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CITY OF BUSSELTON

MINUTES FOR THE COUNCIL MEETING HELD ON 31 JANUARY 2018

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MINUTES

MINUTES OF A MEETING OF THE BUSSELTON CITY COUNCIL HELD IN COUNCIL CHAMBERS, ADMINISTRATION BUILDING, SOUTHERN DRIVE, BUSSELTON, ON 31 JANUARY 2018 AT 5.30PM.

1. DECLARATION OF OPENING/ACKNOWLEDGEMENT OF COUNTRY AND ANNOUNCEMENT OF VISITORS

The Presiding Member opened the meeting at 5.31pm.

2. ATTENDANCE

Presiding Member:

Cr Grant Henley Mayor

Members:

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

Officers:

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

Apologies

Nil

Approved Leave of Absence

Nil

Media:

“Busselton-Dunsborough Times”

Public:

1

3. PRAYER

The prayer was delivered by Pastor Tony Peak of Abundant Life Centre.

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

Nil

Public Question Time

Nil

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

The Presiding Member wished Cr Bennett a Happy Birthday, made note of the super blue blood moon that was due to occur that evening and made acknowledgement of 44 new citizens that were naturalised on Australia Day at the ceremonies held in Busselton and Dunsborough.

Announcements by other Members at the invitation of the Presiding Member

Nil

6. APPLICATION FOR LEAVE OF ABSENCE

Nil

7. PETITIONS AND PRESENTATIONS

Nil

8. DISCLOSURE OF INTERESTS

Nil

9. CONFIRMATION AND RECEIPT OF MINUTES**Previous Council Meetings****9.1 Minutes of the Council Meeting held 13 December 2017****COUNCIL DECISION****C1801/001**

Moved Deputy Mayor J McCallum, seconded Councillor R Reekie

That the Minutes of the Council Meeting held 13 December 2017 be confirmed as a true and correct record.

CARRIED 9/0

En Bloc Motion**Committee Meetings Minutes**

That the Committee Meeting Minutes be confirmed as a true and correct record and be carried en bloc:

COUNCIL DECISION**C1801/002**

Moved Councillor P Carter, seconded Deputy Mayor J McCallum

- 9.2 Minutes of the Meelup Regional Park Management Committee held 27 November 2017
- 9.3 Minutes of the Settlement Art Project Steering Committee held 12 December 2017
- 9.4 Minutes of the Finance Committee Meeting Minutes held 18 January 2018
- 9.5 Minutes of the Airport Advisory Committee Meeting Minutes held 18 January 2018

CARRIED 9/0**ITEMS BROUGHT FORWARD AND 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.

En Bloc Motion**COUNCIL DECISION/COMMITTEE RECOMMENDATION AND OFFICER RECOMMENDATION****C1801/003**

Moved Councillor C Tarbotton, seconded Deputy Mayor J

McCallum

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

- 10.1 Finance Committee - 18/01/2018 - FINANCIAL ACTIVITY STATEMENTS - PERIODS ENDING 30 NOVEMBER & 31 DECEMBER 2017
- 10.2 Finance Committee - 18/01/2018 - REVIEW OF POLICY 048 - LOANS
- 13.1 DESTINATION MARKETING: REGIONAL BRANDING
- 14.1 LOCAL GOVERNMENT REPRESENTATIVE NOMINATION FOR APPOINTMENT TO THE BOARD OF THE SOUTH WEST DEVELOPMENT COMMISSION
- 14.2 LEASE AND FUNDING AGREEMENT FOR THE JOHN EDWARDS PAVILION, DUNSBOROUGH
- 15.1 COUNCILLORS' INFORMATION BULLETIN

CARRIED 9/0**EN BLOC**

10. REPORTS OF COMMITTEE

10.1 Finance Committee - 18/01/2018 - FINANCIAL ACTIVITY STATEMENTS - PERIODS ENDING 30 NOVEMBER & 31 DECEMBER 2017

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:	Manager Financial Services - Kim Dolzadelli
AUTHORISING OFFICER:	Director, Finance and Corporate Services - Cliff Frewing
VOTING REQUIREMENT:	Simple Majority
ATTACHMENTS:	Attachment A FINANCIAL ACTIVITY STATEMENT PERIOD ENDING 30 NOVEMBER 2017⇒
	Attachment B FINANCIAL ACTIVITY STATEMENT PERIOD ENDING 31 DECEMBER 2017⇒
	Attachment C INVESTMENT REPORT PERIOD ENDING 30 NOVEMBER 2017⇒
	Attachment D INVESTMENT REPORT PERIOD ENDING 31 DECEMBER 2017⇒

This item was considered by the Finance Committee at its meeting on 18 January 2018, the recommendations from which have been included in this report.

PRÉCIS

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

This report has been compiled to fulfil the statutory reporting requirements of the Act and associated Regulations, whilst also providing the Council with an overview of the City's financial performance on a year to date basis for the period ending 30 November 2017 and 31 December 2017. This report will focus on results for the period ending 31 December 2017, being the most current information on which to report.

BACKGROUND

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

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

Additionally, and pursuant to Regulation 34(5) of the Regulations, a local government is required to adopt a material variance reporting threshold in each financial year. At its meeting of 26 July 2017, the Council adopted (C1707/163) the following material variance reporting threshold for the 2017/18 financial year:

“That pursuant to Regulation 34(5) of the Local Government (Financial Management) Regulations, the Council adopts a material variance reporting threshold with respect to financial activity statement reporting for the 2017/18 financial year as follows:

- *Variiances 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 variiances due to timing differences and/or seasonal adjustments are to be reported on a quarterly basis; and*
- *Reporting of variiances only applies for amounts greater than \$25,000.”*

STATUTORY ENVIRONMENT

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

RELEVANT PLANS AND POLICIES

Not applicable.

FINANCIAL IMPLICATIONS

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

Long-term Financial Plan Implications

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

STRATEGIC COMMUNITY OBJECTIVES

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

RISK ASSESSMENT

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

CONSULTATION

Not applicable

OFFICER COMMENT

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

- 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 31 December 2017

The Statement of Financial Activity for the period ending 31 December 2017 shows a better than expect Net Current Position (Surplus) of \$22.97M being \$8.26M more than Year to Date Budget.

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

Description	2017/2018 Actual	2017/2018 Amended Budget YTD	2017/2018 Amended Budget	2017/2018 Original Budget	2017/18 YTD Bud (A) Variance	2017/18 YTD Bud (A) Variance
	\$	\$	\$	\$	%	\$
Revenue from Ordinary Activities						
Other Revenue	286,051	204,383	416,167	403,838	39.96%	81,668
Interest Earnings	1,409,478	1,131,498	2,262,996	2,262,996	24.57%	277,980
	1,695,529	1,335,881	2,679,163	2,666,834	64.53%	359,648
0						
Expenses from Ordinary Activities						
Materials & Contracts	(7,331,237)	(8,680,507)	(16,832,737)	(16,639,971)	15.54%	1,349,270
Utilities (Gas, Electricity, Water etc)	(1,109,066)	(1,292,836)	(2,580,822)	(2,580,822)	14.21%	183,770
Allocations	684,986	998,450	1,996,270	1,996,270	31.40%	(313,464)
	(7,755,317)	(8,974,893)	(17,417,289)	(17,224,523)	61.15%	1,219,576
0						

Non-Operating Grants, Subsidies and Contributions	2,513,475	13,541,835	43,437,175	42,079,630	-81.44%	(11,028,360)
Profit on Asset Disposals	48,793	13,750	22,400	22,400	254.86%	35,043
Loss on Asset Disposals	(435,173)	(5,100)	(6,252)	(6,252)	-8432.80%	(430,073)
	2,127,095	13,550,485	43,453,323	42,095,778	-8259.38%	(11,423,390)

Capital Revenue & (Expenditure)

Land & Buildings	(2,992,361)	(8,091,652)	(16,556,693)	(16,531,693)	63.02%	5,099,291
Plant & Equipment	(969,736)	(2,388,652)	(4,279,400)	(4,029,400)	59.40%	1,418,916
Furniture & Equipment	(296,848)	(587,758)	(830,212)	(830,212)	49.49%	290,910
Infrastructure	(15,377,795)	(28,877,810)	(60,472,821)	(59,905,821)	46.75%	13,500,015

Proceeds from New Loans	110,000	9,960,000	10,110,000	11,110,000	-98.90%	(9,850,000)
Transfer to Restricted Assets	(1,705,292)	(309,501)	(625,751)	(625,751)	-450.98%	(1,395,791)
Transfer from Restricted Assets	11,222,234	7,354,556	27,808,739	27,808,739	52.59%	3,867,678
Transfer to Reserves	(7,082,013)	(9,730,166)	(16,285,572)	(16,285,572)	27.22%	2,648,153
Transfer from Reserves	1,560,543	1,146,659	19,921,964	19,486,964	36.09%	413,884

Operating Revenue:

Revenue from ordinary activities is \$359K more than expected when compared to Year to Date (YTD) Budget with the following items meeting the material variance reporting threshold set by Council for the 2017/2018 Financial Year.

Description	2017/2018 Actual	2017/2018 Amended Budget YTD	2017/2018 Amended Budget	2017/18 YTD Bud (A) Variance	2017/18 YTD Bud (A) Variance
	\$	\$	\$	%	\$

Revenue from Ordinary Activities

Other Revenue	286,051	204,383	416,167	39.96%	81,668
Interest Earnings	1,409,478	1,131,498	2,262,996	24.57%	277,980
	1,695,529	1,335,881	2,679,163	64.53%	359,648

The items predominately impacting the above "Other Revenue" performance is as follows:

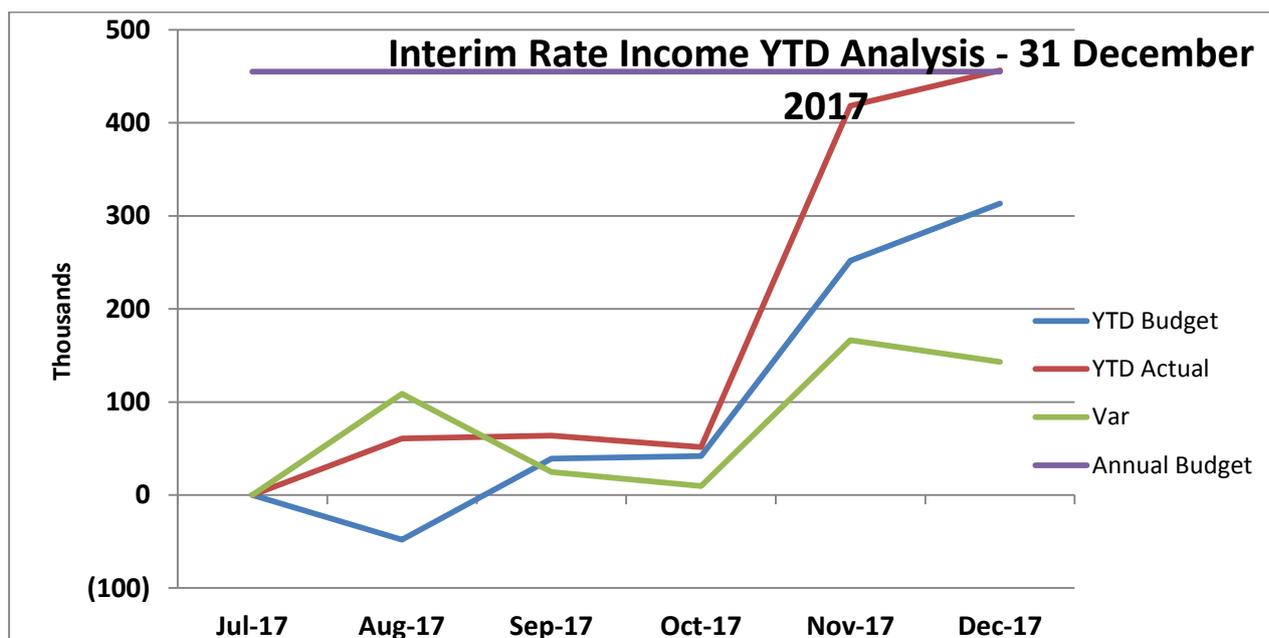
- CLAG (Contiguous Local Authority Group) Funding in the amount of \$69K, this item is to be transferred to Trust, and
- Sale of Scrap Metals Busselton and Dunsborough Waste Facilities \$45K.

The items predominately impacting the above "Interest Earnings" performance is as follows:

- Rate Instalment Plan Interest \$120K – this is a timing difference only,
- Interest on Restricted Funds \$106K – staff will continue to monitor this variation to establish if this positive trend is to continue.

Interim Rates:

Officers continue to monitor Interim Rating Income levels and present the following information noting that the YTD Budget figure has already been met, a Budget amendment will be sought as part of the City's mid-term Budget Review:



Operating Expenditure:

Expenditure from ordinary activities is \$1.85M less than expected when compared to Year to Date (YTD) Budget with the following items meeting the material variance reporting threshold set by Council for the 2017/2018 Financial Year.

Description	2017/2018 Actual	2017/2018 Amended Budget YTD	2017/2018 Amended Budget	2017/18 YTD Bud (A) Variance	2017/18 YTD Bud (A) Variance
	\$	\$	\$	%	\$
Expenses from Ordinary Activities					
Materials & Contracts	(7,331,237)	(8,680,507)	(16,832,737)	15.54%	1,349,270
Utilities (Gas, Electricity, Water etc)	(1,109,066)	(1,292,836)	(2,580,822)	14.21%	183,770
Allocations	684,986	998,450	1,996,270	31.40%	(313,464)
	(7,755,317)	(8,974,893)	(17,417,289)	61.15%	1,219,576

Materials and Contracts:

The main items affected are list below, at this stage these variance are considered to be that of a timing nature and/or there are offsets that negate the impact of these items.

Cost Code	Cost Code Description / GL Activity	Variance YTD
Finance and Corporate Services		
10250	Information & Communication Technology Services	(128,878)
10251	Business Systems	151,104
Sub Total		22,226
Community and Commercial Services		
10591	Geographe Leisure Centre	42,171
10600	Kookaburra Caravan Park	49,318
10635	Regional Centres Program	60,000
10980	Other Law, Order & Public Safety	141,433
11151	Airport Operations	(36,721)
Sub Total		256,202

Planning and Development Services		
10820	Strategic Planning	92,437
10830	Environmental Management Administration	90,165
10925	Preventative Services - CLAG	63,996
11170	Meelup Regional Park	76,874
Sub Total		323,472

Engineering and Works Services		
11101	Engineering Services Administration	28,581
11106	Street Lighting Installations	69,826
11160	Busselton Jetty	279,114
12600	Street & Drain Cleaning	37,931
A9999	Miscellaneous Bridge Maintenance	67,010
B1000	Administration Building- 2-16 Southern Drive	(47,785)
G0010	Domestic Recycling Collections	104,207
G0030	Busselton Transfer Station	49,291
G0032	Rubbish Sites Development	45,868
G0042	BTS External Restoration Works	115,262
M9999	Road Maintenance Bal Of Budget	168,454
R0004	Bsn Foreshore Precinct (not including Skate Park)	(80,842)
R0700	Dunsborough Oval and Skate Park	(38,779)
R0850	Streetscape Medians & Trees (Kealy)	(44,032)
R1000	Street Furniture - Bsn, Duns, Yallingup	(42,320)
Sub Total		711,788

Transport - Fleet Management		
5280	Transport - Fleet Management	176,010
Sub Total		176,010
Grand Total		1,489,697

Utilities:

With over 364 individual accounts at a better than expected result of \$1.1K, a favourable position of \$184K is considered likely to be a timing difference at this early stage of the reporting year specifically when we are now entering the summer period.

Allocations:

Allocations are currently tracking below YTD Budget by \$314K, these items are of a internal non cash nature.

Non-Operating Grants, Subsidies and Contributions:

The main item impacting on the above result is the timing of the receipt of "Airport Development - Project Grant" of \$9.27M and 1.35M for the Foreshore East-Youth Precinct Community Youth Building/SLSC project with a current negative result of \$11.03M; this is a timing difference in nature only.

Capital Expenditure

As at 31 December 2017, there is a variance of -50.84% or -\$20.3M in total capital expenditure with YTD Actual at -\$19.64M against a YTD Budget of -\$39.94M; with the table below showing those categories exceeding the 10% material variance threshold. The Airport Development makes up for \$7.95M or 39% and Other Infrastructure projects making up \$5.55M or 27.32% of the overall variance which also assists in explaining the above current YTD shortfall in Non-Operating Grants.

Description		2017/18 Budget YTD Variance	
Land			
10610	Property Services Administration	●	(50,000)
		Subtotal	(50,000)
Buildings			
Major Project - Administration Building			
B9010	Civic and Administration Centre Construction	●	(193,370)
		Subtotal	(193,370)
Buildings (Other)			
B9112	Ambergate Bushfire Brigade Shed	●	(61,656)
B9517	GLC - Pool Relining	●	(76,777)
B9528	GLC - Plant Room	●	(49,136)
B9591	Performing Arts Convention Centre	●	(50,000)
B9594	Vasse Community Recreation Precinct	●	36,903
B9716	Airport Terminal Stage 2	●	(4,500,000)
B9804	Kook Park Home	●	(94,552)
		Subtotal	(4,795,218)
Plant & Equipment			
10610	Property Services Administration	●	(35,000)
10810	Statutory Planning	●	30,113
10950	Animal Control	●	(34,872)
11401	Transport - Workshop	●	(43,278)
11402	Plant Purchases (P10) (Waste)	●	(1,313,344)
11403	Plant Purchases (P11) (Minor Plant)	●	(50,502)
11404	Plant Purchases (P12) (Major Plant)	●	25,240
		Subtotal	(1,421,642)
Furniture & Office Equipment			
10250	Information & Communication Technology Services	●	52,417
10251	Business Systems	●	(80,907)
10900	Cultural Planning	●	(32,000)
B1000	Administration Building- 2-16 Southern Drive	●	(91,050)
B1361	YCAB (Youth Precinct Foreshore)	●	(46,827)
		Subtotal	(198,367)
Major Project - Busselton Foreshore			
C3094	Busselton Foreshore - Stage 3	●	1,286,229
C3113	Busselton Tennis Club - Infrastructure	●	(1,281,059)
C3150	Busselton Foreshore Stage 3: Toddler's Playground	●	(92,838)
C3168	Busselton Foreshore Jetty Precinct	●	(779,835)
C3173	Barnard Park Pavillion Landscaping	●	60,157
			(807,345)
Major Project - Administration Building			
C0043	Administration Building Carpark	●	(100,995)
		Subtotal	(100,995)
Footpaths Construction			
F0035	Dunsborough Lakes Drive to N.C.C.	●	(75,993)
F0066	Bussell Highway Footpath Sections	●	(194,910)

Description		2017/18 Budget YTD Variance
F0074	Milward Street – Ford Road to Cookworthy Street	● (27,314)
F0075	Armitage Drive Footpath - Navigation Way to Avocet Boulevard	● (30,000)
F0076	Vasse Bypass Road Footpath	● (65,000)
Subtotal		(393,217)
<u>Drainage Construction - Street</u>		
D0015	Valley Road Drainage Upgrade	● (129,009)
D0017	Chain Avenue - Drainage Works	● (26,452)
Subtotal		(155,461)
<u>Bridges Construction</u>		
A0010	Queen Street Bridge 0240A	● (144,000)
Subtotal		(144,000)
<u>Cycleways Construction</u>		
F1019	Busselton Bypass - Country Road Footpath	● (111,001)
Subtotal		(111,001)
<u>Townscape Construction</u>		
C1001	Queen Street Upgrade - Duchess to Kent Street	● (61,314)
C1024	Dunsborough Road Access Improvements Stage 1	● (293,846)
Subtotal		(355,159)
<u>Boat Ramps Construction</u>		
C1513	Port Geographe Boat Trailer Parking Layout Redevelopment	● (98,010)
Subtotal		(98,010)
<u>Beach Restoration</u>		
C2512	Sand Re-Nourishment	● 59,820
Subtotal		59,820
<u>Parks, Gardens & Reserves</u>		
C3122	Rails to Trails	● (79,602)
C3145	Churchill Park	● 50,593
C3146	Dunsborough Town Centre	● (43,811)
C3154	Administration Building Landscaping Works	● 257,011
C3159	Port Geographe - Burgee Close (Western Side of Bridge)	● (47,334)
C3160	Port Geographe - Reticulated POS at Layman Rd R/About	● (124,505)
C3164	Port Geographe - Reticulation Upgrade Scheme to Bore Water	● (167,496)
C3165	Foreshore - Irrigation Renewal	● (30,002)
C3166	Vasse River Foreshore - Bridge to Bridge project Stage 1	● (37,500)
C3167	Advanced Bore Monitoring Equipment	● (49,998)
C3172	Vasse Newtown - AFL Oval Stage 2	● 119,225
Subtotal		(153,418)
<u>Sanitation Infrastructure</u>		
C3479	New Cell Development	● (310,983)
C3481	Transfer Station Development	● (38,007)
C3485	Site Rehabilitation - Busselton	● (295,968)
Subtotal		(644,959)

Description		2017/18 Budget YTD Variance	
Airport Development			
C6087	Airport Construction Stage 2, Landside Civils & Services Inf	●	(3,943,006)
C6091	Airport Construction Stage 2, Noise Management Plan	●	(143,961)
C6092	Airport Construction Stage 2, Airfield	●	(2,603,883)
C6095	Airport Construction Stage 2, External Services	●	(1,243,205)
C6097	Airport Construction Stage 1B, Jet Fuel	●	(307,500)
C6099	Airport Development - Project Expenses	●	290,644
		Subtotal	(7,950,910)
Main Roads			
S0035	Strelly Street	●	(248,182)
S0049	Layman Road	●	194,745
S0064	Peel Terrace	●	(508,548)
S0066	Queen Street	●	(99,803)
S0067	Layman Road - Reconstruction Between 3250 and 6190	●	(295,282)
S0068	Georgiana Molloy Bus Bay Facilities	●	(149,610)
S0314	Koorabin Drive - Reseal	●	(123,592)
		Subtotal	(1,230,273)
Roads to Recovery			
T0004	Chapman Hill Road	●	29,701
T0016	Puzey Road	●	(74,914)
T0078	Taylor Rd Gravel Resheet Slk 0.00 - 1.14	●	25,726
T0079	Patton Terrace - Asphalt Overlay	●	(132,125)
T0080	Craig Street - Asphalt Overlay	●	(72,793)
T0084	Yelverton Road- Rural reconstruction & widening	●	(123,115)
		Subtotal	(347,520)
Council Roads Initiative			
W0019	Marine Terrace	●	(244,732)
W0066	Court Street	●	2,599
W0108	Yelverton Road	●	(472,180)
W0136	DAIP Issues District ACROD Bays, ramps, signs etc	●	(8,940)
W0137	Edwards Road	●	(75,997)
W0150	Roe Terrace Busselton	●	(10,002)
W0176	Signage (Alternate CBD Entry)	●	(30,000)
W0177	Strelly Street	●	(29,790)
W0192	Valley Road	●	(23,418)
W0198	Senior Citizens Access Road (Peel Tce)	●	29,207
W0200	Farquhar Rd Gravel Resheet Slk 0.60 - 2.10	●	(16,779)
W0201	McDonald Rd Gravel Resheet Slk 1.40 - 2.49	●	(11,867)
W0202	Costello Road - Asphalt Overlay	●	32,297
W0203	Coates Street - Asphalt Overlay	●	17,946
W0204	Greenfield Road (Loop) - One way layout	●	(26,720)
		Subtotal	(894,626)
		Sub-Total Infrastructure	(13,500,015)

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

Investment Report

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

30 November 2017

As at 30 November 2017, the value of the City's invested funds totalled \$94.27M, down \$1M from the balance as at 1st November.

During the month of November \$10.5M in term deposit funds matured. Three deposits were renewed for an average of 130 days at an average rate of 2.44%. One deposit was closed for operational reasons.

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 \$3.5M due to the closure of a term deposit and funds being transferred in from the Foreshore account. The balance of the Airport development ANZ cash account reduced by \$980,000.00, with the funds being transferred back to the City's cheque account to reimburse payments made.

31 December 2017

As at 31 December 2017, the value of the City's invested funds totalled \$83.64M, down from \$94.27M as at 30th November.

During the month of December \$22.0M in term deposit funds matured, with \$14.M relating to the Airport Redevelopment Project and \$8.0M being general City funds.

Of the Airport Funds, only one deposit in the amount of \$4.0m was rolled for a further 60 days at a rate of 1.85%. Deposits totalling \$8.0m were closed to meet the expected expenses to be incurred over the coming months.

Of the \$8.0M of general City funds, \$3.5M was rolled for a further 120 days at 2.30% and a deposit totalling \$4.5M was closed for operational reasons.

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) reduced by \$2.5M with the funds being used for general operating purposes. The balance of the Airport development ANZ cash account increased by \$6.37M, as funds flowed from closed term deposits.

The RBA left official rates on hold during November and December with projections for Rates to remain steady for some months before beginning to rise possibly at some stage late in 2018.

Chief Executive Officer – Corporate Credit Card

Details of monthly (October) 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
29-Oct-17	\$313.72	Rendezvous Hotel, Sydney	Accom. – Airport Meetings (27TH NOV 17)
13-Nov-17	\$156.53	Perth Valet Parking	Airport Meetings
22-Nov-17	\$55.00	Caltex, Halls Gap	* Fuel LGCOG Conference
24-Nov-17	\$68.00	The Lorne Hotel	* Dinner LGCOG Conference
25-Nov-17	\$49.86	BP Leopold	* Fuel For Hire Car
25-Nov-17	\$507.42	Rydges On Swanston Carlton	Accomm: Airport Meetings 26 - 28 Nov
27-Nov-17	\$52.50	Spotto East Sydney	Taxi - Airport Meetings 26-28 Nov
27-Nov-17	\$313.72	Rendezvous Hotel Sydney The Rocks	Accomm: Airport Meetings 26 - 28 Nov
27-Nov-17	\$303.49	Carri On Melbourne Tullamarine	Corporate Bag Business
27-Nov-17	\$10.01	BP Exp The Tulla Melbourne Airport	* Fuel For Hire Car
27-Nov-17	\$25.25	Endeavour Tap Rooms The Rocks	Drinks - Airport Meetings 26 - 28 Nov
27-Nov-17	\$50.54	Rydges On Swanston Carlton	Parking - Airport Meetings 26 - 28 Nov
28-Nov-17	\$47.78	Taxi Combined Alexandria	Taxi - Airport Meetings 26-28 Nov
28-Nov-17	\$17.64	GM Cabs Pty Ltd Mascot	Taxi - Airport Meetings 26-28 Nov
28-Nov-17	\$30.40	Phoenix On Walker North Sydney	Breakfast Airport Meetings 26 - 28 Nov
28-Nov-17	\$19.43	GM Cabs Pty Ltd Mascot	Taxi - Airport Meetings 26-28 Nov
28-Nov-17	\$15.75	GM Cabs Pty Ltd Mascot	Taxi - Airport Meetings 26-28 Nov
01-Dec-17	\$101.88	The Goose	Staff Farewell
08-Dec-17	\$97.60	Mealup Aka Hummingbird	Strategic Breakfast with SWDC
15-Dec-17	\$169.00	The Haus Studio Apartments	Deposit Accom: LGCOG EA Alliance Meeting April '18
15-Dec-17	\$511.50	EB*LG COG EA Meeting	LG COG EA Alliance Meeting Rego
14-Dec-17	\$4,706.50	Rustico At Hayshed Hill	Councillors Christmas Function
20-Dec-17	\$680.60	Trybooking	LG COG Conference 14-16 Feb
20-Dec-17	\$54.61	Paypal - Stereotype	New Font for Graphics
20-Dec-17	\$53.10	Bull & Bush Tavern, Boyanup	SW CEO's Lunch

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

+ Allocated against CEO Hospitality Expenses Allowance

CONCLUSION

As at 31 December 2017, the City's financial performance is considered satisfactory.

COUNCIL DECISION AND COMMITTEE RECOMMENDATION

C1801/004 Moved Councillor C Tarbotton, seconded Deputy Mayor J McCallum

That the Council receives the statutory financial activity statement reports for the periods ending 30 November 2017 and 31 December 2017, pursuant to Regulation 34(4) of the Local Government (Financial Management) Regulations.

CARRIED 9/0

EN BLOC

10.2 Finance Committee - 18/01/2018 - REVIEW OF POLICY 048 - LOANS

SUBJECT INDEX:	Policy
STRATEGIC OBJECTIVE:	Governance systems, process and practices are responsible, ethical and transparent.
BUSINESS UNIT:	Finance and Corporate Services
ACTIVITY UNIT:	Financial Services
REPORTING OFFICER:	Manager Financial Services - Kim Dolzadelli
AUTHORISING OFFICER:	Director, Finance and Corporate Services - Cliff Frewing
VOTING REQUIREMENT:	Simple Majority
ATTACHMENTS:	Attachment A Council Policy 048 - Loans - Tracked Change Version → Attachment B Council Policy 048 - Loans →

This item was considered by the Finance Committee at its meeting on 18 January 2018, the recommendations from which have been included in this report.

PRÉCIS

A review of Policy 048 – Loans has been undertaken and is presented for consideration of the Finance Committee for recommendation to Council.

BACKGROUND

Council Policy 048 – Loans was last reviewed in May 2015. Officers have completed a review of the Policy with the main changes surrounding the setting of criteria for the requirement of information required for applications for Self Supporting Loans. Other minor changes have also been made to acknowledge the relevance of this Policy in regard to Long Term Financial Planning and also to changes to the Department of Local Government, Sport and Communities changes in respect to Financial Ratios.

STATUTORY ENVIRONMENT

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

RELEVANT PLANS AND POLICIES

The Policy in question is already in existence, officers have reviewed the current Policy, last reviewed in May 2015.

FINANCIAL IMPLICATIONS

There are no Financial Implications associates with respect to the requested amendments to Policy 048 – Loans.

Long-term Financial Plan Implications

There are no Financial Implications associates with respect to the requested amendments to Policy 048 – Loans.

STRATEGIC COMMUNITY OBJECTIVES

This policy is consistent with fostering the following strategic objective:

Key Goal Area 6 - LEADERSHIP Visionary, collaborative, accountable

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

RISK ASSESSMENT

The requested amendments to Council Policy 048 – Loans will reduce any possible risk with respect to the application for Self Supporting Loans.

CONSULTATION

Relevant officers within the City have been consulted.

OFFICER COMMENT

Officers have completed a review of the Policy with the main changes surrounding the setting of criteria for the requirement of information required for applications for Self Supporting Loans. Other minor changes have also been made to acknowledge the relevance of this Policy in regard to Long Term Financial Planning and also to changes to the Department of Local Government, Sport and Communities changes in respect to Financial Ratios.

CONCLUSION

The officer commends the amended Policy to the Finance Committee for referral to Council.

OPTIONS

Should the Committee not agree with the requested amendments it could recommend to Council:

1. That the Policy remain unchanged,
2. Recommend alternative amendments, or
3. Recommend that the Policy be withdrawn.

TIMELINE FOR IMPLEMENTATION OF OFFICER RECOMMENDATION

Changes to the Policy would be implemented immediately.

COUNCIL DECISION AND COMMITTEE RECOMMENDATION

C1801/005 Moved Councillor C Tarbotton, seconded Deputy Mayor J McCallum

That the Council approve/adopt amended Policy "048 – Loans" shown at attachment A.

CARRIED 9/0

EN BLOC

13. COMMUNITY AND COMMERCIAL SERVICES REPORT

13.1 DESTINATION MARKETING: REGIONAL BRANDING

SUBJECT INDEX:	Tourism Development
STRATEGIC OBJECTIVE:	Events and unique tourism experiences that attract visitors and investment.
BUSINESS UNIT:	Community and Commercial Services
ACTIVITY UNIT:	Economic Development
REPORTING OFFICER:	Director, Community and Commercial Services - Naomi Searle
AUTHORISING OFFICER:	Director, Community and Commercial Services - Naomi Searle
VOTING REQUIREMENT:	Simple Majority
ATTACHMENTS:	Nil

PRÉCIS

In October 2014 a unified branding strategy for the combined Busselton and Margaret River regions proposed by a Regional Marketing Group was considered by Council. As a result, Council resolved (C1410/268) to support the further development of *'The Margaret River Region'* as the future umbrella brand identity for tourism destination marketing purposes. This was on the basis that associated 'location based' sub-brand identities accompany the umbrella brand.

This report provides an overview of the development and implementation of the branding strategy since its adoption and proposes an alternate strategy to better position localities within the Busselton district, ensuring the region capitalises on future marketing opportunities and positions itself as a prominent destination within the South West region.

BACKGROUND

On 26 March 2014, Council considered the Regional Marketing Group's (a forum of regional stakeholders in tourism, government and industry) recommendation for a unified regional brand identity - *'The Margaret River Region'*. Council resolved (C1403/081) its position to be as follows:

1. Acknowledges the Unified Regional Branding Strategy project undertaken by the Regional Marketing Group and its endorsement 'in-principle' of a proposed new tourism destination marketing brand for the Capes Region as being *'The Margaret River Region'*, noting that further development of sub-regional branding will occur with further input from stakeholder organisations including the City of Busselton;
2. Request that the Regional Marketing Group's consideration of the brands *'The Busselton Margaret River Region'* or *'The Margaret River Busselton Region'* or *'The Capes Region'* and the inclusion of sub-regions that retain the City of Busselton's major population points (Busselton, Dunsborough, Yallingup);
3. Contributes to the review of governance and structural arrangements that support visitor servicing and destination marketing of the Capes Region currently being undertaken by the Geographe Bay Tourism Association Inc (GBTA) and the Augusta-Margaret River Tourism Association Inc (AMRTA); and
4. Awaits the outcomes of the review of governance and structural arrangements of the GBTA and AMRTA before further consideration of its role and responsibilities in supporting visitor servicing and destination marketing including support for any proposed unified brand and associated sub-regional brands.

Point two (2) of the Council resolution, aimed to ensure the merits of including Busselton in a unified regional brand identity was fully explored. Subsequent to the Council resolution, Tourism Western Australia (TWA) commissioned market research company TNS, to undertake an in-depth study and analysis on the brand identity for the area from Busselton to Augusta and to compare this to existing research on Western Australian destinations.

On 20 August 2014, the CEO of TWA accompanied TNS to present the research findings to a closed briefing session of the Council.

The findings of the research supported the Regional Marketing Group's recommendation to adopt the brand identity *'The Margaret River Region'*, due to its strong awareness and appeal, particularly in interstate and international markets where Busselton and other brand identities appeared to have lower brand recognition.

The research recommended discontinuance of the originally proposed sub-brands (*Northern Bays; Bountiful Hinterland; Surf Coast and Wild South*) but did recommend that intrastate marketing efforts retain a sharp focus on associated 'location-based' sub-branding, with experiences/activities nested within. Locational sub-brands and associated experience/activities recommended by TNS were:

- Busselton ('Jetty' and 'Beaches');
- Dunsborough ('Family' and 'Beaches');
- Yallingup ('Surf' and 'Wines');
- Margaret River ('Wine' and 'Food', 'Spa'); and,
- Augusta ('Lighthouse', 'Whales').

The branding recommendation presented by TWA and TNS was considered formally by Council on 22 October 2014 resulting in Council resolving to: (C1410/268):

1. Acknowledge the independent tourism destination market research undertaken by TNS, for Tourism Western Australia; and,
2. Support further development of *'The Margaret River Region'* as the future umbrella brand identity for tourism destination marketing purposes, on the basis that associated 'location-based' sub-brand identities within the City of Busselton district (*'Busselton', 'Dunsborough'* and *'Yallingup'*) accompany the umbrella brand identity, as key destination points.
3. Continue to market and promote the City – Busselton, Dunsborough and Yallingup through the Marketing and Events Reference Group and other appropriate means as the destination of choice within *'The Margaret River Region.'*

Since the adoption of the branding strategy, recommendations made through the review of the GBTA and AMRTA governance and structural arrangements have been successfully implemented, resulting in the establishment of the Margaret River Busselton Tourism Association (MRBTA) on 1 July 2015. Through this newly established organisation, significant marketing efforts have been undertaken in line with the adopted branding strategy. Concerns however have been raised through various forums that the sub-brands of *'Busselton', 'Dunsborough'* and *'Yallingup'*, intended to accompany *'The Margaret River Region'*, brand have not been prominent in marketing activities, potentially resulting in reduced, or lost awareness of these destinations.

This report recommends that Council reviews its position in relation to the branding strategy with a view to building brand awareness of key destinations *'Busselton', 'Dunsborough'* and *'Yallingup'*.

STATUTORY ENVIRONMENT

There are no statutory considerations relating directly to this matter.

RELEVANT PLANS AND POLICIES

There are no plans or policies of the City of Busselton that relate directly to this matter.

FINANCIAL IMPLICATIONS

There are no financial implications relating directly to the Officer recommendation contained in this report. More broadly however, the City of Busselton currently applies a 10% Differential Rate to properties zoned industrial or commercial and applies the funds towards events and destination marketing activities, some of which are delivered by the MRBTA. The City also makes a financial assistance grant of \$159,500 (+ annual CPI) per annum to support the visitor serving operations of the MRBTA.

Long-term Financial Plan Implications

The 10% Industrial and Commercial Differential Rate has been factored into the City's Long Term Financial Plan, as has the annual contribution to the MRBTA for visitor servicing operations, albeit subject to individual multi-year funding agreements.

STRATEGIC COMMUNITY OBJECTIVES

This report aligns with the following City of Busselton Key Goal Areas identified in the City's 2017 Strategic Community Plan:

Key Goal Area 4: Economy

- 4.1 An innovative and diversified economy that provides a variety of business and employment opportunities as well as consumer choice.
- 4.2 A community where local business is supported and in turn drives our economy.
- 4.3 Events and unique tourism experiences that attract visitors and investment.

RISK ASSESSMENT

Risk	Controls	Consequence	Likelihood	Risk Rating
Some residents and businesses may perceive that not capitalising on the internationally renowned <i>Margaret River Region</i> brand will reduce the region's ability to attract visitors to the region	Continue to use and capitalise on the <i>Margaret River</i> brand in interstate and international marketing activities	Minor	Possible	Medium

Event organisers and/or airlines may not support the branding strategy	Ensure conditions in funding agreements/contracts stipulates the use of the revised branding strategy	Minor	Possible	Medium
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CONSULTATION

The initial recommendation to develop a uniform brand identity for destination marketing was made through a forum of regional stakeholders including Tourism Western Australia (TWA), South West Development Commission, Australia's South West Inc, the then Augusta Margaret River Tourism Association Inc and the then Geographe Bay Tourism Association Inc, Shire of Augusta-Margaret River, Margaret River Wine Industry Association Inc, the then Busselton Jetty and Environment Conservation Association Inc, Busselton Chamber of Commerce and Industry Inc, Dunsborough-Yallingup Chamber of Commerce and Industry Inc, Margaret River Chamber of Commerce and Industry Inc, City of Busselton, and Augusta Chamber of Commerce and Industry Inc.

The recommendation was guided by research and consultation undertaken by TWA and marketing firm *'Braincells'*, who also held meetings and workshops with stakeholder organisations in the wider tourism industry.

Subsequent to this, TWA engaged market research firm TNA to further assess the proposed branding strategy, the outcome of which supported the umbrella brand identity *'The Margaret River Region'* supplemented with 'location-based' sub-regional brand identifies for the City of Busselton District (*'Busselton'*, *'Dunsborough'* and *'Yallingup'*).

In June 2017 the City of Busselton engaged market research firm Catalyse to conduct a community survey to assist Council in prioritising where it should be allocating resources. Through this survey concerns were raised about the perceived 'take over' of Busselton's identity through *'The Margaret River Region'* marketing efforts. As a result, the City of Busselton's CEO and Mayor have met with MRBTA regarding these concerns. The initiative to progress a new branding strategy is not viewed as conflicting with MRBTA's *'The Margaret River Region'* brand, rather as an extension of this and as a way of creating awareness of the *'Busselton'*, *'Dunsborough'* and *'Yallingup'* as destinations in their own right.

OFFICER COMMENT

The amalgamation of the two regional tourism organisations, GBTA and MRBTA, was one of the catalysts for the regional branding strategy review. Whilst significant progress has been made through the implementation of recommendations made through the governance and structural arrangements of the two organisations and branding strategy review, concerns have been raised since this time by members of the community and Councillors that *'Busselton'*, *'Dunsborough'* and *'Yallingup'* have lost their identities to *'The Margaret River Region'* brand.

Council have previously (March and October 2014) supported of *'The Margaret River Region'* as an umbrella brand identify for tourism destination marketing purposes, on the basis that associated 'location-based' sub-brand identities within the City of Busselton District (*'Busselton'*, *'Dunsborough'* and *'Yallingup'*) accompanied the umbrella brand identity as key destination points. The primary concern raised at the time was the potential diminishing loss of identity of these localities to the *'Margaret River Region'* brand.

In mid-2017 a community survey undertaken by market research firm Catalyse identified a major concern of residents as being the use of 'The Margaret River Region' brand, in particular the lack of promotion of Busselton as a destination itself. Whilst the survey identified festivals, events, arts and cultural activities as strengths of the City, residents identified as a priority the need for the City to focus on the 'development and promotion of a strong place brand for "Busselton" to complete more effectively for tourism dollars, and developing the airport to support interstate and international travel.'

Viewed as a key economic development function, the survey found that residents want the City to focus on attracting investors, attracting and retaining businesses, and growing tourism and creating more job opportunities:

"Whilst being a member of Margaret River region Busselton still needs to promote itself as being the City with 75% of wineries and 66% of micro breweries in the region.

"We are Busselton not Margaret River! Take back our tourist bureau. Take back OUR wineries and chocolate factories and cheese factories and all our events."

With the development of the \$69.7m Busselton Margaret River Airport, the City of Busselton is responsible for the attraction and retention of new domestic and international services. Critical to the success of this is raising the region's brand awareness and accompanying marketing activities. As part of the overall project budget, a sum has been allocated towards an airline incentive program, inclusive of marketing funds to ensure new services have essential market exposure through the promotion of the destination itself and regional tourism attractions.

Coupled with this, concerns have also been raised that 'Margaret River' is potentially becoming the main beneficiaries of funds raised through the City's Industrial and Commercial Differential Rate allocated towards marketing and events.

Whilst research commissioned by TWA identifies 'The Margaret River Region' as having strong awareness and appeal, particularly in interstate and international markets, opportunities exist through the marketing of events and new domestic and international air services where Busselton, Dunsborough, and Yallingup can be promoted.

Opportunities exist to review the way in which the City of Busselton is promoted to ensure it creates its own brand identity distinct from Margaret River. A briefing was held with Council to discuss options and upcoming opportunities to re-position Busselton, Dunsborough and Yallingup as part of the overall regional branding strategy. The following recommendations were made, in lieu of supporting 'The Margaret River Region' as the umbrella brand and having accompanying location-based sub-brand identities Busselton', 'Dunsborough' and 'Yallingup':

Promotion of 'Busselton Margaret River' or 'Busselton Margaret River Region' as the regional brand
For events held in specific locations promotion of sub-regions (Busselton, Dunsborough, Yallingup)
For events held across the Capes region, promotion of 'Busselton Margaret River' or 'Busselton Margaret River Region'
For interstate and international marketing purposes, promotion of 'Busselton Margaret River'
For international marketing purposes, promotion of 'The Margaret River Region' until such time that Busselton has sufficient brand awareness in that segment.

Key opportunities where this revised strategy can be implemented are through the setting of conditions in event funding agreements and through the marketing of the Airport, noting that a considerable amount of funding will be allocated to this area in the upcoming years as part of the airline incentive package.

CONCLUSION

As a result of concerns raised since the implementation of *'The Margaret River Region'* regional branding strategy and a perceived lack of promotion of the accompanying sub-brand identities of *'Busselton, Dunsborough, and Yallingup'*, opportunities exist to review the way in which the City of Busselton is promoted to ensure it creates its own brand identity distinct from *Margaret River*. With the Busselton Margaret River Airport Development Project coming to fruition, the attraction of new domestic and international services, continued attraction of events, and upcoming regional marketing activities, key opportunities now exist to review the City of Busselton's branding strategy.

OPTIONS

Should Council not endorse the Officer Recommendation, it may choose to:

1. Retain its current position by supporting the existing *'The Margaret River Region'* brand with accompanying sub-brand identities; or
2. Recommend an alternative branding strategy.

TIMELINE FOR IMPLEMENTATION OF OFFICER RECOMMENDATION

Marketing activities would commence immediately following Council's resolution.

COUNCIL DECISION AND OFFICER RECOMMENDATION

C1801/006 Moved Councillor C Tarbotton, seconded Deputy Mayor J McCallum

That the Council adopts the following regional branding strategy as a new initiative to promote the City of Busselton District as a new direction:

- Promotion of *'Busselton Margaret River'* or *'Busselton Margaret River Region'* as the regional brand
- For events or specific marketing activities held in specific locations, promotion of sub-regions (*Busselton, Dunsborough, Yallingup*)
- For events or specific marketing activities held across the Capes region, promotion of *'Busselton Margaret River'* or *'Busselton Margaret River Region'*
- For interstate and international marketing purposes, promotion of *'Busselton Margaret River'*
- For international marketing purposes, promotion of *'The Margaret River Region'* until such time that Busselton has sufficient brand awareness in this segment.

CARRIED 9/0

EN BLOC

14. FINANCE AND CORPORATE SERVICES REPORT

14.1 LOCAL GOVERNMENT REPRESENTATIVE NOMINATION FOR APPOINTMENT TO THE BOARD OF THE SOUTH WEST DEVELOPMENT COMMISSION

SUBJECT INDEX:	Council and Board Appointment Nominations
STRATEGIC OBJECTIVE:	Governance systems, process and practices are responsible, ethical and transparent.
BUSINESS UNIT:	Finance and Corporate Services
ACTIVITY UNIT:	Governance Services
REPORTING OFFICER:	Director, Finance and Corporate Services - Cliff Frewing
AUTHORISING OFFICER:	Director, Finance and Corporate Services - Cliff Frewing
VOTING REQUIREMENT:	Simple Majority
ATTACHMENTS:	Nil

PRÉCIS

Council has been requested to nominate a local government representative to the South West Development Commission Board.

BACKGROUND

The South West Development Commission is headed by a Board that reports to the Minister for Regional Development and meets on a monthly basis. The main purpose of the Board is to set policy and makes decisions concerning a broad range of economic development projects and initiatives.

One of the Board members is filled by a local government representative and the Chief Executive Officer of the Commission has written to the City advising that there is a vacancy on the Board and requesting nominations to be submitted by Friday, 16 February 2018.

STATUTORY ENVIRONMENT

The South West Development Commission Board is established under the Regional Development Commission's Act 1993 and its objects are referred to at *Section 23 of the Act* which are as follows:

Regional Development Commission's Act 1993

Section 23. Objects and functions of a commission

(1) The objects of a commission are to —

- (a) maximize job creation and improve career opportunities in the region;*
- (b) develop and broaden the economic base of the region;*
- (c) identify infrastructure services to promote economic and social development within the region;*
- (d) provide information and advice to promote business development within the region;*
- (e) seek to ensure that the general standard of government services and access to those services in the region is comparable to that which applies in the metropolitan area; and*

(f) generally take steps to encourage, promote, facilitate and monitor the economic development in the region.

In addition the Commission has adopted a Board Charter and clause 3.1 of the Charter states that the role of Board Members is as follows:-

South West Development Commission Board Charter

Section 3.1 Role of Board Members

A Board member of a Regional Development Commission can be equated to that of a company director.

Board Members must represent the interests of the whole of the South West Region and not a specific locality.

The primary activities of a Board may be summarised as follows:

- *to set the overall strategic direction and goals for the Commission;*
- *to provide guidance on specific projects and initiatives;*
- *to formulate Commission policy;*
- *to review progress at regular intervals to ensure established goals are being achieved;*
- *to monitor Commission expenditure;*
- *to promote economic development;*
- *to represent the Commission at relevant meetings and functions;*
- *to provide a conduit between the Commission and the community;*
- *to facilitate cooperation between organisations in the region.*

RELEVANT PLANS AND POLICIES

There are no policies in relation to this subject, however, it is in the best interests of local government and the City of Busselton in particular, that the Board position is filled by a local government representative.

FINANCIAL IMPLICATIONS

There are no financial implications other than possible travel expenses incurred in attending Board meetings if a City owned vehicle is not used.

Long-term Financial Plan Implications

Nil

STRATEGIC COMMUNITY OBJECTIVES

This policy aligns with and supports the **Council's Key Goal Area 6** – 'Leadership' and more specifically **Community Objective 6.1** – 'Governance systems, process and practices are responsible, ethical and transparent'.

RISK ASSESSMENT

None identified.

CONSULTATION

It is not necessary to consult on this topic.

OFFICER COMMENT

A vacancy exists for a local government appointment to the South West Development Commission's Board of Management.

The Commission's role is to co-ordinate and promote economic development in the South West Region. Its aims include maximising job creation, broadening local economies, identifying the need for infrastructure services, providing information and advice to business and ensuring access to government services.

Applicants will be assessed on their ability to make a significant contribution to a board of management, together with a demonstrated involvement in either the economic or social development of the region. The terms of appointment are for one, two or three years. It is also important to note Board Members are required to represent the interests of the South West and not a particular locality.

A merit-based process will be used for selecting local government representatives to the Board Nominations, including a Curriculum Vitae which is required to be submitted. Applications are required to be submitted to the Hon Alannah MacTiernan MLC, Minister for Regional Development, C/- South West Development Commission by Friday, 16 February 2018.

Nominations from Councillors have been invited and one nomination has been received from Cr Grant Henley (Mayor).

There does not appear to be any specific condition stating that only one nomination is required to be submitted by a local government, nor does there appear to be any requirement for a Council to endorse any nomination. However, it would make sense for the Council to support a Councillor who has nominated for appointment to the Board of the Commission.

CONCLUSION

It is in the best interests of the City of Busselton to have a local government representative appointed as Board Member to the Commission.

OPTIONS

The Council may choose not to accept the nominations put forward and/or seek for expressions of interest from alternative Councillors for appointment to the Board of the Commission.

TIMELINE FOR IMPLEMENTATION OF OFFICER RECOMMENDATION

Any determinations on the nominations will be effective immediately the Council's decision is made.

COUNCIL DECISION AND OFFICER RECOMMENDATION

C1801/007 Moved Councillor C Tarbotton, seconded Deputy Mayor J McCallum

That the Council endorses the nomination from Cr Grant Henley (Mayor) to the South West Development Commission Board.

CARRIED 9/0

EN BLOC

14.2 LEASE AND FUNDING AGREEMENT FOR THE JOHN EDWARDS PAVILION, DUNSBOROUGH**SUBJECT INDEX:**

STRATEGIC OBJECTIVE:	Assets are well maintained and responsibly managed.
BUSINESS UNIT:	Corporate Services
ACTIVITY UNIT:	
REPORTING OFFICER:	Property Management Coordinator - Sharon Woodford-Jones
AUTHORISING OFFICER:	Director, Finance and Corporate Services - Cliff Frewing
VOTING REQUIREMENT:	Simple Majority
ATTACHMENTS:	Nil

PRÉCIS

The John Edwards Pavilion (the JEP) is located on a portion of Lot 4979 Caves Road, Dunsborough, Reserve 43008. The JEP and other similarly located sporting facilities serve the Dunsborough Playing Fields. The sporting groups that use the JEP currently do so by entering into seasonal hire permits. The Dunsborough Football Club Inc (DFC), a seasonal user with a long association with the building, has put forward a proposal to improve and expand the facility and has requested both funding and a lease from the City for that purpose.

BACKGROUND

On 24th July 2013 Council considered a report on the subject of a lease of the JEP and other buildings used by sporting groups in this location. The proposal at the time followed a long period of consultation among the users of the buildings and the playing fields, resulting in the formation of one consolidated incorporated body, the Naturaliste Sports Club (the NSC). The NSC then sought security of tenure over all the buildings for the benefit of the numerous clubs and their varied activities.

Council resolved in part (C1307/196):

"...to enter into a lease with the Naturaliste Sports Club Incorporated for the occupation of a portion of Lot 3003, on Deposited Plan 19111... subject to the following:

- (a) the lease shall be consistent with the City's standard community and sporting group lease;*
- (b) the term of the lease to be 5 years, commencing on 30 August 2013 with a further 5 year option; and*
- (c) the annual rent to be \$188 inclusive of GST with annual CPI rent reviews.*

As a result of disparity between the membership, the NSC unfortunately disbanded and the lease was never entered into. The City has therefore been managing the use of both the JEP and other buildings by offering the users seasonal hire permits. The fee charged for these temporary permits is based on cost recovery for services and insurance but does not cover the cost of maintaining the buildings or carrying out any improvement or upgrade to the facilities. It is some time since the facilities were overhauled or improved.

In August 2017 a meeting was held between City representatives and representatives from the DFC concerning a proposal to extend the JEP. The concerns aired by the DFC were around the inadequacy of the existing facility to accommodate increasing numbers of both participants and spectators.

It is planned to build new sporting facilities in Dunsborough Lakes at Lot 10 Commonage Road, it is not anticipated that all facilities (including a new clubhouse) will be available for a number of years. In the meantime, the growth of sports such as netball, basketball, cricket and soccer and the need for interim facilities is ongoing.

The DFC representatives proposed an extension to the JEP that will improve the condition and the amenities of the building and render it suitable for use by the DFC and other local sporting groups. Via a notice of motion issued by the Mayor, Council considered the DFC'S proposals and an associated budget amendment and resolved (in part) as follows:

C1709/226:

“That the Council:

- 1. approves a budget amendment for a contribution of \$100,000 from the Infrastructure Development Reserve to co-fund the extension to the John Edwards Pavilion at the Dunsborough Playing Fields (within the 2017/2018 Budget).*
- 2. delegates authority to the CEO to enter into negotiations with the Dunsborough Sharks Football Club for a lease for the John Edwards Pavilion, including provisions that ensure reasonable access for other user groups including but not limited to netball and an orderly transition to future facilities.*
- 3. Delegates authority to the CEO to formalise a Funding Agreement with the Dunsborough Sharks Football Club outlining the necessary terms and conditions to be granted the \$100,000 contribution including the required acquittal process”*

Whilst the resolution above refers to the Dunsborough *Sharks* Football Club, the leading incorporated association is the Dunsborough Football Club Inc. The DFC is in essence now a collective of the Dunsborough Sharks (Juniors), the Dunsborough-Yallingup Mulies (Mens), the Dunsborough Ducks (Masters) and the Dunsborough Dragon Slayers (Womens). The DFC has recently amended the objects of their association to: *“foster and promote Australian Rules Football for both male and female and junior and senior plays and supporters”*. The intent of the change being to have an inclusive set of objectives that meets the needs and demands of the sporting groups with a vested interest in the future use and development of the JEP.

Since the resolution referred to above, City officers have been in discussions with representatives of the DFC concerning the terms of the proposed lease, the funding arrangement and the scope of works proposed in relation to the extension and improvement of the JEP. As the DFC require security of tenure over the building before commencing works it is recommended the appropriate lease and funding arrangements are formalised in order to progress the proposal.

STATUTORY ENVIRONMENT

The City of Busselton Local Planning Scheme 2021 will apply to any development proposal received for the land.

When disposing of property whether by sale, lease or other means, a Local Government is bound by the requirements of section 3.58 of the Local Government Act 1995 (LGA) to advertise the disposition and have regard to any submissions made. Section 3.58 of the LGA provides exemptions to this process. Regulation 30(2)(b) of the Local Government (Functions and General) Regulations exempts disposals of land to incorporated bodies who are not for profit. The constitution of the DFC is such that this exemption applies.

The JEP is located on Lot 4979, Plan 19038, Volume LR3103, Folio 341, Caves Road on Reserve 43008 vested in the City of Busselton. The City has management of the reserve with power to lease for a term not exceeding 21 years, subject to the consent of the Minister for Lands.

RELEVANT PLANS AND POLICIES

The proposals in relation to the recommended terms and provisions of the lease are consistent with Policy 248 – Leases of City land and Buildings.

FINANCIAL IMPLICATIONS

According to estimates provided by the DFC, the total cost of the expansion project is expected to be approximately \$200,000. The DFC is willing to make a cash contribution of \$60,000 plus a contribution in kind from trades within their membership in the region of \$40,000.

The previous resolution of Council, in support of the City's contribution to the project, facilitates the allocation of \$100,000 from the Infrastructure Development Reserve for this purpose. The means by which this funding will be made available to the DFC is expanded on in the Officer Comment section of this report. Any costs overrun above the estimated \$200,000 will be borne by the DFC, with the City's contribution capped at \$100,000.

The standard community lease terms require the tenants to pay outgoings including services and insurance as well as meet the cost of maintenance and repair of the building, including structural repairs.

Long-term Financial Plan Implications

The DFC has requested that recognition be given to the monetary contribution they are making to the improvements to the JEP in the event of their exclusion from the JEP in favour of a non football related sporting group such as cricket or netball, once new facilities planned for Lot 10 Commonage Road are made available. City officers have agreed to acknowledge in writing the contribution made by the DFC to the JEP and record the circumstances under which this might be offset against any monetary contribution should it be required from clubs in connection with fit out at the new Lot 10 facilities.

For the sake of clarity there is no suggestion that the financial contribution made by the DFC be taken into consideration should the DFC either disband or choose to vacate the JEP of their own accord during the term of the lease. Further, there will be no requirement for DFC's financial contribution to be offset in the future if none of the other sporting groups are required to make a contribution to the fit out of alternative facilities. Equally, should the DFC effectively be operating out of both the JEP **and** the new facilities at Lot 10, no element of the contribution made to the JEP will be offset towards fitout of the new clubhouse.

STRATEGIC COMMUNITY OBJECTIVES

The recommendation in this report reflects Key Goal Areas 1 and 2 and specifically Community Objectives 1.3 and 6.4 of the City's Strategic Community Plan 2017 namely:

“A community with access to a range of social and recreational facilities and experiences”

“Assets are well maintained and responsibly managed”

RISK ASSESSMENT

There are no identified risks of a medium or greater level associated with the Officer recommendation so far as the lease is concerned. So far as the financial implications of the recommendation are concerned, see the table below.

<i>Risk</i>	<i>Controls</i>	<i>Consequence</i>	<i>Likelihood</i>	<i>Risk Level</i>
Building costs exceed \$200,000 or in kind contributions are insufficient to complete the project.	<p>An agreed scope of works forms part of the funding agreement.</p> <p>The City's funding contribution is made in staged payments on completion of agreed milestones in the Funding Agreement.</p> <p>The City's funding contribution is subject to signing of the lease.</p>	Minor financial less than \$250k	Possible	Medium 8

CONSULTATION

Following the initial meeting in August 2017 there have been a number of communications with the president of the DFC concerning the proposal, both in relation to the scope of works for the project and the terms of the proposed lease.

Whilst the DFC is not the official representative body for other users of the facilities, such as Basketball, Netball, Yallingup Board Riders and the Smiths Beach Surf Lifesaving Club, the DFC has confirmed that these groups will benefit from the improvements to the JEP and that access to the new expanded JEP will be facilitated. At the time of writing the DFC await letters of support from these groups to the proposal. It is also proposed that provisions be included in the lease dealing with use of the JEP by other sporting groups such as those listed above.

OFFICER COMMENT

The ultimate objective is to extend the JEP by approximately 120 m² and include an upgrade of the kitchen and relocation of the bar. The DFC's initial proposition was for a two stage development involving, firstly, the construction of a freestanding verandah over a concrete hardstand which they would fund, and secondly, the enclosure of this verandah and integration into the remainder of the building.

With the injection of \$100,000 by the City, together with the cash and in-kind contribution of the DFC, the entire project can however be carried out in one stage. All parties agree that this will be much more cost effective.

With respect to funding of the expansion, it is proposed that a funding agreement is entered into which documents the contributions being made by the City and DFC respectively. This agreement will provide for the staging of payments from the City to the DFC, linked to progress of the construction. Council is therefore requested to resolve that the CEO be given authority to enter into an appropriate agreement for that purpose.

The DFC would like to conclude the expansion and improvement works in time for the commencement of the 2018 season in May. Whilst City officers will do everything within their control to facilitate this, there are some formalities that the DFC needs to attend to such as obtaining their sealed constitution from the Department of Commerce. City officers also await details of the scope of works for the JEP expansion and submission of an application for Development Approval before actual works can commence.

It is proposed that a lease be entered into for an initial term of 5 years, with a further 5 year option, and that the City's standard community and sporting group lease provisions apply. It is also proposed that the permitted use of the JEP will be for purposes consistent with the objectives of the DFC's association. The lease will include provisions that require the DFC to make the facility available for hire by other sporting and community groups such as Basketball, Netball, Yallingup Board Riders and the Smiths Beach Surf Lifesaving Club, at a rate that is comparable to the hire fees charged to similar users by the City.

CONCLUSION

The granting of a lease to the DFC is in keeping with the leasehold arrangements the City have with other sporting groups, and formalises and documents responsibility for management and maintenance of the JEP.

The proposed funding arrangements and agreement facilitates the overhaul of the JEP for use by the DFC and other sporting groups and extends the useful life of the building for the immediate future. It is therefore recommended that Council consider entering into a lease and funding agreement on the terms and conditions detailed in the officer recommendation.

OPTIONS

1. Council can resolve not to enter into a lease with the DFC and take responsibility for the maintenance and management of the JEP indefinitely.
2. Council can resolve to enter into a different term of lease.

TIMELINE FOR IMPLEMENTATION OF OFFICER RECOMMENDATION

The format of the standard community lease has been provided to the DFC. As the JEP is on crown land reserve, pre-approval of the document must be obtained from the Minister for Lands before it can be signed. It is anticipated that signing of the lease will be as soon as practicable thereafter and no later than the end of March 2018.

COUNCIL DECISION AND OFFICER RECOMMENDATION**C1801/008** Moved Councillor C Tarbotton, seconded Deputy Mayor J McCallum

That the Council:

1. Subject to the consent of the Minister for Lands, authorises the CEO to enter into a lease with the Dunsborough Football Club Inc for the occupation of the building known as the John Edwards Pavilion which stands on a portion of Lot 4979, Plan 19038, Volume LR3103, Folio 341, Caves Road on Reserve 43008 as shown on Attachment 1 subject to the following:
 - a) The annual rent being \$210 inclusive of GST with annual CPI rent review
 - b) The term of the lease will be 5 years with a further 5 year option; and
 - c) The lease will be consistent with the City' standard community and sporting group lease with the exception of a provision that requires the lessee to obtain the prior approval of the City to their schedule of facility hire charges for the purpose of ensuring the availability of the leased premises for other sporting groups wishing to use the facility.
2. Authorises the CEO to enter into formal funding arrangements with the Dunsborough Football Club Inc detailing the means by which funds are to be secured and administered for the purpose of expansion and improvements to the John Edwards Pavilion.

CARRIED 9/0**EN BLOC**

15. CHIEF EXECUTIVE OFFICER'S REPORT

15.1 COUNCILLORS' INFORMATION BULLETIN

SUBJECT INDEX:	Councillors' Information
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 - Katie Dudley
AUTHORISING OFFICER:	Chief Executive Officer - Mike Archer
VOTING REQUIREMENT:	Simple Majority
ATTACHMENTS:	Attachment A Planning Applications received by the City between 16 November, 2017 and 31 December 2017 ⇒
	Attachment B Planning Applications determined by the City between 16 November, 2017 and 31 December, 2017 ⇒
	Attachment C State Administration Tribunal Report ⇒
	Attachment D Meelup Regional Park Management Committee Minutes ⇒
	Attachment E Meelup Regional Park Management Committee Annual Report ⇒
	Attachment F WALGA Summary ⇒
	Attachment G WALGA Quarterly Overview ⇒

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

15.1.1 Planning and Development Statistics

Attachment A is a report detailing all Planning Applications received by the City between 16 November, 2017 and 31 December 2017.

Attachment B is a report detailing all Planning Applications determined by the City between 16 November, 2017 and 31 December, 2017.

15.1.2 State Administration Tribunal

Attachment C is a list showing the current status of State Administrative Tribunal Appeals involving the City of Busselton as at 19 January, 2018.

15.1.3 Meelup Regional Park Management Committee

Attachment D shows the Meelup Regional Park Management Committee Minutes for the meeting held on 23 November 2017.

Attachment E shows the Meelup Regional Park Management Committee Annual Report.

15.1.4 WALGA Summary

Attachment F is a copy of the WALGA State Council and Zone Agenda summary for November/December 2017.

Attachment G is a copy of the WALGA Quarterly Review.

COUNCIL DECISION AND OFFICER RECOMMENDATION

C1801/009 Moved Councillor C Tarbotton, seconded Deputy Mayor J McCallum

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

- 15.1.1 Planning and Development Statistics
- 15.1.2 State Administration Tribunal
- 15.1.3 Meelup Regional Park Management Committee
- 15.1.4 WALGA Summary

CARRIED 9/0

EN BLOC

11. PLANNING AND DEVELOPMENT SERVICES REPORT

Nil

12. ENGINEERING AND WORKS SERVICES REPORT

Nil

10. REPORTS OF COMMITTEE

10.3 Finance Committee - 18/01/2018 - BUDGET AMENDMENT REQUEST

SUBJECT INDEX:	Budget Planning and Reporting
STRATEGIC OBJECTIVE:	Governance systems, process and practices are responsible, ethical and transparent.
BUSINESS UNIT:	Finance and Corporate Services
ACTIVITY UNIT:	Finance and Corporate Services
REPORTING OFFICER:	Manager Financial Services - Kim Dolzadelli
AUTHORISING OFFICER:	Director, Finance and Corporate Services - Cliff Frewing
VOTING REQUIREMENT:	Absolute Majority
ATTACHMENTS:	Attachment A College Avenue Shared Path Map⇒

This item was considered by the Finance Committee at its meeting on 18 January 2018, the recommendations from which have been included in this report.

PRÉCIS

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

BACKGROUND

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

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

1. "Shared Path/Footpath Projects"

BACKGROUND

The City has been presented with a Western Australian Bicycle Network grant offer for the construction of a Shared Path along College Avenue, Busselton. This Shared Path will provide a strategic north-south connection between the Busselton Bypass and the Busselton LIA & CBD. The WABN grant requires matching funding of \$190,000.

The City has pre-committed funding from the WABN grants for 2018/19 therefore this project would not normally be funded until 2019/20 or later. It is proposed to bring forward the construction of the footpath project largely by using funds allocated to the construction of a footpath in Dunsborough Lakes Drive as there are delays in gaining approvals to commence this project as well as other works identified in the table below.

PLANNED EXPENDITURE ITEMS

The College Avenue Shared Path has been developed internally with consultation with adjacent property owners underway. Notwithstanding the potential outcomes of this consultation this project is ready for issue to the Works division and is construction ready. There are no foreseeable matters that would hinder delivery and grant acquittal by Mid-June 2018.

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

Table 1:

<i>Cost Code</i>	<i>Description</i>	Current Budget	Change	Proposed Amended Budget
F0063	Yallingup Footpaths	(31,195)	31,195	0
F0035	Dunsborough Lakes Drive to NCC	(152,000)	145,000	(7,000)
F0075	Armitage Drive Footpath - Navigation Way to Avocet Boulevard	-(60,000)	13,805	(46,195)
"New"	College Avenue Shared Path	0	(380,000)	(380,000)
WABN Grant "New"	WABN Grant Income	190,000	190,000	190,000
Total		(243,195)	0	(243,195)

PROPOSED OUTCOME

The acceptance for the grant for the construction of the College Avenue Shared Path would ensure that the north-south strategic connection is cofounded and delivered in a timely manner.

2. "Drainage Project Amendments"**BACKGROUND****Johnston Avenue Drainage project**

The construction of the proposed drainage infrastructure in Yallingup will be delayed due to the approvals required from the Department of Aboriginal Affairs associated with working within a listed heritage site. It is proposed to bring forward stage 2 of the Johnston Avenue Drainage project whilst the required consultation is undertaken and approvals gained for the Yallingup works.

Vasse Highway Drainage upgrade project

The Vasse Highway Drainage upgrade project is a drainage upgrade for the Vasse Townsite to reduce the ongoing ponding of water adjacent to the roadway through Water Sensitive Urban Design (WSUD) techniques. During the delivery of this project a significant amount of unsuitable material was identified requiring additional excavation and earthworks, this resulted in an increase in the quantity of replacement modified filtration medium. Due to this increase excavation additional pipework was included to reduce the potential risk to surrounding infrastructure hence an increase to Budget is required.

PLANNED EXPENDITURE ITEMS**Johnston Avenue Drainage project**

Stage 2 of the Johnston Avenue drainage has been designed and document with all consultation being finalised. This project is ready for issue to the Works division and is construction ready. This project can be fully delivered this financial year.

Vasse Highway Drainage upgrade project

This project is currently under construction.

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

Table 2:

<i>Cost Code</i>	<i>Description</i>	Current Budget	Change	Proposed Amended Budget
D0015	Valley Road Drainage upgrade	(258,010)	250,000	(8,010)
D0017	Vasse Highway Drainage Works	(25,000)	(30,000)	(55,000)
D0018	Johnston Avenue Drainage upgrade – Stage 2	0	(220,000)	(220,000)
Total		(283,010)	0	(283,010)

PROPOSED OUTCOME**Johnston Avenue Drainage project**

The proposed amendment for stage 2 of Johnston Avenue Drainage would ensure that this project is finalised and the risk of property flooding and future inundation of Bussell Highway in this area is addressed prior to the 2018 winter.

Vasse Highway Drainage upgrade project

Completion of this project to an appropriate standard.

STATUTORY ENVIRONMENT

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

RELEVANT PLANS AND POLICIES

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

FINANCIAL IMPLICATIONS

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

Long-term Financial Plan Implications

N/A

STRATEGIC COMMUNITY OBJECTIVES

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

RISK ASSESSMENT

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

CONSULTATION

Consultation has occurred with the appropriate City of Busselton officers.

OFFICER COMMENT

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

CONCLUSION

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

OPTIONS

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

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

C1801/010 Moved Deputy Mayor J McCallum, seconded Councillor R Reekie

ABSOLUTE MAJORITY DECISION OF COUNCIL REQUIRED

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

CARRIED 9/0

10.4 Airport Advisory Committee - 18/01/2018 - BUSSELTON-MARGARET RIVER AIRPORT - AIRPORT UPDATE

SUBJECT INDEX:	Busselton-Margaret River Airport
STRATEGIC OBJECTIVE:	Assets are well maintained and responsibly managed.
BUSINESS UNIT:	Commercial Services
ACTIVITY UNIT:	Commercial Services
REPORTING OFFICER:	Airport Operations Coordinator - David Russell Manager, Commercial Services - Jennifer May
AUTHORISING OFFICER:	Director, Community and Commercial Services - Naomi Searle
VOTING REQUIREMENT:	Absolute Majority
ATTACHMENTS:	Nil

This item was considered by the Airport Advisory Committee at its meeting on 18 January 2018, the recommendations from which have been included in this report.

PRÉCIS

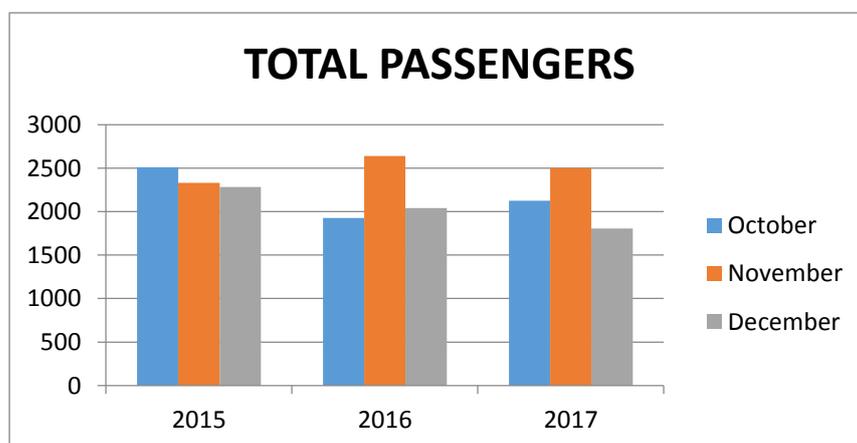
This report provides an overview on the Busselton-Margaret River Airport (BMRA) operations and activities for the reporting period 1 October 2017 to 31 December 2017.

BACKGROUND

The BMRA has seen a decrease in the overall FIFO / charter passenger numbers compared to the same period for 2015/16, which can be attributed to the withdrawal of the Maroomba / Ad Astral services to the Karrara mine site in December 2015 and a reduction in private charter passengers from 2016 to 2017.

Below is a table indicating the number of total passengers travelling through BMRA for the reporting period of 1 October to 31 December for 2015, 2016 and 2017:

	Total Arriving & Departing Passengers		
	2015	2016	2017
October	2512	1925	2125
November	2331	2640	2501
December	2284	2039	1804
TOTAL	7127	6604	6430



The total number of departing FIFO services from BMRA is currently 10 flights per week.

A total of 1091 aircraft landings were recorded for the period October-December 2017, a decrease from the numbers reported for the same period in 2016 (1303) and 2015 (1431). This reduction in aircraft landing is attributed to fewer skydiving operations, the removal of a weekday courier service in April 2017 and the Maroomba / Ad-Astral service as noted above. Busselton Aero Club training flight and emergency services operations have also decreased for the same period, however flight movements have increased for adventure flight operations in 2017.

Car Park

Car park usage has remained steady with regards to car parking numbers and a very slight increase in revenue.

Over the weekend of 6 January 2018, the car park was broken into with damage to 3 vehicles including one (1) vehicle having all wheels removed and sustaining panel damage with others having spot lights removed.

City Officers have reported this to Police and officers are investigating the use of CCTV to monitor all vehicles entering and exiting the car park and terminal roads with preliminary investigations estimating the cost to be in the \$20,000 to \$30,000 range.

Runway Closure

The City approved the airside construction contractors Ertech to close the runway for a four (4) day period (11/01/2018 – 16/01/2018) to conduct 24 hour operations for the preparation to relocate to temporary runway south, enabling works to be completed on the northern section of the runway before final commissioning of the permanent runway on 1 March 2018. The closure did not affect scheduled services and has been the only closure associated with the Airport Development Project.

Comprehensive consultation with all airport users, stakeholders and emergency services has been conducted prior to this operation taking place.

Temporary runway south will see the existing apron and taxiway closed with a temporary code B taxiway extension constructed to allow BMRA hanger owners/tenants to use the runway while the current apron and taxiway are closed.

CASA Surveillance

CASA conducted a Level 1 aerodrome surveillance from 6 - 9 November 2017 during which time six (6) safety observations and 10 safety findings were reported. City officers have responded to CASA on rectifications and will report all findings to the Airport Safety Management Committee when completed.

The below table indicates the areas identified as having safety findings or observations. The surveillance scope is the extent and boundaries of the surveillance activity.

Scope item	Findings Issued
Data and Documents	1
Personnel Rostering	Nil
Personnel Standards	Nil
Maintenance Assurance	4
Maintenance System	1
Works Control	7
Safety Assurance	2
Safety Policy and Objectives	Nil
Safety Promotion	Nil
Safety Risk Management	Nil
Access Control System	Nil
Aerodrome Emergency Response	Nil
Equipment, Personnel and Aircraft Movement Control	1

AV8 Charity Event

The City has received a request from AV8 Charity Flight, the event organiser for the AV8 Charity Flight to raise funds for Variety WA, to waive the landing fees and passenger facilitation fees for an event to be held on 10 March 2018. The event comprises of two (2) F100 aircraft, with expected passenger numbers of 200 to fly down to Busselton and spend the day in the region. The fundraising proceeds go to the Variety Club of WA.

The estimated total waived fees, including landing fees, passenger fees and staff costs, is expected to be \$5,900 (excl GST) and as such requires Council endorsement. The City supported this event last year through the waiving of landing and passenger facilitation charges. Other sponsors for this event include Virgin Australia Regional Airlines (VARA) and Margaret River Busselton Tourism Association (MRBTA)

NMP NON-COMPLIANCE REPORTING

Under the Noise Management Plan (NMP) the City is required to submit its annual compliance report to the Office of Environmental Protection Authority (OEPA) prior to 22 September 2018 for the reporting period of 23 June 2017 to 22 June 2018. For the period of 23 June 2017 to the current date there has been three non-conforming operations (all by the same operator) reported to the OEPA and one (1) out of an available twelve (12) CEO approved non-conforming activities (section 3.3.3 Approval for Non-Conforming Activity of the NMP) used for this reporting period.

STATUTORY ENVIRONMENT

The BMRA operates in accordance with the following: Aviation Transport Security Act 2004, Aviation Transport Security Regulations 2005, CASA MOS 139, Council's Transport Security Plan and City policies and procedures.

RELEVANT PLANS AND POLICIES

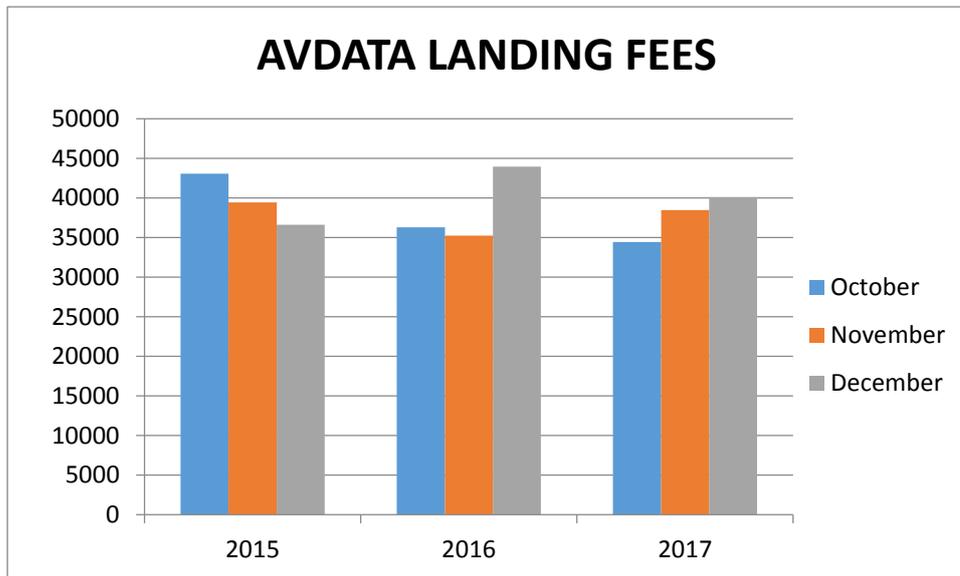
There are no policy implications with this report.

FINANCIAL IMPLICATIONS

Airport revenue for the 2017/2018 financial year to 31 December is \$441,719 compared to a projected year to date (YTD) budget of \$491,100. The main reasons for revenue being less than expected is due to the City having not received payment of VARA's December 2017 passenger fees estimated at \$20,000 and outstanding Avdata landing fee collection estimated at \$40,000.

Car parking revenue is slightly higher than expected with an income of \$119,938 compared to the projected YTD budget of \$112,500.

The graph below shows the landing fees collected by Avdata for the reporting period October - December 2017 in comparison to the same period for 2015 and 2016, noting that AVDATA have invoiced operators for December 2017 landings but the City has not received these fees as noted above.



Airport expenditure for 1 October 2017 to 31 December 2017 is \$373,457 compared to a projected YTD Budget amount of \$345,400. Expenditure at this time is higher than expected due to planned works for the site clearance and water tank relocation for the jet fuel facility having been performed earlier than expected. There are no financial implications as a result of this report.

Long-term Financial Plan Implications

There are no financial implications as a result of this report.

STRATEGIC COMMUNITY OBJECTIVES

The BMRA is consistent with following the City of Busselton's strategic Objectives:

Well Planned, Vibrant and Active Places:

- Infrastructure Assets that are well maintained and responsibly managed to provide for future generations;
- Connected City of Busselton Transport options that provide greater links within our district and increase capacity for community participation.

RISK ASSESSMENT

An assessment of the potential implications of implementing the officer recommendation has been undertaken using the City's risk assessment framework. The assessment sought to identify 'downside' risks only rather than 'upside' risks and where the risk, following implementation of controls, has been identified as medium or greater. No such risks were identified.

CONSULTATION

Consultation with Department of Transport, South West Development Commission, Aviation Projects, Government agencies, Airport stakeholders, Office of Transport Security (OTS), Civil Aviation Safety Authority (CASA), Virgin Australia Regional Airline, the Busselton Aero Club, Service Agencies, Albany, Esperance, Geraldton Airports and Australian Airports Association has been occurring on a regular basis concerning many topics and issues relating to the Airport.

OFFICER COMMENT

FIFO passenger numbers through the BMRA have remained steady with a reduction in Ad-hoc charter passengers compared to the same period last year. Officers expect FIFO passenger numbers to remain in line or above budgeted forecasts for the remainder of the financial year.

The October - December period has seen operational improvements, maintenance, scheduled inspections and staff training taking place including:

- Relocation of the water tanks for filling water bombing aircraft to make way for the Jet A1 fuel facility which will be operational in February 2018;
- Installation and replacement of boundary security signage;
- Arum Lilly eradication program;
- Rectification of CASA surveillance findings; and
- AAA Training webinars on NOTAM awareness and Aerodrome pavement design.

CONCLUSION

With airside and landside works well underway, the importance of maintaining a compliant aerodrome has been the utmost priority of the last quarter. The Airport Team continues to work with the Project Team for the upcoming completion of airside works and the challenges ahead this year.

As always officers will continue to provide a high level of customer service ensuring the airport is operating safely during this year and during the Airport Development Project.

OPTIONS

The Airport Advisory Committee chooses not to accept the Officers report.

TIMELINE FOR IMPLEMENTATION OF OFFICER RECOMMENDATION

Not Applicable

COUNCIL DECISION/COMMITTEE RECOMMENDATION AND OFFICER RECOMMENDATION

C1801/010

Moved Deputy Mayor J McCallum, seconded Councillor K Hick

ABSOLUTE MAJORITY DECISION OF COUNCIL REQUIRED

That the Council receives and notes the Airport operations update report and that the Council endorses the waiving of landing fees, passenger facilitation fees and staff costs for the AV8 Charity Flight to be held on 10 March 2018 to raise funds for Variety Club of WA for 2 x F100 aircraft and estimated 200 passengers to the value of \$5,900 (excl GST).

CARRIED 9/0

17. CONFIDENTIAL REPORTS

The reports listed below are of a confidential nature, in accordance with section 5.23(2) of the Local Government Act 1995. These reports have been provided to Councillors, the Chief Executive Officer and Directors only.

17.1 Airport Advisory Committee - 18/01/2018 - CHAPMAN LAND EXCHANGE CONTRACT - BUSSELTON-MARGARET RIVER AIRPORT DEVELOPMENT PROJECT

SUBJECT INDEX:	Busselton-Margaret River Airport
STRATEGIC OBJECTIVE:	Public transport services that meet the needs of the community.
BUSINESS UNIT:	Commercial Services
ACTIVITY UNIT:	Airport Development
REPORTING OFFICER:	Project Officer Contracts and Tendering - Ben Whitehill
AUTHORISING OFFICER:	Director, Community and Commercial Services - Naomi Searle
VOTING REQUIREMENT:	Simple Majority
ATTACHMENTS:	Attachment A Confidential Chapman Swap Land Attachment B Confidential City Swap Land

This item is confidential in accordance with section 5.23(2) (c) of the Local Government Act 1995, as it contains information relating to a contract entered into, or which may be entered into, by the local government and which relates to a matter to be discussed at the meeting.

This item was considered by the Airport Advisory Committee at its meeting on 18 January 2018, the recommendations from which have been included in this report.

COUNCIL DECISION AND OFFICER RECOMMENDATION

C1801/011 Moved Councillor P Carter, seconded Councillor C Tarbotton

That the Council:

1. Authorises the Chief Executive Officer to negotiate and enter into a land contract exchange with the Chapman family and related entities on terms and conditions consistent with those as outlined in this report;
2. Authorises the Chief Executive Officer to advertise an intended disposition of the disposition of land as outlined in this report and invite public submissions in accordance with Section 3.58(3) of the *Local Government Act 1995*; and
3. Delegates to the Chief Executive Officer the power and authority to consider submissions received pursuant to resolution 2 and, subject to not receiving any adverse submissions, to discharge of the Council's duties under Section 3.58(3) and to complete the land exchange contract.

CARRIED 9/0

13. COMMUNITY AND COMMERCIAL SERVICES REPORT

13.2 RFT20/17: Design and Construction of Airport Terminal - Busselton-Margaret River Airport

SUBJECT INDEX:	Busselton-Margaret River Airport
STRATEGIC OBJECTIVE:	Public transport services that meet the needs of the community.
BUSINESS UNIT:	Commercial Services
ACTIVITY UNIT:	Airport Development
REPORTING OFFICER:	Project Officer Contracts and Tendering - Ben Whitehill
AUTHORISING OFFICER:	Director, Community and Commercial Services - Naomi Searle
VOTING REQUIREMENT:	Absolute Majority
ATTACHMENTS:	Nil

PRÉCIS

The City of Busselton issued RFT20/17 to engage experienced contractors and consultants with the necessary expertise to undertake design and construction of the terminal building at Busselton-Margaret River Airport.

The City received four submissions in response to the request for tender. This report summarises the tender responses and makes a recommendation for the appointment of preferred tenderers.

BACKGROUND

The Airport Development Project, is a capital project with \$54.5 million of State Government funding and \$9.78 million of Federal Government funding. The contract for the design and construction of the airside infrastructure works was awarded in November 2016 and the contract for the design and construction of the landside civil and services infrastructure was awarded in October 2017.

The Terminal Building at Busselton-Margaret River Airport is to be designed and constructed in accordance with the City's requirements set out in the tender documentation and must satisfy the requirements of the City's funding partners. The specification and contract was prepared by City Officers, appointed project superintendent APP, associated design consultants, and Herbert Smith Freehills.

The design and construct works consist of, although is not limited to, the following items:

- Terminal building construction;
- Building services installation and connection including:
 - PA
 - EWIS
 - Fire detection
 - Fire hydrants, Fire Hose Reels and Fire Tank
 - Hydraulics and rain harvesting water tanks
 - Syphonic drainage
 - Mechanical
 - Sewerage
 - Power
 - Active equipment
 - BIM
 - Access Control
 - CCTV
 - Back-up generator

- Furniture, fitments and Equipment;
- Signage (wayfinding and regulatory)
- Security Screening equipment;
- Baggage Handling System;
- Terminal forecourt, including soft and hard landscaping;
- Terminal forecourt shelters;
- Fencing;
- Airside soft and hard landscaping, including access from the terminal gates to the apron.

All tenders received were within the allocated budget.

STATUTORY ENVIRONMENT

Part 4 (Tenders) of the *Local Government (Functions and General) Regulations 1996* requires that tenders be publicly invited for such contracts where the estimated cost of providing the total service exceeds \$150,000. Compliance with the section 3.57 of the Local Government Act 1995 is required in the issuing and tendering of contracts.

Regulation 20 of the *Local Government (Functions and General) Regulations 1996* permits a local government, after inviting tenders and having chosen a successful tenderer, to make a minor variation in the goods or services required and enter into a contract with the successful tenderer for the varied requirement without again inviting tenders. A minor variation is defined as a variation that the local government is satisfied is minor having regard to the total goods or services that tenderers were invited to supply.

Regulation 21A of the *Local Government (Functions and General) Regulations 1996* prevents a contract for the supply of goods or services from being varied with a successful tenderer unless the variation is necessary in order for the goods or services to be supplied and does not change the scope of the contract or if the variation is a renewal or extension of the term of the contract as described in the regulations.

RELEVANT PLANS AND POLICIES

The Busselton Regional Airport Expansion – Stage 2 is identified in the City’s Corporate Business Plan: “Subject to the outcome of the Busselton Regional Airport business case and the provision of external funding, progress with Stage 2 expansion of the airport to provide for interstate flights”.

The Busselton Regional Airport Master Plan (2016-2036) identifies future stages for development and the award of this tender will enable the City to progress those future stages.

The City’s purchasing, tender selection criteria, occupational health and safety and engineering technical standards and specifications were all relevant to this tender and have been adhered to in the process of requesting and evaluating tenders.

FINANCIAL IMPLICATIONS

The Busselton-Margaret River Airport Development Project is fully funded with \$54.5 million of State Government funding and \$9.78 million of Federal Government funding. A total of approximately \$14.7 million has been allocated to the terminal building works. The award of this tender, and any associated variations, will not exceed the overall project budget.

Long-term Financial Plan Implications

As part of the development of the State Government Business Case proposal for the project an operational financial model was developed which incorporated a 10-year financial plan. The model considered revenues and costs associated with the upgraded facility, including up-front and recurrent capital and ongoing operational expenditure. The model demonstrates that the upgraded facility will be self-sustainable, generating a modest profit into the future, to be transferred into the City's Airport Infrastructure Renewal and Replacement Reserve at the end of each financial year.

The Long Term Financial Plan (LTFP) is currently based on the 'here and now' scenario (stage 1), and will require updating to reflect the project, including ongoing operational and capital revenue and expenditure based on the redevelopment. This work has commenced and will be incorporated into future LTFP reviews.

STRATEGIC COMMUNITY OBJECTIVES

This report is consistent with the City of Busselton's Strategic Community Plan (2017) community goals and objectives.

Key Goal Area 5 - Transport:

- 5.1 Public transport services that meet the needs of the community.

RISK ASSESSMENT

A risk assessment was carried out and risks of medium and high associated with the awarding of the tender and the additional works proposed as minor variation are listed below:

<i>Risk</i>	<i>Controls</i>	<i>Consequence</i>	<i>Likelihood</i>	<i>Risk Level</i>
Delays with awarding the tender result in the State Government withdrawing funding from the project.	Officers are aware of obligations under the respective funding agreements.	Major	Possible	High

CONSULTATION

Project Governance Committee (South West Development Commission, City of Busselton, Tourism WA, Department of Treasury, Department of Transport and Department of Regional Development as observer only).

OFFICER COMMENT

Evaluation

The primary objective of RFT20/17 was to appoint a suitably experienced and qualified contractor for the design and construction of the Airport Terminal at Busselton-Margaret River Airport.

The documentation for RFT20/17 was issued on 27 November 2017. The request for tender closed on 9 January 2018 and the City received a total of four submissions as detailed below.

	Company	Location	Contact	Phone
1.	BGC Construction Pty Ltd (BGC)	Bunbury	Ross Marshall	08 9722 3100
2.	Cockram Construction Australia Pty Ltd (Cockram)	Perth	Greg Mithen	08 9330 2344
3.	Perkins (WA) Pty Ltd (Perkins)	Bunbury	Derek Wilkes	08 9721 7300
4.	Pindan Constructions Pty Ltd (Pindan)	Busselton	James Allingame	08 9471 5300

A tender evaluation panel was formed to evaluate the tender submissions. The evaluation panel members were as follows:

- Naomi Searle, Director – Community and Commercial Services;
- Andrew McColgan, Project Manager – APP Corporation;
- Jennifer May, Manager – Commercial Services; and
- Ben Whitehill, Project Officer – Contracts and Tendering.

As part of the tender evaluation process an initial compliance check was conducted to identify submissions that were non-conforming with the immediate requirements of the RFT. This included compliance with contractual requirements and the provision of requested information. All tenders were found to comply with the terms and conditions and mandatory requirements of the RFT.

Accordingly, each tender was scored according to the qualitative criteria included in the tender documentation as follows:

Criteria	Weighting
Relevant Experience	10 %
Key Personnel Skills and Experience	5 %
Tenderer's Resources	5 %
Demonstrated Understanding	20 %
Price	60 %

The net tendered price was scored using the 'average based scoring method' recommended by WALGA in the 'Local Government Purchasing and Tender Guide'.

The panel members individually assessed the qualitative criteria and then applied an average to provide a final rating. The scores were then added together to indicate the rankings for each tender.

Following the initial evaluation process, the panel has conducted tender interviews and sought clarifications from the two highest scoring tenderers PERKINS (WA) PTY LTD and PINDAN CONSTRUCTIONS PTY LTD. As at the date of this report the evaluation panel are finalising clarifications.

The confidential report gives further detail in relation to the relative merits of each of the individual tenderers. Officers recommend that PERKINS (WA) PTY LTD and PINDAN CONSTRUCTIONS PTY LTD be nominated as the best value for money tenders for the reasons outlined in the confidential report.

Variation of requirements before entry into contract

All tenders received were within the overall airport terminal project budget. However tenderers have provided as part of their submissions a number of value engineering options including alternative light fittings, alternative terrazzo suppliers and minor adjustments to the baggage handling specification. Some of these value engineering options are expected to be offset by other minor variations including having tiling in bathrooms to the ceiling instead of splashbacks.

Officers believe that the best mechanism for adjusting the extent of the works is to seek a variation of requirements prior to entering into the contract with the preferred tenderer pursuant to Regulation 20 of the *Local Government (Functions and General) Regulations 1996*.

Regulation 20 permits a local government, after inviting tenders and having chosen a successful tenderer, to make a minor variation in the goods or services required and enter into a contract with the successful tenderer for the varied requirement without again inviting tenders. A minor variation is defined as a variation that the local government is satisfied is minor having regard to the total goods or services that tenderers were invited to supply.

Officers believe that the changes in the extent of works is a minor variation because:

1. having regard to the total goods and services that tenderers were invited to supply the reduced goods and services do not significantly change the total goods and services supplied being, the design and construction services of the airport terminal at BMRA;
2. the variation would not alter the evaluation and assessment of the tenders;
3. in the context of the design and construct contract which was selected to allow opportunity to explore buildability and staging to meet the City's operational and financial objectives adjusting the requirements should only be considered a minor variation; and
4. there is unlikely to be any significant change in construction methodology.

For the reasons set out above, officers believe there are reasonable grounds upon which Council can be satisfied that the variations will be minor.

CONCLUSION

It is recommended that Council delegates authority to the CEO to negotiate with, after finalising clarifications and reference checks, either PERKINS (WA) PTY LTD and PINDAN CONSTRUCTIONS PTY LTD, the terms of the contract for a finalised lump sum price for the design and construction of the Terminal at Busselton-Margaret River Airport including any variations in accordance with Regulation 20 of the *Local Government (Functions and General) Regulations 1996* provided that the total cost does not exceed the budget.

It is also recommended that Council also delegates authority to the CEO to:

- a) to propose variations to the required works and services which variations are considered minor by the CEO;
- b) to determine whether the variations are minor in accordance with Regulation 20 of the *Local Government (Functions and General) Regulations 1996*;
- c) to agree any other variations to be included in the contract as a result of the varied works and services and which are considered reasonable by the CEO; and
- d) to enter into a contract with the chosen tenderer to supply the varied works and services.

OPTIONS

The Council may consider the following alternate options:

1. The Council may choose not to accept the Officer's Recommendation and award the tender to an alternate tenderer. In the view of the Officers this could result in a tender being awarded to a tenderer that has not presented the "best value for money" offer.
2. The Council may choose not to accept the Officer's Recommendation and not award the tender. This would mean going back out to tender, resulting in significant delays to the contract award and the Airport Development Project.
3. The Council may not choose to delegate authority to the CEO to propose and determine minor variations in accordance with Regulation 20 of the *Local Government (Functions and General) Regulations 1996*.
4. Not proceed with the development.

TIMELINE FOR IMPLEMENTATION OF OFFICER RECOMMENDATION

Negotiations with the preferred tenderer can be undertaken immediately after the Council has endorsed the Officer's recommendation. Subject to finalisation of the contract the successful tenderer will receive formal written notification of the resolution. All unsuccessful tender applicants will also be notified at this time. It is expected that the finalisation of the contract will take approximately one week.

COUNCIL DECISION AND AMENDED OFFICER RECOMMENDATION**C1801/012**

Moved Deputy Mayor J McCallum, seconded Councillor P Carter

ABSOLUTE MAJORITY DECISION OF COUNCIL REQUIRED

That the Council:

1. Endorses the outcomes of the evaluation panel's assessment in relation to Tender RFT20/17 – Design and Construction of Airport Terminal – Busselton-Margaret River Airport, which has resulted in the tender submitted by PINDAN CONSTRUCTIONS PTY LTD as being the best valued tender and the tender submitted by PERKINS (WA) PTY LTD being the second best valued tender.
2. Delegates authority to the CEO to negotiate and agree final terms and conditions with and to award a contract for a finalised lump sum price to PINDAN CONSTRUCTIONS PTY LTD for the design and construction of the Airport Terminal at Busselton-Margaret River Airport.
3. In the event that, in the discretion of the CEO, agreement with PINDAN CONSTRUCTIONS PTY LTD cannot be reached pursuant to resolution 2 above, delegates authority to the CEO to negotiate and agree final terms and conditions with and to award a contract for a finalised lump sum price to PERKINS (WA) PTY LTD for the design and construction of the Airport Terminal at Busselton-Margaret River Airport.
4. For purposes of:
 - a. finalising negotiations and awarding a contract pursuant to resolutions 2 and 3 above; and
 - b. execution of the contract and successful delivery of the project,

delegates authority to the CEO to negotiate and agree on variations in accordance with Regulations 20 and 21A of the *Local Government (Functions and General) Regulations 1996* subject to such variations not to exceed the overall project budget.

CARRIED 9/0

16. MOTIONS OF WHICH PREVIOUS NOTICE HAS BEEN GIVEN

Nil

18. QUESTIONS FROM MEMBERS

Nil

19. PUBLIC QUESTION TIME

Nil

20. NEXT MEETING DATE

Wednesday, 14 February 2018

21. CLOSURE

The meeting closed at 5.38pm.

THESE MINUTES CONSISTING OF PAGES 1 TO 55 WERE CONFIRMED AS A TRUE AND CORRECT RECORD ON WEDNESDAY, 14 FEBRUARY 2018.

DATE: _____

PRESIDING MEMBER: _____