14.2M being \$11.2M higher than year to date budget (YTD amended budget) of \$3.1M.

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

Description	2018/2019 Actual	2018/2019 Amended Budget YTD	2018/2019 Amended Budget	2018/19 YTD Bud Variance	2018/19 YTD Bud Variance
	\$	\$	\$	%	\$
Revenue from Ordinary Activities					
Operating Grants and Subsidies	2,785,182	2,523,921	5,032,780	10.35%	261,261
Other Revenue	969,747	240,151	362,981	303.81%	729,596
Expenses from Ordinary Activities					
Materials & Contracts	(10,444,394)	(12,413,564)	(19,850,500)	15.86%	1,969,170
Depreciation on non-current assets	(14,713,400)	(12,744,192)	(19,070,922)	-15.45%	-1,969,208
Insurance Expenses	(713,890)	(585,281)	(698,808)	-21.97%	-128,609
Other Expenditure	(1,944,900)	(3,104,403)	(4,791,109)	37.35%	1,159,503
Non-Operating Grants, Subsidies and Contributions					
	2,371,748	11,030,917	32,443,772	-78.50%	(8,659,169)
Adjustments for Non-cash Revenue & Expenditure					
Depreciation	14,713,400	12,744,192	19,070,922	-15.45%	1,969,208
Donated Assets	(42,000)	(5,000)	(8,365,000)	-740.00%	(37,000)
(Profit)/Loss on Sale of Assets	(70,294)	(27,075)	(47,560)	-159.63%	(43,219)
Capital Revenue & (Expenditure)					
Land & Buildings	(685,628)	(12,324,905)	(17,902,816)	94.44%	11,639,277
Plant & Equipment	(1,633,568)	(3,822,100)	(6,880,100)	57.26%	2,188,532

Furniture & Equipment	(241,383)	(538,385)	(883,640)	55.17%	297,002
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Description	2018/2019 Actual	2018/2019 Amended Budget YTD	2018/2019 Amended Budget	2018/19 YTD Bud Variance	2018/19 YTD Bud Variance
Infrastructure	(13,491,981)	(24,765,455)	(37,380,261)	45.52%	11,273,474
Proceeds from Sale of Assets	616,773	835,950	1,045,950	-26.22%	(219,177)
Proceeds from New Loans	0	3,150,000	3,150,000	-100.00%	(3,150,000)
Advances to Community Groups	0	(150,000)	(150,000)	100.00%	150,000
Transfer to Restricted Assets	(845,747)	(365,328)	(551,000)	-131.50%	(480,419)
Transfer from Restricted Assets	7,091,955	8,295,070	14,423,922	-14.50%	(1,203,115)
Transfer from Reserves	755,678	5,095,578	26,769,361	-85.17%	(4,339,900)

Revenue from Ordinary Activities:

YTD actual income from ordinary activities is \$1M more than expected when compared to YTD budget with the two items meeting the material variance reporting threshold being;

1. Operating Grants, Subsidies and Contributions is \$261K over YTD budget due to timing differences associated with funds being received from DFES for fire prevention and bushfire risk management \$130K, various reimbursements \$33K and funds recovered from the City's insurance the old butter factory \$72K,
2. Other Revenue is \$730K better than YTD budget. This variance is due to better than expected returns on sale of scrap metal \$222K. IT lease buybacks additional income of \$543K which is offset by additional expenses in the IT leasing account 3381.

The Officer notes that the above positive performance will not affect the end of year position as the increased revenue is either associated with a timing difference, will be transferred to a reserve account in accordance with normal practice, or the revenue is offset by an increase in expenditure due to operational practice.

For budget review purposes, the remaining nature and type income categories (although fall below the Material Variance reporting thresholds) have been assessed to determine their estimated end of year position. Rate income for the year to date is currently below budgeted end of year results by \$200K due to a decrease in the uptake of new housing developments and also due delays in receiving valuations enabling the raising of interims. At this stage, whilst it is difficult to quantify the end of year position as the valuations may be forthcoming; it is anticipated that Rates revenue is likely to fall short of budget by \$150K. Whilst there are variances with the various Fees and Charges, for example Building Permit income may fall \$50K short while Holiday Home Permit income may be a similar amount over budget; overall they are predicted to achieve budget. Interest earnings are showing a strong positive result for Restricted funds, however interest on Municipal funds are tracking towards budget, therefore this will not affect the end of year position.

In summary, net operating revenue is projected to be slightly lower than the annual budget estimates with a projected unfavourable variance of approximately \$150K.

Expenses from Ordinary Activities

Expenditure from ordinary activities, excluding depreciation, is \$3.996M less than expected when compared to YTD budget with the following items meeting the material variance reporting threshold.

Materials and Contracts:

The main items affected are listed below:

Cost Code	Cost Code Description / GL Activity	Variance YTD \$
<u>Finance and Corporate Services</u>		
10250	Information & Communication Technology Services	(555,002)
10000	Members of Council	(22,885)
10300	Records	24,665
10500	Legal and Compliance Services	72,395
<u>Community and Commercial Services</u>		
B1361	YCAB (Youth Precinct Foreshore)	28,128
10590	Naturaliste Community Centre	54,008
10591	Geographe Leisure Centre	57,633
10380	Busselton Library	69,887
10600	Busselton Jetty Tourist Park	79,410
<u>Planning and Development Services</u>		
10810	Statutory Planning	19,679
10931	Protective Burning & Firebreaks-Reserves	37,017
10820	Strategic Planning	45,189
11170	Meelup Regional Park	91,511
10830	Environmental Management Administration	94,418
<u>Engineering and Works Services</u>		
12620	Rural-Tree Pruning	(83,150)
B1401	Old Butter Factory	(82,092)
M9996	Roads Sundry Overhead/Consumables	(65,702)
G0031	Dunsborough Waste Facility	(45,747)
M9995	Roller & Grader Hire	(45,064)
G0030	Busselton Transfer Station	(43,760)
G0010	Domestic Recycling Collections	30,088
G0042	BTS External Restoration Works	30,935
R0820	Almond Green Park (Provence)	36,496
G0034	External Waste Disposal	37,768
12600	Street & Drain Cleaning	39,767
R2001	Tree Planting - Urban Verges / Policy	40,020
A6004	Pedestrian Bridge (Port Geographe)	42,664
B1000	Administration Building- 2-16 Southern Drive	45,691
B1514	Asbestos Removal & Replacement	54,995
G0032	Rubbish Sites Development	66,664
11301	Regional Waste Management Administration	80,000
A9999	Miscellaneous Bridge Maintenance	88,660
R0004	Busselton Foreshore Precinct (not including Skate Park)	97,486
11101	Engineering Services Administration	126,871
M9999	Road Maintenance Bal Of Budget	252,607

11160	Busselton Jetty	518,249

Depreciation:

There is an overall variance in depreciation of \$1.969M, however it should be noted that this is a non-cash item and does not impact on the City's surplus position. The variance can be attributed to the fact that Fair Valuation of infrastructure assets was completed post budget adoption and the increase in valuation was unable to be included in the 2018/2019 budget.

Insurance:

There is an YTD variance in insurance costs of \$129K however this is of a timing issue only.

Other Expenditure:

There is an YTD variance in other costs of \$1.16M, considered a timing issue only or expenditure is linked to revenue source (i.e. Airport Development Operations \$1M), hence no effect on the City's net position. The main items affected are listed below:

Cost Code	Cost Code Description / GL Activity	Variance YTD
<u>Finance and Corporate Services</u>		
10618	Winderlup Court Aged Housing	40,094
10151	Rates Administration	52,210
10700	Public Relations	52,708
10000	Members of Council	68,237
<u>Community and Commercial Services</u>		
10547	Iron Man	(63,336)
12631	Peel Terrace Building & Surrounds	(35,287)
10567	Cinefest Oz	(31,664)
10530	Community Services Administration	103,569
11156	Airport Development Operations	1,000,000
<u>Planning and Development Services</u>		
10942	Bushfire Risk Management Planning - DFES	(39,283)
10805	Planning Administration	33,400
<u>Engineering and Works Services</u>		
G0042	BTS External Restoration Works	(172,637)
11160	Busselton Jetty	25,000
B1223	Micro Brewery - Public Ablution	80,000

The Officer notes that the above performance will not affect the end of year position due to variances being caused by timing issues, non-cash or linked to corresponding reserve transfers.

For budget review purposes, the remaining nature and type income categories (although fall below the Material Variance reporting thresholds) have been assessed to determine their estimated end of year position. There is an overall variance in utility charges of \$143K with the major variances being electricity \$68K and water \$72K. This variance is spread over 358 individual line items with an average variance of \$400 per item. It is anticipated that utilities will come under budget by \$50K.

With regard to fleet, costs savings of \$50K are anticipated by year end due to lower fuel and FBT expenses. There is also an anticipated saving associated with employee costs.

Salaries and wages are expected to be below budget by \$300K which in part is due to vacant positions. However, as part of the 2017/18 final audit it was identified that a liability must be entered into the accounts to reflect the accrued Time in Lieu worked by staff. This will have a negative impact of up to \$100K. Workers compensation is anticipated to \$150K favourable.

In summary, net operating expenditure is projected to be slightly lower than the annual budget estimates with a projected favourable variance of approximately \$450K.

Non-Operating Grants, Subsidies and Contributions:

Non-Operating Grants, Subsidies and Contributions are less than YTD budget by \$8.6M with the main items impacting on the above result being the timing of the receipt of funding which is also offset with less than anticipated expenditure at this time:

Cost Code	Cost Code Description	Variance YTD
<u>Finance and Corporate Services</u>		
10239	Contributions - Public Art (Percent for Art)	(990,148)
10240	Contributions - Contribution to Works	(109,479)
<u>Community and Commercial Services</u>		
10900	Cultural Planning - Donated Assets	37,000
C6099	Airport Development - Project Expenses	(5,838,126)
<u>Planning and Development Services</u>		
B1026	Yallingup Rural Bushfire Brigade (Donated Asset)	(597,600)
B9109	Hithergreen Building Renovations	(68,886)
B9112	Ambergate Bushfire Brigade Shed	(280,208)
<u>Engineering and Works Services</u>		
D0017	Chain Avenue - Drainage Works	(24,000)
C3150	Busselton Foreshore Stage 3: Toddler's Playground	(40,672)
S0069	Peel Terrace (Brown Street Intersection Upgrades)	(44,445)
S0035	Strelly Street / Barlee Street Roundabout	(80,000)
S0064	Peel Terrace (Stanley Pl/Camilleri St Intersection Upgrade)	(88,891)
C0049	Port Geographe Marina Car Parking	(114,504)
F1018	Dunsborough Cycleway CBD to Our Lady of the Cape School	(128,336)
S0051	Causeway Road / Rosemary Drive Roundabout	(133,336)
C3168	Busselton Foreshore Jetty Precinct	(308,221)
S0068	Georgiana Molloy Bus Bay Facilities	114,500

In summary, non-operating Grants, Subsidies and Contributions is not projected to have any material impact on the City's projected surplus/deficit position at year end.

Capital Expenditure

As at 28 February 2019, there is a variance of -61.27% or -\$25.4M in total capital expenditure with YTD actual at -\$16.052M against an YTD budget of -\$41.451M.

The airport development makes up for \$10.67M, Busselton Tennis Club – Infrastructure \$1.44M, Plant and Equipment \$2.19M, Council Roads Initiative projects \$1.44M, Eastern Link - Busselton Traffic Study \$1.79M, Dunsborough Land Purchase Parking \$1.3M, Main Roads projects \$1.42M, Parks, Gardens and Reserves \$976K, Sanitation Infrastructure \$780K, Beach Restoration \$896K, Busselton Senior Citizens \$493K, Dunsborough Cycleway CBD to Our Lady of the Cape School \$428K, Furniture and Equipment \$297K, Fire Prevention – Land Purchase Biddle Road \$200K, Busselton Jetty Tourist Park Upgrade \$214K, Beach Front Infrastructure \$72K, GLC - Pool Relining \$50K, Energy Efficiency Initiatives (Various Buildings) \$66K and Major Projects Busselton Foreshore \$1.32M.

These items of under expenditure also assists in explaining the above current YTD shortfall in Non-Operating Grants.

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

In summary, net Capital Expenditure is not projected to have any material impact on the City's project surplus/deficit position when Carryover of projects occurs at year end if/where required.

Investment Report

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

As at 28th February 2019 the value of the City's invested funds totalled \$75.44M, down from \$76.43M as at 31st January. The decrease is due to the withdrawal of funds from term deposits to meet standard operating costs.

During the month of February four term deposits held with three different institutions totalling \$11.0M matured. Two were renewed for a further 120 days at 2.69% (on average). Two, totalling \$5.5M; were closed as the funds will be required to meet operational needs.

The balance of the 11am account (an intermediary account which offers immediate access to the funds compared to the term deposits and a higher rate of return compared to the cheque account) increased by \$4.5M with funds being deposited from closed term deposits that will be required to be utilised to meet future standard operating costs.

The balance of the Airport Development ANZ cash account remained steady. The term deposit held at the WATC for the Airport Development project matured, and was renewed for a further 61 days at 1.85%.

The RBA left official rates on hold during February and March. Future movements remain uncertain at this point, however markets have begun to price in possible further reductions.

Chief Executive Officer – Corporate Credit Card

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

Date	Amount	Payee	Description
06-Feb-19	\$54.30	Post Busselton Retail	WA Police NPC Application
08-Feb-19	\$594.57	Travel Insurance Direct	* CEO Travel Insurance 50% reimbursed
08-Feb-19	\$20.79	Travel Insurance Direct	* CEO Travel Insurance 50% reimbursed
08-Feb-19	\$3.40	Wilson Parking Australia	RCAWA Tourism Meeting Parking
11-Feb-19	\$23.22	CPP Convention Centre	RCAWA Tourism Meeting Parking
13-Feb-19	\$242.00	Australian Tourism Ind.	Ticket, 2018 Qantas Tourism Awards (Mayor)
22-Feb-19	\$1,610.20	Qantas Airways Ltd	Flights Guest Speaker North West Reg. Council
25-Feb-19	\$48.00	Bistro Breton Busselton	Business Breakfast

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

+ Allocated against CEO Hospitality Expenses Allowance

CONCLUSION

As detailed within this report, it is considered that the City's overall financial performance to 28 February 2019 is satisfactory. Current projections indicate a potential surplus closing position as at 30 June 2019, in the order of approximately +\$300K (exclusive of carry forwards). The Annual Budget Review has not identified any specific adverse financial trends, for which remedial action is required to be instigated prior to financial year end. The projected surplus closing position is primarily due to operating expenditure savings.

As this report also identifies, it is projected that overall capital expenditure will fall well short of annual budget estimates, with this primarily attributable to the Airport Development project. However, as individual projects are essentially fully funded in one form or another, a corresponding short fall in capital revenue will also be evident as at 30 June 2019.

Whilst components of the unspent capital and operating expenditure budgets may need to be considered for re-listing in the Council's 2019/20 draft budget, the current projected surplus closing position of \$300K represents net underspends directly associated with the current financial year's financial performance.

It is noted that the potential surplus closing position at financial year end, including consideration of utilisation, or quarantining of these funds, will be fully considered as part of the Council's 2019/20 draft budget deliberations.

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. Council may wish to make additional resolutions as a result of having received these reports.

TIMELINE FOR IMPLEMENTATION OF OFFICER RECOMMENDATION

Not Applicable

COUNCIL DECISION/COMMITTEE RECOMMENDATION AND OFFICER RECOMMENDATION**C1903/060**

Moved Councillor J McCallum, seconded Councillor R Reekie

COMMITTEE AND OFFICER RECOMMENDATION 1 (Simple Majority)

That the Council receives the statutory financial activity statement reports for the period ending 28 February 2019, pursuant to Regulation 34(4) of the Local Government (Financial Management) Regulations.





COMMITTEE AND OFFICER RECOMMENDATION 2 (ABSOLUTE MAJORITY DECISION OF COUNCIL REQUIRED)

That, pursuant to Regulation 33A of the Local Government (Financial Management) Regulations, the Council adopts the 2018/19 Annual Budget Review as presented within this report.

CARRIED 8/0**BY ABSOLUTE MAJORITY**

13. PLANNING AND DEVELOPMENT SERVICES REPORT

13.2 PROPOSED BUSHFIRE LOCAL PLANNING POLICY (AND RELATED REVIEW OF HOLIDAY HOMES LOCAL PLANNING POLICY), AND PROPOSED SUBMISSION ON WAPC DRAFT POSITION STATEMENT: TOURISM LAND USES WITHIN BUSHFIRE PRONE AREAS

SUBJECT INDEX:	Development control policy
STRATEGIC OBJECTIVE:	Planning strategies that foster the development of healthy neighbourhoods that meet our needs as we grow.
BUSINESS UNIT:	Planning and Development Services
ACTIVITY UNIT:	Statutory Planning
REPORTING OFFICER:	Director, Planning and Development Services - Paul Needham
AUTHORISING OFFICER:	Director, Planning and Development Services - Paul Needham
VOTING REQUIREMENT:	Simple Majority
ATTACHMENTS:	Attachment A Proposed Bushfire Policy  Attachment B Existing Holiday Homes Policy  Attachment C Proposed Holiday Home Policy  Attachment D Draft Position Statement 

DISCLOSURE OF INTEREST	
Date	27 March 2019
Meeting	Council
Name/Position	Kelly Hick, Councillor
Item No./Subject	13.2
Type of Interest	Financial Interest
Nature of Interest	I am an owner of a tourism accommodation business, Dunsborough Ridge Retreat, located at Ocean View Drive Quindalup

5.38pm At this time Councillor Hick left the meeting.

PRÉCIS

Council is asked to consider policy and related matters associated with development in bushfire prone areas. That includes proposed changes to local planning policy and the making of a submission in response to consultation currently being undertaken by the State.

BACKGROUND

Council is asked to consider the introduction of a bushfire related local planning policy (Proposed Bushfire Policy – see Attachment A). The main purpose of the Proposed Bushfire Policy is to clarify the requirements related to the development of (or change of use to) a holiday home, or other vulnerable development, in a bushfire prone area, and to apply the same principles to other kinds of development that already apply to assessment of holiday home applications.

The Council is also asked to consider related changes to the City's existing holiday homes local planning policy (Existing Holiday Homes Policy – see Attachment B). The proposed policy is Attachment C (Proposed Holiday Homes Policy). The proposed changes are limited to removing the substantive bushfire related content, and instead referencing the Proposed Bushfire Policy, as well as reflecting a new template for the format of local planning policies (which has also been followed in the drafting of the Proposed Bushfire Policy).

Note that, for both proposed policies, it is intended that the interpretations sections be converted to a tabular format consistent with recently adopted or reviewed Council Policies. The intent to do so was, however, identified very late in the drafting process and, as such, it is proposed that be done administratively prior to consultation occurring.

In addition, the Council is asked to consider the terms of the City's submission regarding the Western Australian Planning Commission (WAPC) *Draft Position Statement: Tourism land uses within bushfire prone areas* (Draft Position Statement – see Attachment D).

STATUTORY ENVIRONMENT

The key statutory environment is set out in the *Planning and Development Act 2005* (Planning Act), *Building Act 2012* (Building Act) and related subsidiary legislation, including the *City of Busselton Local Planning Scheme No. 21* (Scheme) and the *Planning and Development (Local Planning Schemes) Regulations 2015* (Regulations), especially Schedule 2 (Deemed Provisions) of the Regulations, which form part of the Scheme.

The Planning Act sets out powers of the WAPC to prepare and adopt 'State Planning Policies' (SPPs) which may, inter alia, 'make provision for any matter which may be subject of a local planning scheme' (s26(3)). Clauses 3-6 of the Deemed Provisions sets out that a local government may make, amend or revoke a 'local planning policy'. The Deemed Provisions set out that local planning policies must be consistent with the Scheme. Essentially this means that a local planning policy may only guide an exercise of discretion already allowed under the Scheme, but cannot introduce or remove a discretion that the Scheme does not already provide. Other than a 'minor amendment' (pursuant to clause 5(2) of the Deemed Provisions), any decisions to adopt, amend or revoke a local planning policy involve an adoption of the proposal by the Council, followed by a period of consultation, and subsequent further consideration of the proposal by the Council, including consideration of any submissions received.

Clause 67 of the Deemed Provisions then sets out 'matters to be considered' in the assessment of applications for development approval. Clause 67(c) of the Deemed Provisions identifies 'any approved State planning policy' and clause 67(g) identifies any 'local planning policy for the Scheme area' as matters that must be considered. There are various other requirements to consider SPPs set out in the Act, Regulations and Scheme, and which relate to applications for development approval, as well as the preparation, review and amendment of town planning schemes, Structure Plans, Local Development Plans and Activity Centre Plans. The State Administrative Tribunal (SAT) gives considerable weight to SPPs in their consideration of planning matters; and original decision-makers (including local governments) are also required to give considerable weight to SPPs.

Part 10A of the Deemed Provisions identifies controls related to applications for development approval in 'Bushfire Prone Areas'. Bushfire prone areas for the purpose of planning decisions are identified through orders made under s18P of the *Fire and Emergency Services Act 1998*. Orders under s18P similarly identify areas where consideration of bushfire issues is required pursuant to the Building Act. The Deemed Provisions and the building legislation variously incorporate or reference *Australian Standard AS3959-2009: Construction of buildings in bushfire-prone areas* (AS3959).

RELEVANT PLANS AND POLICIES

Key policy guidance is set out in *State Planning Policy 3.7: Planning in Bushfire Prone Areas* (SPP3.7) and the associated *Guidelines for Planning in Bushfire Prone Areas* (Guidelines). Prior to the introduction of SPP3.7 and related changes to legislation, the City had a bushfire local planning policy. It was considered that the State framework had made that local planning policy redundant and, as a result, that earlier policy was revoked.

As set out in this report, there is now seen to be a need for some local planning policy guidance, albeit more limited and different in scope to what was previously in place.

Whilst there are currently some broader, unresolved policy questions related to both holiday home regulation and management of bushfire risk through the planning and development framework, this report and the proposals set out in it do not seek to address those broader questions. The reasons for that are twofold. Firstly, resolution of those policy questions would likely require action at a State level. Secondly, the State has in fact already established mechanisms that may do so.

In particular, the Legislative Assembly's Economics and Industry Standing Committee has established an Inquiry in relation to the regulation of short stay accommodation in Western Australia. The Inquiry is due to report in June. The City made a submission to the Inquiry and has indicated that it would be happy to provide further information as required. The City has also indicated that it would like to see the Inquiry conduct hearings in the region. The City's submission is subject of Parliamentary Privilege, but is available on the State Parliament website. The approach to regulation of holiday homes in Western Australia recommended in the City's submission may be summarised as follows –

1. A system that provides for efficient, robust, consistently enforced and credible regulation, which avoids unfair competition with other forms of accommodation, and ensures the integrity of regulatory and taxation regimes;
2. State regulations that allow local governments to 'opt-in' to a registration system that is managed by the local government, or if that is not possible, continued State support for a registration system, applied through local government local laws;
3. Deemed planning provisions that allow local governments to identify particular areas where holiday homes are deregulated, regulated or prohibited, or if that is not possible, continued State support for local government planning regulation, either applied through individual local government planning scheme provisions (most likely reflecting model provisions) or optional model provisions;
4. Local government decisions (or positions) pursuant to points 2 and 3 above to be reflected in consolidated State-wide map(s);
5. A requirement for owners, managers, online short-stay letting platforms and any other entity responsible for booking accommodation to ensure that there is a current 'certificate of local government authority' (there may be a means of avoiding this in cases where local governments have 'opted-out', but there may be a further reason to still require such certificates, linked to State and utility fees and charges, and taxation – see 'other key issues' below), which would need to be periodically renewed, and the requirements of that certificate would need to be complied with;
6. The State itself to be responsible for monitoring and enforcing point 5 above with respect to the platforms; and
7. Penalties under the registration system and the platform regulation to be sufficient to support ongoing and sustainable voluntary compliance.

It is also understood that the State is reviewing its current approach to management of bushfire risk through the planning and development framework. The City has already (and fairly regularly) made the State aware of some of its concerns with that framework. The Draft Position Statement does seem to address some, but not all, of the City's concerns. Submissions are open until 20 March 2019.

Whilst the City would not ordinarily require formal Council or Committee consideration to make a submission of this kind, given the relatedness of the issues and the fact that changes to local planning policy require formal consideration, Council is also asked to consider a proposed submission regarding the Draft Position Statement (although the submission is due to be lodged before the Council is able to consider this report, officers intend to lodge an interim submission by the due date, noting that Council consideration will occur shortly after the due date, and that a supplementary submission may follow).

FINANCIAL IMPLICATIONS

There are no financial implications associated with the recommendations of this report.

LONG-TERM FINANCIAL PLAN IMPLICATIONS

There are no Long-Term Financial Plan implications associated with the recommendations of this report.

STRATEGIC COMMUNITY OBJECTIVES

This report reflects Key Goals Area 2 – Places and Spaces and specifically Community Objective 2.1 of the Strategic Community Plan 2017 – ‘planning strategies that foster the development of healthy neighbourhoods that meet our needs as we grow’.

RISK ASSESSMENT

An assessment of the risks associated with the implementation of the officer recommendations has been undertaken using the City’s risk assessment framework. No significant risks have been identified.

CONSULTATION

Part 2, Division 2 of the Deemed Provisions requires that a local government undertake consultation before adopting or amending a local planning policy (although a minor amendment can be made without consultation). At least 21 days must be allowed for the making of submissions. In this case, it is anticipated that somewhat longer would be provided, and that there would be a particular focus on consultation with bushfire practitioners, with the WAPC and with the Department of Fire and Emergency Services (DFES).

OFFICER COMMENT

There are two related but somewhat different matters requiring consideration – (1) proposed local planning policy changes and (2) the making of a submission regarding the Draft Position Statement.

Proposed local planning policy changes

The Proposed Holiday Homes Policy entirely reflects the fact that the bushfire related content in the Existing Holiday Homes Policy would be redundant if the Proposed Bushfire Policy is adopted. As such, provided that the Council is supportive of the Proposed Bushfire Policy, there is not seen to be a need to further discuss the Proposed Holiday Homes Policy.

The Proposed Bushfire Policy, to a significant extent, reflects provisions of the Existing Holiday Homes Policy, which itself mostly clarifies the City’s application of the relevant State planning framework. The Proposed Bushfire Policy, however, seeks to provide that clarification for all relevant forms of development, rather than being limited to holiday homes.

The Proposed Bushfire Policy also seeks to extend that guidance in one key way, which is by referencing and mapping the State's proposed definition of 'Residential Built Out Area' as per the Draft Position Statement. At present, that term is not defined, but the judgement as to whether development is located in a Residential Built Out Area can have a profound affect on whether the development is approvable.

The proposed definition is set out in the section below, but the Proposed Bushfire Policy includes Appendix One, which is a map applying the proposed definition to land within the City. The affect is that holiday homes and other forms of 'vulnerable development' could not be approved in areas like the Commonage, Mt Duckworth, Cape Clairault, Ambergate or Wonnerup, if a site has a Bushfire Attack Level (BAL) rating of BAL-40 or greater. A significant proportion of sites in those areas would have a BAL rating of BAL-40 or greater. Independent of the merit or otherwise of the State's proposed definition, it is seen as appropriate that a map be included in policy setting out the application of the definition, as it would provide important guidance to landowners, prospective purchasers, bushfire practitioners and City officers.

Draft Position Statement

The Draft Position Statement seeks to address one of the key problems with the current State framework from the City's perspective, which is the undefined nature of the term 'Residential Built Out Area'. The Draft Position Statement proposes the following definition -

***Residential built out area:** refers to a lot that is within close proximity to emergency services, access to reticulated water and is within, or contiguous with, an urban area or town (or similar).*

Prior to the release of the Draft Position Statement, officers had developed an earlier iteration of the Proposed Bushfire Policy and, recognising the fundamental nature of the question, had planned to recommend to the Council that it adopt local planning policy setting out the City's understanding of the term – and what was being considered was, in practical effect, very similar to what the State has now proposed. As such, City officers are broadly supportive of the State's proposed definition. As noted in the section above, however, it would have a significant impact on the approvability of holiday homes especially in areas like the Commonage.

Whilst the State's proposed definition could be criticised for being somewhat vague (for instance, what is 'close proximity to emergency services?'), it is considered that it would not be possible to come up with a specific set of detailed standards that would be appropriate in all cases, and so some scope for discretion is seen as appropriate. What may be useful, however, is a reference in the State framework to local governments preparing and adopting mapping, similar to that included in the Proposed Bushfire Policy.

One element of the Draft Position Statement that officers are quite concerned about is the content related to 'closure of a tourism facility'. That content notes that 'closure of a day use facility on any day where the fire danger exceeds a pre-determined trigger point is another possible contingency measure'. Whilst this may be something a responsible operator may want to consider, it is not clear at all how the content relates to decision-making by planning authorities (i.e. local governments in most instances), and what responsibility there would be to apply or enforce conditions reflecting the content. It is considered that this content should be removed.

There are three other key issues that it is considered the City should raise in a submission, both of which are not solely related to the scope of the Draft Position Statement.

The first issue relates to a change of use of an existing building which cannot reasonably be fully upgraded to meet the applicable BAL, but which could be upgraded to improve the overall bushfire safety outcome.

The State planning framework allows for discretion and consideration of that possibility. Where difficulties arise, however, is where the works which it is considered could be done would require a building permit. Once a building permit is required, the Building Act requires the full upgrade of the building. As such, decision-makers essentially have three options – (1) do not require any upgrades, (2) only require upgrades to the extent that a building permit is not required, or (3) require full upgrade, noting the result will probably be the development will not proceed, and no upgrades will be undertaken.

This conundrum could be resolved by changes to legislation allowing a planning decision to limit the scope of decision-making required at building permit stage, if the planning process has fully considered bushfire issues.

The second issue relates to new development on ‘legacy lots’ in urban areas which are relatively small, but adjoin bush reserves or similar. There are a significant number of such lots in the City, many of which are BAL-40 or BAL-FZ (‘flame zone’) sites, but which may be rendered undevelopable, or very nearly so, by virtue of the current State framework. In many cases, such sites have access to reticulated water, are within close proximity of emergency services and have multiple means of access and egress. Again, the current State planning framework provides some discretion, but the Building Act does not. Similarly, this conundrum could also be resolved by changes to legislation allowing a planning decision to limit the scope of decision-making required at building permit stage, if the planning process has fully considered bushfire issues. It is considered that the City should raise these issues and the suggested remedy in its submission.

The third issue relates to the recommendation in SPP3.7 that local governments and the WAPC impose conditions of development and subdivision approval on development in bushfire prone areas requiring placement of notifications on title (pursuant to s70a of the *Transfer of Land Act 1893* or s165 of the *Planning and Development Act 2005*) advising prospective future purchasers of the land that the site is in a bushfire prone area. This imposes costs on landowners, often meets resistance for that and other reasons, only provides a means of advising prospective purchasers if the land has actually been subject of an application for subdivision or development approval since bushfire prone areas have been identified, and there is little evidence that prospective purchasers consistently read and understand such notifications. In short, the approach set out in SPP3.7 (and in some other SPPs, for other purposes), is far from satisfactory. In other States, more effective and less expensive means of advising prospective purchasers of matters related to the use and development of land have been developed, with systems developed to provide ‘certificates’ as part of the settlement process. A lot of WA local governments provide certificates of a similar nature currently, but without a clear framework related to regulatory (as opposed to financial) matters. It is considered that the State should move away from requiring notifications to be applied through planning processes. Further, there has been some recent legal uncertainty around the validity of such conditions. It is considered that the City should raise these issues, and recommend a move towards a coordinated approach to addressing regulatory matters through ‘property information certificates’, as has been done in some other States.

It is also envisaged that the City’s submission would identify any more detailed questions or concerns identified by officers.

CONCLUSION

It is recommended that the Council support the proposed policy changes and submission as described in this report.

OPTIONS

The Council could decide to not adopt or amend local planning policy as recommended, or it could choose to modify the proposals before undertaking consultation. The Council could also choose not to support a submission regarding the Draft Position Statement, or choose to make a submission in different terms.

Given the relationship between the proposed policy content and the Draft Position Statement, there will need to be some judgement made as to whether the City should await a 'Final Position Statement' (which may be in the form of amendments to SPP3.7 or the Guidelines) before adopting the policy changes in final form. Nevertheless, the policy changes would be 'seriously entertained' once adopted as draft by the Council, and should be considered as part of the City's decision-making immediately.

TIMELINE FOR IMPLEMENTATION OF OFFICER RECOMMENDATION

Implementation of the officer recommendation would involve advertising the policy proposals and making a submission regarding the Draft Position Statement. It is expected the first would occur within one month of the Council decision and the second within one week.

COUNCIL DECISION AND OFFICER RECOMMENDATION

C1903/061 Moved Councillor P Carter, seconded Councillor J McCallum

That the Council -

1. Adopt as drafts for consultation proposed new and amended local planning policies as set out at Attachment A and Attachment C; and
2. Support a submission to the WAPC regarding the *Draft Position Statement: Tourism land uses within bushfire prone areas* in the terms described in the agenda report.

CARRIED 7/0

5.39pm At this time Councillor Hick returned to the meeting.

18. MOTIONS OF WHICH PREVIOUS NOTICE HAS BEEN GIVEN

Nil

19. URGENT BUSINESS

Nil

20. CONFIDENTIAL REPORTS

Nil

21. CLOSURE

The Presiding Member closed the meeting at 5.40pm.

THESE MINUTES CONSISTING OF PAGES 1 TO 64 WERE CONFIRMED AS A TRUE AND CORRECT RECORD ON WEDNESDAY, 10 APRIL 2019.

DATE: _____ PRESIDING MEMBER: _____