

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

CITY OF BUSSELTON

MINUTES FOR THE COUNCIL MEETING HELD ON 13 MARCH 2019

TABLE OF CONTENTS

ITEM NO.	SUBJECT	PAGE NO.
1.	DECLARATION OF OPENING ACKNOWLEDGEMENT OF COUNTRY / ACKNOWLEDGEMENT OF VISITORS / DISCLAIMER / NOTICE OF RECORDING OF PROCEEDINGS.....	3
2.	ATTENDANCE	3
3.	PRAYER	3
4.	APPLICATION FOR LEAVE OF ABSENCE.....	4
5.	DISCLOSURE OF INTERESTS	4
6.	ANNOUNCEMENTS WITHOUT DISCUSSION.....	4
7.	QUESTION TIME FOR PUBLIC.....	4
8.	CONFIRMATION AND RECEIPT OF MINUTES	4
	Previous Council Meetings	4
	8.1 Minutes of the Council Meeting held 27 February 2019.....	4
	Committee Meetings.....	4
	8.2 Minutes of the Finance Committee Meeting held 21 February 2019	4
9.	RECEIVING OF PETITIONS, PRESENTATIONS AND DEPUTATIONS	5
10.	QUESTIONS BY MEMBERS OF WHICH DUE NOTICE HAS BEEN GIVEN (WITHOUT DISCUSSION)	5
11.	ITEMS BROUGHT FORWARD	5
	ADOPTION BY EXCEPTION RESOLUTION.....	6
12.	REPORTS OF COMMITTEE	6
	12.1 Finance Committee - 21/02/2019 - FINANCIAL ACTIVITY STATEMENTS - PERIOD ENDING 31 JANUARY 2019	6
14.	ENGINEERING AND WORK SERVICES REPORT	14
	14.1 PROPOSED PERMANENT ROAD CLOSURE - PORTION OF DUNN BAY ROAD, DUNSBOROUGH.....	14
15.	COMMUNITY AND COMMERCIAL SERVICES REPORT	17
	15.1 MARKETING AND EVENTS REFERENCE GROUP MEETING OUTCOMES	17
16.	FINANCE AND CORPORATE SERVICES REPORT	23
	16.1 COUNCILLORS' INFORMATION BULLETIN	23
20.	CONFIDENTIAL REPORTS.....	24
	20.1 AMENDMENTS TO KERBSIDE RECYCLING CONTRACT	24
	ITEMS FOR DEBATE	25
12.	REPORTS OF COMMITTEE	52
	12.2 Finance Committee - 21/02/2019 - BUDGET AMENDMENT REQUEST / REVIEW	25

18. MOTIONS OF WHICH PREVIOUS NOTICE HAS BEEN GIVEN 38
19. URGENT BUSINESS..... 38
21. CLOSURE 38

MINUTES

MINUTES OF A MEETING OF THE BUSSELTON CITY COUNCIL HELD IN THE COUNCIL CHAMBERS, ADMINISTRATION BUILDING, SOUTHERN DRIVE, BUSSELTON, ON 13 MARCH 2019 AT 5.30PM.

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

The Presiding Member opened the meeting at 5.30pm.

2. ATTENDANCE

Presiding Member:

Cr Grant Henley Mayor

Members:

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

Officers:

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

Apologies:

Nil

Approved Leave of Absence:

Cr Rob Bennett

Media:

Nil

Public:

0

3. PRAYER

The prayer was delivered at the conclusion of the Council meeting.

4. APPLICATION FOR LEAVE OF ABSENCE

Nil

5. DISCLOSURE OF INTERESTS**6. ANNOUNCEMENTS WITHOUT DISCUSSION****Announcements by the Presiding Member**

Nil

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

Nil

Question Time for Public

Nil

8. CONFIRMATION AND RECEIPT OF MINUTES**Previous Council Meetings****8.1 Minutes of the Council Meeting held 27 February 2019****COUNCIL DECISION****C1903/035**

Moved Councillor P Carter, seconded Councillor J McCallum

That the Minutes of the Council Meeting held 27 February 2019 be confirmed as a true and correct record.

CARRIED 8/0**Committee Meetings****8.2 Minutes of the Finance Committee Meeting held 21 February 2019****COUNCIL DECISION****C1903/036**

Moved Councillor C Tarbotton , seconded Councillor J McCallum

That the minutes of the Finance Committee meeting held on 21 February 2019 are noted.

CARRIED 8/0

9. RECEIVING OF PETITIONS, PRESENTATIONS AND DEPUTATIONS**Petitions**

Nil

Presentations

Nil

Deputations

Nil

10. QUESTIONS BY MEMBERS OF WHICH DUE NOTICE HAS BEEN GIVEN (WITHOUT DISCUSSION)**11. ITEMS BROUGHT FORWARD****For the convenience of the Public**

Nil

Adoption by Exception Resolution

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

COUNCIL DECISION/COMMITTEE RECOMMENDATION AND OFFICER RECOMMENDATION**C1903/037**



Moved Councillor J McCallum, seconded Councillor P Carter

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

- 12.1 Finance Committee - 21/02/2019 - FINANCIAL ACTIVITY STATEMENTS - PERIOD ENDING 31 JANUARY 2019
- 14.1 PROPOSED PERMANENT ROAD CLOSURE - PORTION OF DUNN BAY ROAD, DUNSBOROUGH
- 15.1 MARKETING AND EVENTS REFERENCE GROUP MEETING OUTCOMES
- 16.1 COUNCILLORS' INFORMATION BULLETIN
- 20.1 AMENDMENTS TO KERBSIDE RECYCLING CONTRACT

CARRIED 8/0**EN BLOC**

ADOPTION BY EXCEPTION RESOLUTION**12. REPORTS OF COMMITTEE****12.1 Finance Committee - 21/02/2019 - FINANCIAL ACTIVITY STATEMENTS - PERIOD ENDING 31 JANUARY 2019**

SUBJECT INDEX:	Budget Planning and Reporting
STRATEGIC OBJECTIVE:	Governance systems, process and practices are responsible, ethical and transparent.
BUSINESS UNIT:	Finance and Corporate Services
ACTIVITY UNIT:	Financial Services
REPORTING OFFICER:	Manager Financial Services - Kim Dolzadelli
AUTHORISING OFFICER:	Director Finance and Corporate Services - Tony Nottle
VOTING REQUIREMENT:	
ATTACHMENTS:	Attachment A Statement of Financial Activity - Period Ending 31 January 2019 
	Attachment B Investment Report - Period Ending 31 January 2019 

This item was considered by the Finance Committee at its meeting on 21 February 2019, 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 31 January 2019.

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 25 July 2018, the Council adopted (C1807/138) the following material variance reporting threshold for the 2018/19 financial year:

“That pursuant to Regulation 34(5) of the Local Government (Financial Management) Regulations, the Council adopts a material variance reporting threshold with respect to financial activity statement reporting for the 2018/19 financial year as follows:

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

STATUTORY ENVIRONMENT

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

RELEVANT PLANS AND POLICIES

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

FINANCIAL IMPLICATIONS

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

LONG-TERM FINANCIAL PLAN IMPLICATIONS

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

STRATEGIC COMMUNITY OBJECTIVES

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

RISK ASSESSMENT

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

CONSULTATION

Consultation is not applicable in relation to this matter.

OFFICER COMMENT

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

- 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 January 2019

The Statement of Financial Activity for the period ending 31 January 2019 shows a better than expected Net Current Position "Surplus" of \$18.8M being \$9.8M higher than year to date budget (YTD budget) of \$9M.

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

Description	2018/2019 Actual	2018/2019 Amended Budget YTD	2018/2019 Amended Budget	2018/19 YTD Bud Variance	2018/19 YTD Bud Variance
	\$	\$	\$	%	\$
Revenue from Ordinary Activities					
Operating Grants and Subsidies	2,469,786	2,103,095	4,166,540	17.44%	366,691
Other Revenue	705,564	216,241	362,981	226.29%	489,323
Expenses from Ordinary Activities					
Materials & Contracts	(9,265,579)	(10,834,439)	(18,952,210)	14.48%	1,568,860
Utilities (Gas, Electricity, Water etc.)	(1,275,713)	(1,498,277)	(2,569,240)	14.85%	222,564
Depreciation on non-current assets	(13,017,739)	(11,277,448)	(19,070,922)	-15.43%	-1,740,291
Insurance Expenses	(713,890)	(583,050)	(698,808)	-22.44%	-130,840
Other Expenditure	(1,795,000)	(2,729,313)	(4,795,009)	34.23%	934,313
Non-Operating Grants, Subsidies and Contributions					
	2,368,043	10,068,122	32,443,772	-76.48%	(7,700,079)
Adjustments for Non-cash Revenue & Expenditure					
Depreciation	13,017,739	11,277,448	19,070,922	-15.43%	1,740,291
Donated Assets	(42,000)	(5,000)	(8,365,000)	-740.00%	(37,000)
(Profit)/Loss on Sale of Assets	(72,306)	(18,075)	(47,560)	-300.03%	(54,231)
Capital Revenue & (Expenditure)					

Land & Buildings	(662,907)	(10,984,567)	(17,902,816)	93.97%	10,321,660
Plant & Equipment	(1,394,023)	(3,048,000)	(6,880,100)	54.26%	1,653,977
Furniture & Equipment	(189,613)	(502,094)	(883,640)	62.24%	312,481
Description	2018/2019 Actual	2018/2019 Amended Budget YTD	2018/2019 Amended Budget	2018/19 YTD Bud Variance	2018/19 YTD Bud Variance
Infrastructure	(11,460,748)	(21,352,808)	(37,380,261)	46.33%	9,892,060
Proceeds from Sale of Assets	594,785	786,750	1,045,950	-24.40%	(191,965)
Proceeds from New Loans	0	3,150,000	3,150,000	-100.00%	(3,150,000)
Advances to Community Groups	0	(150,000)	(150,000)	100.00%	150,000
Transfer to Restricted Assets	(798,314)	(319,662)	(551,000)	-149.74%	(478,652)
Transfer from Restricted Assets	5,227,880	7,497,540	14,423,922	-30.27%	(2,269,660)
Transfer from Reserves	654,988	3,205,333	26,666,211	-79.57%	(2,550,345)

Revenue from Ordinary Activities:

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

1. Operating Grants, subsidies and Contributions is \$367k over YTD budget due to timing differences associated with funds being received from DFES for fire prevention and bushfire risk management \$158k, various reimbursements \$33k and funds recovered from the City's insurance the old butter factory \$72k,
2. Other Revenue is \$489k better than YTD budget. This variance is due to better than expected returns on sale of scrap metal \$186k. IT lease buybacks additional income of \$324k which is offset by additional expenses in the IT leasing account 3381.

Expenses from Ordinary Activities

Expenditure from ordinary activities, excluding depreciation, is \$1.436M less than expected when compared to YTD budget with the following items meeting the material variance reporting threshold.

Materials and Contracts:

The main items affected are listed below:

Cost Code	Cost Code Description / GL Activity	Variance YTD \$
<u>Finance and Corporate Services</u>		
10250	Information & Communication Technology Services	(545,240)
10000	Members of Council	(29,966)
10251	Business Systems	(24,539)
10500	Legal and Compliance Services	57,526
<u>Community and Commercial Services</u>		
10380	Busselton Library	45,054
10590	Naturaliste Community Centre	49,194
10591	Geographe Leisure Centre	50,502
10600	Busselton Jetty Tourist Park	68,637

Planning and Development Services		
10980	Other Law, Order & Public Safety	20,918
10820	Strategic Planning	31,822
10931	Protective Burning & Firebreaks-Reserves	34,349
Cost Code	Cost Code Description / GL Activity	Variance YTD \$
11170	Meelup Regional Park	83,455
10830	Environmental Management Administration	90,348
Engineering and Works Services		
12620	Rural-Tree Pruning	(99,399)
B1401	Old Butter Factory	(78,831)
M9996	Roads Sundry Overhead/Consumables	(57,280)
M9995	Roller & Grader Hire	(45,064)
G0030	Busselton Transfer Station	(42,047)
M0005	Ludlow-Hithergreen Road	(31,938)
G0031	Dunsborough Waste Facility	(30,352)
R0821	Avignon Park (Provence)	23,401
F9999	Footpaths Maintenance	26,004
11300	Sanitation Waste Services Administration	33,453
R2001	Tree Planting - Urban Verges / Policy NOM. No. 05/06: 24	34,269
12600	Street & Drain Cleaning	34,524
R0820	Almond Green Park (Provence)	34,842
A6004	Pedestrian Bridge (Port Geographe)	37,331
G0034	External Waste Disposal	37,767
B1000	Administration Building- 2-16 Southern Drive	42,119
B1514	Asbestos Removal & Replacement	48,745
G0033	Green Waste	49,145
G0032	Rubbish Sites Development	58,331
11101	Engineering Services Administration	68,448
11301	Regional Waste Management Administration	70,000
G0010	Domestic Recycling Collections	74,110
A9999	Miscellaneous Bridge Maintenance	78,726
R0004	BSN. Foreshore Precinct (not including Skate Park)	80,339
M9999	Road Maintenance Bal Of Budget	217,113
11160	Busselton Jetty	452,041

Utilities:

There is an overall variance in utility charges of \$222K with the major variances being electricity \$71k and water \$143k. This variance is spread over 358 individual line items with an average variance of only \$620 per item.

Depreciation:

There is an overall variance in depreciation of \$1.740M, it should be noted that this is a non-cash item and does not impact on the City's surplus position. The variance can be attributed to the fact that Fair Valuation of infrastructure assets was completed post budget adoption and the increase in valuation was unable to be included in the 2018/2019 budget.

Insurance:

There is an YTD variance in insurance costs of \$131K, this is of a timing issue only.

Other Expenditure:

There is an YTD variance in other costs of \$934K, considered a timing issue only. The main items affected are listed below:

Cost Code	Cost Code Description / GL Activity	Variance YTD
<u>Finance and Corporate Services</u>		
10618	Winderlup Court Aged Housing	35,081
10700	Public Relations	40,403
10151	Rates Administration	46,079
10000	Members of Council	62,906
<u>Community and Commercial Services</u>		
10547	Iron Man	(79,169)
10536	School Chaplaincy Programs	23,317
10548	Half Iron	26,950
10530	Community Services Administration	83,117
11156	Airport Development Operations	875,000
<u>Planning and Development Services</u>		
10805	Planning Administration	29,219
<u>Engineering and Works Services</u>		
B1223	Micro Brewery - Public Ablution	70,000
G0042	BTS External Restoration Works	(172,636)

Non-Operating Grants, Subsidies and Contributions:

Non-Operating Grants, Subsidies and Contributions are less than YTD budget by \$7.7M with the main items impacting on the above result being the timing of the receipt of funding which is also offset with less than anticipated expenditure at this time:

Cost Code	Cost Code Description	Variance YTD
<u>Finance and Corporate Services</u>		
10239	Contributions - Public Art (Percent for Art)	(827,641)
10240	Contributions - Contribution to Works	(93,390)
<u>Community and Commercial Services</u>		
10900	Cultural Planning - Donated Assets	37,000
C6099	Airport Development - Project Expenses	(5,838,126)
<u>Planning and Development Services</u>		
B9109	Hithergreen Building Renovations	(68,886)
B9112	Ambergate Bushfire Brigade Shed	(269,932)

Cost Code	Cost Code Description	Variance YTD
Engineering and Works Services		
C3168	Busselton Foreshore Jetty Precinct	(308,221)
F1018	Dunsborough Cycleway CBD to Our Lady of the Cape School	(105,419)
C0049	Port Geographe Marina Car-parking	(100,191)
S0051	Causeway Road / Rosemary Drive Roundabout	(91,669)
S0064	Peel Terrace (Stanley Pl/Cammilleri St Intersection Upgrade)	(61,113)
S0035	Strelly Street / Barlee Street Roundabout	(55,000)
S0068	Georgiana Molloy Bus Bay Facilities	114,500

Capital Expenditure

As at 31 January 2019, there is a variance of -61.80% or -\$22.18M in total capital expenditure with YTD actual at -\$13.707M against a YTD budget of -\$35.887M.

The airport development makes up for \$10.996M, Busselton Tennis Club – Infrastructure \$1.245M, Plant and Equipment \$1.653M, Council Roads Initiative projects \$1.491M, Eastern Link - Busselton Traffic Study \$1.554M, Dunsborough Land Purchase Parking \$1.3M, Main Roads projects \$1.337M, Parks, Gardens and Reserves \$816K, Sanitation Infrastructure \$619K, Beach Restoration \$435K, Busselton Senior Citizens \$430K, Dunsborough Cycleway CBD to Our Lady of the Cape School \$380K, Furniture and Equipment \$312K, Fire Prevention – Land Purchase Biddle Road \$200K, Busselton Jetty Tourist Park Upgrade \$214K, Beach Front Infrastructure \$72K, GLC - Pool Relining \$50K, Energy Efficiency Initiatives (Various Buildings) \$58K and Major Projects Busselton Foreshore \$890K.

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

The attachments to this report include detailed listings of the following 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.

As at 31st January 2019 the value of the City's invested funds totalled \$76.43M, down from \$79.36M as at 31st December. The decrease is due to the withdrawal of funds from the 11am account to meet standard operating costs.

During the month of December four term deposits held with three different institutions totalling \$11.0M matured. All were renewed for a further 115 days at 2.56% (on average).

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) decreased by \$3.0M with the funds being utilised to meet standard operating costs.

The balance of the Airport Development ANZ cash account remained steady. The term deposit held at the WATC for the Airport Development project matured, and was renewed for a further 30 days at 2.02%.

The RBA left official rates on hold during January and February. Future movements remain uncertain at this point.

Chief Executive Officer – Corporate Credit Card

Details of monthly (January) 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
07-Jan-19	\$1,199.02	BJ McDonald & QSA (Quest Perth)	* Accommodation - AICD Course CEO
21-Jan-19	\$77.95	Easyflowers Adelaide	Flowers – Birth
24-Jan-19	\$1,215.82	QANTAS Airways LTD	Coastal Council Conference – Cr. McCallum
23-Jan-19	\$715.30	Trybooking – Town of Vic Park	* Conference Booking Fee - LGCOG

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

+ Allocated against CEO Hospitality Expenses Allowance

CONCLUSION

As at 31 January 2019, the City’s financial performance is considered satisfactory.

OPTIONS

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

TIMELINE FOR IMPLEMENTATION OF OFFICER RECOMMENDATION

Not Applicable

COUNCIL DECISION/COMMITTEE RECOMMENDATION AND OFFICER RECOMMENDATION

C1903/038

Moved Councillor J McCallum, seconded Councillor P Carter


That the Council receives the statutory financial activity statement reports for the period ending 31 January 2019, pursuant to Regulation 34(4) of the Local Government (Financial Management) Regulations.

CARRIED 8/0

EN BLOC

14. ENGINEERING AND WORK SERVICES REPORT

14.1 PROPOSED PERMANENT ROAD CLOSURE - PORTION OF DUNN BAY ROAD, DUNSBOROUGH

SUBJECT INDEX:	Thoroughfares
STRATEGIC OBJECTIVE:	Road networks that provide for a growing population and the safe movement of all users through the District.
BUSINESS UNIT:	Engineering and Facilities Services
ACTIVITY UNIT:	Land matters
REPORTING OFFICER:	Land and Infrastructure Officer - Andrew Scott
AUTHORISING OFFICER:	Director, Engineering and Works Services - Oliver Darby
VOTING REQUIREMENT:	Simple Majority
ATTACHMENTS:	Attachment A Road subdivision and amalgamation plan 

PRÉCIS

This report recommends that a 205 square metre portion of Dunn Bay Road, Dunsborough, adjacent to Lot 3 on Diagram 27650 (238 Naturaliste Terrace, Dunsborough) is closed permanently as a public road.

The reason for closing a portion of Dunn Bay Road, is so that the land is available to use in a land exchange agreement with the owner of Lot 3, resulting in the widening of Naturaliste Terrace.

BACKGROUND

Lot 3 on Diagram 27650 (238 Naturaliste Terrace, Dunsborough) is a corner lot located at the intersection of Naturaliste Terrace and Dunn Bay Road, as shown at Attachment A.

As part of the Dunsborough Townscape Improvements Stage 4, City officers identified the need to widen a section of Naturaliste Terrace adjacent to Lot 3 by 205sqm, and found that an equivalent portion of Dunn Bay Road was not required for public road purpose (Attachment A). After discussions with the owner of Lot 3, the City entered into an agreement to exchange the two areas of land. The agreement is subject to the *Land Administration Act 1997*, particularly section 58 as it relates to the closure of roads.

STATUTORY ENVIRONMENT

Roads may be closed permanently under section 58 of the [Land Administration Act 1997](#). Section 169(2) of the same Act allows for available Crown land to be granted as consideration when land is being acquired for public works purpose (such as road widening).

RELEVANT PLANS AND POLICIES

The land exchange agreement plan is consistent with the Dunsborough Townscape Improvements Stage 4.

FINANCIAL IMPLICATIONS

A recent property valuation shows that the two portions of land are of the same value, so the net value of the exchange is zero.

Under the agreement with the owner of Lot 3, the City is responsible for costs associated with surveying and land transfers. These costs fall within budget for the Dunsborough Townscape Improvement project.

Should the road closure *not* proceed, consideration for portion of Lot 3 required for road widening would be at an agreed and presently unbudgeted cash amount.

LONG-TERM FINANCIAL PLAN IMPLICATIONS

There are no Long Term Financial Implications associated with the officer recommendation.

STRATEGIC COMMUNITY OBJECTIVES

This matter aligns with and supports the Key Goal Area 5 – ‘Transport’ of the City’s Strategic Community Plan 2017 and more specifically Community Objective 5.2 – ‘Road networks that provide for a growing population and the safe movement of all users through the District’.

RISK ASSESSMENT

The risks associated with the proposal are considered negligible given the proposed closure does not affect vehicle traffic, pedestrian traffic or public utility services.

However, the risks of *not* proceeding with the proposal are greater as Naturaliste Terrace should be widened (near the intersection with Dunn Bay Road), and the amount of compensation payable for portion of Lot 3 would be subject to a new agreement with the owner of Lot 3 and is unbudgeted.

CONSULTATION

A notice of the proposal to close permanently a 205sqm portion of Dunn Bay Road, Dunsborough, was advertised in the Busselton-Dunsborough Mail on 17 October 2018. Letters of the notice were distributed to owners and tenants of over 80 properties within the Dunsborough central business district located near the proposed road closure.

No submissions were received to the notice of the proposal.

Public utility providers were consulted as part of the Dunsborough Townscape Improvements Stage 4 planning, and officers found the infrastructure of the public utilities are and will be unaffected by the improvement plans.

OFFICER COMMENT

The City has entered into a land exchange agreement with the owner of Lot 3 (238 Naturaliste Terrace, Dunsborough). Under the agreement, a 205sqm portion of Lot 3 required for road widening is to be exchanged for a 205sqm portion of Dunn Bay Road; and the net value of the land exchange being zero.

The agreement gives the City an opportunity to acquire a 205sqm portion of the Dunsborough central business district at zero cost (apart from surveying and land transfer costs).

To proceed with the agreement, the 205sqm portion of Dunn Bay Road must first be formally closed as a public road, pursuant to the *Land Administration Act 1997*. The Act requires that after a public consultation period, the Council resolves to make a formal request to the Department of Planning, Lands and Heritage (for the Minister for Lands) to close the road.

The portion of Dunn Bay Road proposed to be closed permanently (as public road) does not affect the constructed road or a shared path, so the flow of vehicle and pedestrian traffic will not be impacted.

CONCLUSION

To allow a land exchange agreement with the owner of Lot 3 to proceed (resulting in the widening of Naturaliste Terrace), the Council should endorse closure of a 205sqm portion of Dunn Bay Road adjacent to Lot 3.

OPTIONS

The Council might consider not closing the portion of Dunn Bay Road, Dunsborough, as proposed. This option is not recommended as the City would need to find other ways of providing consideration for a portion of private land required for the road widening purpose.

TIMELINE FOR IMPLEMENTATION OF OFFICER RECOMMENDATION

A request for road closure may be made to the Department of Planning, Lands and Heritage within two weeks after the Council meeting minutes being confirmed.

COUNCIL DECISION AND OFFICER RECOMMENDATION

C1903/039 Moved Councillor J McCallum, seconded Councillor P Carter

That the Council endorses:

1. the permanent closure of a 205 square metre portion of Dunn Bay Road, Dunsborough, shown in Attachment A as “area of road land for closure” and shaded red; and
2. a request being made to the Department of Planning, Lands and Heritage to close the portion of Dunn Bay Road described above, so that the land is made available as part of a land exchange agreement with the owner of Lot 3 on Diagram 27650.

CARRIED 8/0

EN BLOC

15. COMMUNITY AND COMMERCIAL SERVICES REPORT

15.1 MARKETING AND EVENTS REFERENCE GROUP MEETING OUTCOMES

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

PRÉCIS

A meeting of the Marketing and Events Reference Group (MERG) was held on Thursday 21 February 2019. This report presents the recommendations from this meeting.

BACKGROUND

At the ordinary meeting of 13 April 2011, Council resolved (C1104/114) to endorse the implementation of a differential rating system whereby properties rated industrial and commercial across the City would directly contribute toward the City's continued support of tourism, marketing and event activities. The City also established a key stakeholders reference group, now known as the 'Marketing and Events Reference Group' (MERG), to make recommendations to Council with respect to the marketing and events budget allocations.

At its meeting of 22 June 2011, Council resolved (C1106/201) to introduce a 3% Differential Rate on industrial and commercial rated properties which increased over time to 10% in 2016/2017. The proceeds from the differential rate are allocated towards events and marketing.

The 2018/2019 adopted budget for marketing and events totals \$977,682. This excludes budget allocations for Leavers Week, administration, and events staffing.

A MERG meeting was held on Thursday 21 February 2019, with the following key matters presented;

- update on events held since the last meeting on 15 October 2018 and upcoming major events;
- single year and multi-year event funding applications for consideration for 2018/2019 and beyond;
- consideration for the waiving of event and ground hire fees, and allocation of ground maintenance funds for new event 'The Drop Festival'; and
- marketing funding applications for 2018/19.

This report provides recommendations on the proposed funding allocations.

STATUTORY ENVIRONMENT

There are no statutory considerations associated with the officer recommendation.

RELEVANT PLANS AND POLICIES

The officer recommendation is in line with the City's Events Policy which provides event organisers with information on the event application and approval process and event sponsorship guidelines.

FINANCIAL IMPLICATIONS

The 2018/19 adopted budget has an allocation of \$977,682 for marketing and events, with a split of \$677,682 for events, including \$13,461 of unspent funds carried over from 2017/18, and \$300,000 for marketing.

Of the \$300,000 marketing budget, \$97,245 has been allocated to the City's airport marketing reserve, leaving a balance of \$202,755. At the ordinary meeting of 24 October 2018 Council endorsed (C1810/216) the allocation of \$55k towards various marketing initiatives, however due to the cancellation of the West Tech Fest Conference \$149,755 remains in the 2018/19 marketing budget.

Funds already committed from the 2018/19 events budget for multi-year event agreements and the 2018/19 Events Sponsorship Program totals \$677,682. However, due to the cancellation of two (2) sponsored events (Australian Big Wave Awards, Between The Lines Youth Literary Festival) and the foreshore sundowner events coming under budget, a total balance of \$15,407 remains in the 2018/19 events budget.

LONG-TERM FINANCIAL PLAN IMPLICATIONS

The marketing and events budget utilises funds generated through the industrial and commercial differential rate, in line with the City's Long Term Financial Plan.

STRATEGIC COMMUNITY OBJECTIVES

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

Key Goal Area 4 – Economy: Diverse, Robust, Prosperous

Community Objective: 4.3 Events and unique tourism experiences that aid in attracting visitors and investment

It specifically aligns to the following Council strategy: Continue to promote the City as the destination of choice for regional events.

RISK ASSESSMENT

The officer recommendation does not introduce any risks identified as being of a high or medium level.

CONSULTATION

Consultation has been undertaken with MERG members with representatives comprising the Busselton and Dunsborough Yallingup Chambers of Commerce and Industry, Margaret River Busselton Tourism Association (MRBTA), Busselton Jetty Inc. and the City of Busselton.

OFFICER COMMENT

Supporting the development and attraction of new events throughout the year, the City's Events Sponsorship Programme promotes the City of Busselton as an attractive event tourism destination for a range of events. At a MERG meeting held 21 February 2018 a range of requests for events and marketing funding were considered as outlined below:

Requests for Funding – Events Budget

Five (5) requests for events funding have been received with three (3) single year requests totalling \$25,300 for 2018/19 and two (2) multi-year requests totalling \$170k commencing in 2019/20.

In line with the City's Events Policy, the City's events team evaluated applications applying the strategic funding guidelines of economic impact, strategic alliance to off-peak and cultural events, destination tourism, social benefits and environmental impact. Funding recommendations were made based on this.

MERG members discussed each application and recommend a total of \$5,400 be allocated from the 2018/19 events budget for single year events:

Applications for funding through 2018/19 Events Budget

Event	Event Dates	Proposed Use of Funding	Requested	MERG Recommendation
WA State Country Water Polo Championships 2019	1-3 March 2019	Promotion, venue fees, referee fees, lifeguard fees	\$3,300	\$1,400
South West Festival of Football	22-27 April 2019	Event costs - venue hire, security, first aid, fencing	\$10,000	\$2,000
Down South MTB Festival	1-2 June 2019	Marketing, course signage upgrade, PA hire, coaching costs	\$12,000	\$2,000
TOTALS			\$25,300	\$5,400

MERG recommends a total of \$135,000 be allocated from the events budget for multi-year funding agreements commencing 2019/20:

Applications for funding for multi-year events

Event	Event Dates	Proposed Use of Funding	Requested	Officer Recommendation
Cabin Fever	19-28 July 2019	Marketing & PR, signage, increased marketing into Perth, media & famils, activation of Queen Street.	\$20,000 2019/20 \$20,000 2020/21 \$20,000 2021/22	\$15,000 2019/20 \$14,000 2020/21 \$13,000 2021/22

CinefestOZ	28 August - 1 September 2019	Continued development as premiere Australian destination film festival. Funding utilised for the Festival hub, catering and volunteers program, marketing & publicity, and event expenses.	\$150,000 2019/20 \$150,000 2020/21 \$150,000 2021/22	\$120,000 2019/20 \$120,000 2020/21 \$120,000 2021/22
TOTAL (2019/20)			\$170,000 2019/20	\$135,000 2019/20

Request for fee waiver – The Drop festival

The City was approached by Macro Music as Western Australian promoters for The Drop Festival, a nation-wide touring music festival appearing in Newcastle, Manly, Coolangatta and Torquay. Promoters expressed interest in bringing the festival to Busselton on Saturday 1 June 2019, as the 'official concert' for the Margaret River Pro surfing event. Promoters sought financial assistance from the City through the waiving of standard ground hire and event fees, the request of which was circulated to MERG members and Councillors in January 2019 with no objections received. Based on the projected attendance of 8,000 – 10,000, the total of requested waived fees is \$18,004. Should Council endorse the officer recommendation the event will be contracted and deliverables will be determined.

MERG recommended that \$10k be transferred from the 2018/19 events budget to the parks and gardens events maintenance budget to ensure there is sufficient funds for ground maintenance post event. This estimate is based on information provided by the City's parks and gardens team. Any further maintenance costs will be retained from the applicant's bond.

Proposals for the 2018/19 Marketing Fund

There were two (2) marketing proposals received for funding from the 2018/19 marketing budget:

- update of Busselton entry billboard backing
- Our Town proposal.

Update of Busselton entry billboard backing

The backing board of the large billboard situated on Bussell Highway adjacent to the Bovell Sporting Complex is visible between event billboard bookings and has not been updated since the billboard was first erected in 2013. A new backing board provides an opportunity to promote the City to passing motorists, using updated and inviting images of the district. Quotations have been received for the replacement of the backing panels totalling \$6,170. Artwork is an additional cost of \$1,500 which MRBTA will fund.

MERG members discussed the merits of the proposal and requested City officers research alternate options for the billboard including costs associated with a rotating board or its replacement with an electronic billboard.

Our Town proposal

The City has been approached by Visage Productions to be involved in an episode of the *Our Town* television series. *Our Town* is a 10 episode series broadcast throughout Western Australia on

Channel 7 in a weekend afternoon timeslot. The aim of the series is to promote why people should visit, live, work, play and invest in regional and metropolitan locations.

Each episode is allocated to a particular town or region, with possibilities for multiple-town collaborations. Episodes run for 30 minutes and feature the organisations, companies, projects and people that are involved in the development of the region and can be used for marketing purposes. The City previously participated in the series as a stand-alone location in 2014.

Following discussions with Visage Production they have advised that they require a contribution of \$20k from the City for the production, which would be combined with a contribution of \$20k from developers and tourism operators. An option to partner with the Shire of Augusta Margaret River was discussed with Visage Productions which would reduce the City contribution, however would also significantly dilute the City's coverage.

Given the number of projects and developments undertaken in recent years, and the opportunities the region presents MERG recommends the allocation of \$20k towards the proposal.

CONCLUSION

MERG has been assigned by Council to make recommendations on the way in which funds raised through the industrial and commercial differential rate for the purposes of events and marketing are allocated. This report contains the recommendations made at the 21 February 2019 MERG meeting, which if endorsed by Council, will result in the continuation of high quality events being held within the region, supported by successful marketing promotions. All recommendations support Council's vision of being recognised as the 'Events Capital WA.'

OPTIONS

Council may choose not to support the recommendations made by MERG and resolve not to endorse part or all of the recommendations.

TIMELINE FOR IMPLEMENTATION OF OFFICER RECOMMENDATION

Following Council's decision, the outcomes will be communicated to MERG members and relevant event/marketing bodies for their information and implemented where required.

COUNCIL DECISION AND OFFICER RECOMMENDATION

C1903/040 Moved Councillor J McCallum, seconded Councillor P Carter

That Council;

1. As part of the 2018/19 Events Sponsorship Program endorses the funding allocation towards the following events, to be funded from the 2018/19 events budget:

Event	Funding
WA State Country Water Polo Championships 2019	\$1,400
South West Festival of Football	\$2,000
Down South MTB Festival	\$2,000
TOTALS	\$5,400


- 2. As part of the Events Sponsorship Program endorses multi-year funding allocations towards the following events, to be funded from the events budget commencing 2019/20:

Event	Funding
Cabin Fever	\$15,000 2019/20 \$14,000 2020/21 \$13,000 2021/22
CinefestOZ	\$120,000 2019/20 \$120,000 2020/21 \$120,000 2021/22
TOTAL (2019/20)	\$135,000 2019/20

- 3. As part of the 2018/19 events budget endorses the fee waiver for The Drop Festival and the transfer of \$10k from the City’s 2018/19 Events Budget to the Parks and Gardens events maintenance budget.
- 4. Endorses the allocation of \$20k towards the Our Town proposal, to be funded from the 2018/19 Events Marketing Budget.

CARRIED 8/0
EN BLOC

16. FINANCE AND CORPORATE SERVICES REPORT**16.1 COUNCILLORS' INFORMATION BULLETIN**

SUBJECT INDEX:	Councillors' Information Bulletin
STRATEGIC OBJECTIVE:	Governance systems, process and practices are responsible, ethical and transparent.
BUSINESS UNIT:	Governance Services
ACTIVITY UNIT:	Governance Services
REPORTING OFFICER:	Administration Officer - Governance - Kate Dudley
AUTHORISING OFFICER:	Director Finance and Corporate Services - Tony Nottle
VOTING REQUIREMENT:	Simple Majority
ATTACHMENTS:	Attachment A State Administrative Tribunal Reviews 

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**16.1.1 State Administrative Tribunal Reviews**

Attachment A is a list showing the current status of State Administrative Tribunal Reviews involving the City of Busselton.

COUNCIL DECISION AND OFFICER RECOMMENDATION

C1903/041 Moved Councillor J McCallum, seconded Councillor P Carter

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

- [16.1.1 State Administrative Tribunal Reviews](#)

CARRIED 8/0

EN BLOC

20. 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.

20.1 AMENDMENTS TO KERBSIDE RECYCLING CONTRACT

SUBJECT INDEX:	Waste Management
STRATEGIC OBJECTIVE:	Development is managed sustainably and our environment valued.
BUSINESS UNIT:	Waste and Fleet Services
ACTIVITY UNIT:	Waste Management
REPORTING OFFICER:	Manager, Waste and Fleet Services - Vitor Martins
AUTHORISING OFFICER:	Director, Engineering and Works Services - Oliver Darby
VOTING REQUIREMENT:	Simple Majority
ATTACHMENTS:	Nil

This item is confidential in accordance with section 5.23(2) (c) and (e)(iii) 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, and a matter that if disclosed, would reveal information about the business, professional, commercial or financial affairs of a person, where the information is held by, or is about, a person other than the local government.

COUNCIL DECISION AND OFFICER RECOMMENDATION

C1903/042 Moved Councillor J McCallum, seconded Councillor P Carter

That the Council:

1. Approves variation of the kerbside recycling contract between the City and Cleanaway Pty Ltd as recommended under the Officer Comment section of this report, including the monthly charges presented in Table 2 under the Officer Comment section of this report.
2. The proposed contract variation shall include a provision allowing the City, at its absolute discretion, to seek a review of the additional fixed processing charges should commodity prices recover due to more favourable market conditions, in which case Cleanaway would make available to the City the relevant financial and commercial information and negotiate in good faith a corresponding contract price adjustment.
3. Authorises the Chief Executive Officer to negotiate and agree on such further variations as are necessary or appropriate to give effect to Resolutions 1 & 2 above.
4. Authorises the Chief Executive Officer to vary the contract with Cleanaway Pty Ltd in accordance with Resolutions 1, 2 & 3 above.

CARRIED 8/0

EN BLOC

ITEMS FOR DEBATE

12.2 Finance Committee - 21/02/2019 - BUDGET AMENDMENT REQUEST / REVIEW

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

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

PRÉCIS

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

BACKGROUND

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

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

1. Waste Fleet – Bin Cleaning
2. Busselton Foreshore Redevelopment and Tourism Accommodation Precinct
3. Recognition of Income – Stronger Communities Program
4. Aged Housing Refurbishments
5. Port Geographe Finger Jetty Replacement

STATUTORY ENVIRONMENT

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

RELEVANT PLANS AND POLICIES

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

FINANCIAL IMPLICATIONS

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

LONG TERM FINANCIAL PLAN IMPLICATIONS

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

STRATEGIC COMMUNITY OBJECTIVES

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

RISK ASSESSMENT

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

CONSULTATION

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

OFFICER COMMENT

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

1. “Waste Fleet – Bin Cleaning”

The City has procured public bin cleaning services and engaged various contractors over the past 5 years.

Despite the contract being awarded to three separate bin cleaning business over that time, none of them has delivered the services to an acceptable standard. Issues included low reliability of the service provided by contractors, poor quality in terms of bin cleanliness and difficult coordination with the City’s rubbish collection services (e.g. bins left out of enclosures for longer times than necessary).

When investigating the options for bin cleaning in this current 2018-19 year, and as part of the ongoing review of waste management and resource recovery services, the City has looked at the possibility of buying a bin cleaning system (comprised of a ute-mounted bin cleaning machine) and engaging its own existing staff to do the cleaning, as a possible alternative to contracting the services out.

Cape to Cape Bin Cleaning, one of the contractors previously engaged for the job, are now going out of business and have proposed to sell their second hand bin ute-mounted cleaning machine at a \$18,000 (Ex GST) price, which compares to a \$32,000 (Ex GST) for a new machine.

City officers have trialled the machine in question over a one month period and are satisfied that it meets the requirements for the job and allows to achieve a high standard of cleanliness with good labour productivity.

As a result of that trial we forecast an annual net saving of approximately \$12,000 per annum, comparing the observed contractor performance over the last few years with the achieved performance of our own staff during the trial.

Also as importantly, bringing the service in-house is expected to allow full coordination between the bin cleaning and the rubbish collection operations, and for a consistent bin program to be developed and effectively implemented.

In addition to purchasing the bin cleaning machine for \$18,000, in house bin cleaning services will require a utility to be setup with the ute-mounted bin cleaning machine.

The Finance Committee meeting held on 17/1/2019 has expressed support for this proposal.

A budget amendment is now necessary to allow for the City to purchase the bin cleaning machine and to retain one of the operations services utilities (that would otherwise be traded in as part of the regular fleet replacement program).

Planned Expenditure Item

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

Table 1:

<i>Cost Code</i>	<i>Description</i>	<i>Current Budget</i>	<i>Change</i>	<i>Proposed Amended Budget</i>
Expenditure				
528-11402-7723-0000	Community Amenities (Waste disposal)	1,927,000	20,000	1,947,000
Income				
528-11402-1770-0000	Proceeds from Sale of Asset	-55,000	20,000	-35,000
528-11402-1771-000	Profit on Sale of Assets	55,000	-20,000	35,000
Equity Transfer				
Reserve	Reduction in Transfer to Waste Management Facility and Plant Reserve	1,579,702	-20,000	1,559,702
	Net Total	3,506,702	0	3,506,702

2. "Busselton Foreshore Redevelopment and Tourism Accommodation Precinct"

The City was previously successful in securing \$4,500,000 in funding for the Busselton Foreshore Redevelopment Tourism Accommodation Precinct Project, with the Financial Assistance Agreement signed 13 June 2016.

The City wrote to the Department of Primary Industries and Regional Development on 8 January 2018, (copy attached), requesting that the accumulated interest on the grant funds be attributed to further works within the project area. The request was for the City of Busselton to be allowed to utilise the accumulated interest towards a Toddler Play Space which is located centrally within the project area.

On the 21 March 2018 the Department of Primary Industries and Regional Development responded to the City of Busselton's request stating in part the following (copy attached):

“In light of significant pressures on the State Budget, the Department is unable to support the requested expenditure of interest on the playground facility.

Rather, as discussed when you met with the Minister for Regional Development on 3 February 2018, an alternate use for the interest is supported which would see funding provided to Busselton Jetty Incorporated’s (BJI) proposal to construct a safe swimming area at Busselton Jetty.

The Minister for Regional Development has advised of her support for the provision of financial assistance subject to BJI being successful in their application for Building Better Regions funding. As such, and in order to help facilitate delivery, it is requested that the City of Busselton grant \$50,000 of the interest accrued on the Busselton Foreshore Redevelopment project to BJI.”

The response from the Department further stated:

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

Further to the above, City officers have spoken with the Department and it is evident that should the City of Busselton not agree to facilitating granting \$50,000 of the interest accrued on the Busselton Foreshore Redevelopment project to BJI, all interest will be required to be returned to the State Government.

The Finance Committee and Council previously considered the above request with the following Council Resolution being the outcome:

COUNCIL DECISION AND OFFICER RECOMMENDATION

C1806/119 Moved Councillor J McCallum, seconded Councillor P Carter

ABSOLUTE MAJORITY DECISION OF COUNCIL REQUIRED

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

Table 1:

<i>Cost Code</i>	<i>Description</i>	<i>Current Budget</i>	<i>Change</i>	<i>Proposed Amended Budget</i>
Revenue				
Equity Transfer	Restricted Asset – Interest On Government Grants	(80,000)	(22,888)	(102,888)
Expenditure				
B9600	Old Busselton Lighthouse	80,000	(80,000)	0
Grant/Donations	Busselton Jetty Incorporated	0	50,000	50,000
Reimbursement	State of Western Australia – Balance of accumulated Interest Busselton Foreshore Redevelopment Tourism Accommodation Precinct Project	0	52,888	52,888
	Net Total	0	0	0

CARRIED 9/0

EN BLOC

Planned Expenditure Items

As the Final Financial Assistance Agreement Variation has now been completed and a formal Agreement has been signed with Busselton Jetty Incorporated Officers seek to amend the 2018/2019 Budget to give effect to the above previous Council Resolution with the amendments shown in Table 2.

Table 2:

<i>Cost Code</i>	<i>Description</i>	Current Budget	Change	Proposed Amended Budget
Income				
Equity Transfer	Restricted Assets – Interest on Government Grants	-80,000	-22,888	-102,888
Expenditure				
B9600	Old Lighthouse	80,000	-80,000	0
Grant/Donation	Busselton Jetty Incorporated	0	50,000	50,000
Reimbursement	State of Western Australia Balance of accumulated Interest on Busselton Foreshore Redevelopment Tourism Accommodation Precinct Project	0	52,888	52,888
Net Total		0	0	0

3. “Recognition of Income – Stronger Communities Program”

The City has been successful in securing a grant for \$13,685 from the Department of Infrastructure, Regional Development and Cities to install a female demountable change room at Bovell Oval.

This project has been developed in partnership with the Busselton and Districts Football Club to provide females with a change room for training and games.

The City has allocated \$35k in this year’s budget and the club was successful in obtaining \$35k from Community Bids. This takes the total budget to \$83,685. The community bids funding will need to be transferred internally to the appropriate budget.

Planned Expenditure Items

The 2018/19 budget has an allocation of \$35,000 for a women’s demountable change room at Bovell. To increase the size of the demountable the City secured an additional \$13,685 in federal grant funding and a community bid of \$35,000.

The amendments shown in Table 3 are being sought.

Table 3:

<i>Cost Code</i>	<i>Description</i>	Current Budget	Change	Proposed Amended Budget
Revenue				
332 B9604 1221 0000	Federal Grants Other	0	(13,685)	(13,685)
Expenditure				
330 10530 3640 0000	Community Bids	237,930	(35,000)	202,930
332 B9604 3280 0000	Demountable Bovell	35,000	48,685	83,685
Net Total		272,930	0	272,930

4. “Aged Housing Refurbishments”

The City maintain a community housing portfolio for low income tenants over the age of 55 comprising of two complexes. One of the unit complexes is located in West Street and Adelaide Terrace (Winderlup Villas) and the other is Harris Road. Both unit complexes are in Busselton. The

units were built in the late 80s and 90s and each time a unit is vacated it requires a varying degree of refurbishment. Depending on when last tenant vacated and the type of works carried out historically, the cost can only be estimated, as can the number of units vacating during a single financial year.

As a result of a higher than expected number of vacated units at Winderlup Villas this financial year to date, the budget for capital expenditure has either been spent or is committed (or about to be) for the one of the two refurbishments at Winderlup and will suffer a deficit to fully refurbish the second unit.

In addition, as it is quite likely that before the end of the financial year another unit, either in Winderlup or Harris Road will vacate, the budget amendment request includes a contingency to cover the likely future refurbishment costs.

The income currently derived for units in this location is in the region of \$450-\$500 per fortnight. The refurbishments are carried out to a high standard to ensure compliance, longevity and best value for money.

The additional expenditure can be replenished from the Joint Venture Aged Housing Reserve which currently has a Budget closing position of \$1,071,875 as at 30 June 2019. This reserve is set aside for this purpose.

The following is a list of the refurbishments carried out over the last three years. This gives an indication of the fluctuating nature of the works and an indication of the frequency.

- Unit 16/6 Marine Tce, Busselton – Kitchen May 2016 - \$5,697
- Unit 18/6 Marine Tce, Busselton – July 2016 \$11,346.70
- Unit 1/5 Adelaide St, Busselton – Bathroom May 2017 \$8,987.94
- Unit 26/6 Marine Tce, Busselton – Mar 2018 - \$25,036.12
- Unit 2/21 West St, Busselton – Bathroom June 2018 - \$7,877.50
- Unit 17/6 Marine Tce, Busselton – Sept 2018 - \$19,553.98
- Unit 10/21 West St, Busselton – Dec 2018 - \$16,911.97

Units 3 and 7/21 West St, Busselton are the recently vacated units for which refurbishments are in progress. This budget amendment request includes a contingency for the refurbishment of at least one more unit before the end of the financial year.

Planned Expenditure Items

Officers propose that the 2018/2019 adopted budget be amended to reflect the changes shown in Table 4.

Table 4:

Cost Code	Description	Current Budget	Change	Proposed Amended Budget
Equity Transfer				
Reserve	Transfer From Joint Venture Aged Housing Reserve	-121,500	-35,000	-156,500
Expenditure				
339-B9300-3280-0000	Capital – Winderlup Villas	60,000	35,000	95,000
	Net Total	-61,500	0	-61,500

5. “Port Geographe Finger Jetty Replacement”

Port Geographe is a level six (6) boat harbour and launching facility; the only regional boat-launching facility between Augusta and Bunbury. The facility currently includes a six (6) lane boat ramp and three (3) finger jetties. These finger jetties are in need of renewal.

The existing finger jetties are 0.62m wide, barely half the minimum width for finger jetties of 1.2m specified in the Department of Transport’s Guidelines for the design of boat launching facilities. An inspection of the jetties undertaken in 2010 found ‘rapid onset of rust’ in the intertidal zone. It was also reported that a number of existing chafers are damaged badly, wooden kerbs have rot and the steel ladders require replacement.

The proposed renewal will not alter the existing ramp dimensions and layout. Allowance to increase jetty widths is made by removing the gap between the inner kerb edge and jetty chafer, as is commonly done with floating jetties. This is done with the knowledge that launching ramps are 4.2m wide, above the minimum of 4m stipulated by Australian Standard - AS3962, with double kerbs between adjacent ramps.

The recommended project scope includes demolition of all three (3) existing jetty including cutting of six (18) existing piles, installation of nine (9) new piles and floating jetty and widening of the jetty approach. Six (6) new piles will be installed, and positioned along the edges such that the minimum width reduces to 1.4m, and three (3) piles at the ends. The potential exists to refurbish and reuse the last pile of each jetties, this will however only be determined once the existing piles are being removed, to establish overall conditions and remaining useful life of these piles.

The City received grant funding from the Department of Transport, Recreational Boating Facility Scheme program to the value of \$165,000 to fund the renewal of one of the jetties. This amount was further augmented by the City to the value of \$55,000 for a total budget allocation for the project of \$220,000 as reflected in the 2018/2019 FY Budget.

Tenders were called for the replacement of these jetties as per RFT17/18 - PORT GEOGRAPHE FINGER JETTY REPLACEMENT. The tender was drawn up in a manner that the City can opt to award separable portions 1-3. For the purposes of this award, City Officers will opt to award separable portion 1 -3, subject to the Council endorsing this budget amendment.

The City received very competitive tender rates with the lowest tendered being for the Contract is a lump sum value of \$179,356.07 to replace one (1) finger jetty. The price to replace two (2) finger jetties will be \$325,351.91 after a \$33,651.21 discount, and the price to replace all three (3) finger jetties will be \$470,809.68 after a \$67,302.42 discount.

The second lowest submission received for Separable Portion 1 was \$112,820.03 more expensive than the lowest price received. The price submitted to replace one (1) finger jetty was \$292,176.10. The price to replace two (2) finger jetties was \$460,445.16 after a 16% (\$87,703.85) discount.

The price to replace all three (3) finger jetties was \$578, 967.91 after a 28% (\$225,154.18) discount. Therefore, a difference of \$108,158.23 or 23% more than the lowest tender price received.

City officers have briefed the Finance Committee at its meeting held on Thursday 17 January 2019, to suggest that consideration be given to a budget amendment that will allow for the replacement of all three (3) the finger jetties based on capital funding being reallocated within the existing 2018/19 Capital Budget.

Planned Expenditure Items

The 2018/19 budget has an allocation of \$220,000 for the replacement of one (1) finger jetty at the Port Geographe Boat Ramp. To increase the number of finger jetties to be replaced an additional \$250,810 will be required.

Officers propose that the 2018/2019 adopted budget be amended to reflect the changes shown in Table 5.

Table 5:

<i>Cost Code</i>	<i>Description</i>	<i>Current Budget</i>	<i>Change</i>	<i>Proposed Amended Budget</i>
Equity Transfer				
Reserves	Transfer From New Infrastructure Development Reserve	-1,470,740	-250,810	-1,721,550
Expenditure				
510.C1512.3280.0000		220,000	250,810	470,810
	Net Total	-1,250,740	0	-1,250,740

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.

Officers foreshadowed an amended recommendation.

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

That Council endorse the requested budget amendments outlined in tables 1 to 5 below, resulting in no change to an amended budgeted surplus position of \$0.

Table 1:

<i>Cost Code</i>	<i>Description</i>	<i>Current Budget</i>	<i>Change</i>	<i>Proposed Amended Budget</i>
Expenditure				
528-11402-7723-0000	Community Amenities (Waste disposal)	1,927,000	20,000	1,947,000
Income				
528-11402-1770-0000	Proceeds from Sale of Asset	-55,000	20,000	-35,000
528-11402-1771-000	Profit on Sale of Assets	55,000	-20,000	35,000
Equity Transfer				
Reserve	Reduction in Transfer to Waste Management Facility and Plant Reserve	1,579,702	-20,000	1,559,702
	Net Total	3,506,702	0	3,506,702

Table 2:

<i>Cost Code</i>	<i>Description</i>	<i>Current Budget</i>	<i>Change</i>	<i>Proposed Amended Budget</i>
Income				
Equity Transfer	Restricted Assets – Interest on Government Grants	-80,000	-22,888	-102,888
Expenditure				
B9600	Old Lighthouse	80,000	-80,000	0
Grant/Donation	Busselton Jetty Incorporated	0	50,000	50,000
Reimbursement	State of Western Australia Balance of accumulated Interest on Busselton Foreshore Redevelopment Tourism Accommodation Precinct Project	0	52,888	52,888
	Net Total	0	0	0

Table 3:

<i>Cost Code</i>	<i>Description</i>	<i>Current Budget</i>	<i>Change</i>	<i>Proposed Amended Budget</i>
Revenue				
332 B9604 1221 0000	Federal Grants Other	0	(13,685)	(13,685)
Expenditure				
330 10530 3640 0000	Community Bids	237,930	(35,000)	202,930
332 B9604 3280 0000	Demountable Bovell	35,000	48,685	83,685
Net Total		272,930	0	272,930

Table 4:

<i>Cost Code</i>	<i>Description</i>	<i>Current Budget</i>	<i>Change</i>	<i>Proposed Amended Budget</i>
Equity Transfer				
Reserve	Transfer From Joint Venture Aged Housing Reserve	-121,500	-35,000	-156,500
Expenditure				
339-B9300-3280-0000	Capital – Winderlup Villas	60,000	35,000	95,000
Net Total		-61,500	0	-61,500

Table 5:

<i>Cost Code</i>	<i>Description</i>	<i>Current Budget</i>	<i>Change</i>	<i>Proposed Amended Budget</i>
Equity Transfer				
Reserves	Transfer From New Infrastructure Development Reserve	-1,470,740	-250,810	-1,721,550
Expenditure				
510.C1512.3280.0000		220,000	250,810	470,810
Net Total		-1,250,740	0	-1,250,740

COMMITTEE AND OFFICER RECOMMENDATION LAPSED FOR WANT OF A MOVER

COUNCIL DECISION AND AMENDED OFFICER RECOMMENDATION**ABSOLUTE MAJORITY DECISION OF COUNCIL REQUIRED****C1903/043**

Moved Councillor C Tarbotton , seconded Councillor P Carter

That Council endorse the requested budget amendments outlined in tables 1 to 5 below, resulting in no change to an amended budgeted surplus position of \$0.

Table 1:

<i>Cost Code</i>	<i>Description</i>	<i>Current Budget</i>	<i>Change</i>	<i>Proposed Amended Budget</i>
Expenditure				
528-11402-7723-0000	Community Amenities (Waste disposal)	1,927,000	20,000	1,947,000
Equity Transfer				
Reserve	Reduction in Transfer to Waste Management Facility and Plant Reserve	1,579,702	-20,000	1,559,702
Net Total		3,506,702	0	3,506,702

Table 2:

<i>Cost Code</i>	<i>Description</i>	<i>Current Budget</i>	<i>Change</i>	<i>Proposed Amended Budget</i>
Income				
Equity Transfer	Restricted Assets – Interest on Government Grants	0	-106,330	-106,330
Expenditure				
500-11160-3640-9354	Busselton Jetty Incorporated	0	50,000	50,000
115-10115-3679-0000	State of Western Australia Balance of accumulated Interest on Busselton Foreshore Redevelopment Tourism Accommodation Precinct Project	0	56,330	56,330
Net Total		0	0	0

Table 3:

<i>Cost Code</i>	<i>Description</i>	Current Budget	Change	Proposed Amended Budget
Revenue				
332 B9604 1221 0000	Federal Grants Other	0	(13,685)	(13,685)
Expenditure				
330 10530 3640 0000	Community Bids	237,930	(35,000)	202,930
332 B9604 3280 0000	Demountable Bovell	35,000	48,685	83,685
Net Total		272,930	0	272,930

Table 4:

<i>Cost Code</i>	<i>Description</i>	Current Budget	Change	Proposed Amended Budget
Equity Transfer				
Reserve	Transfer From Joint Venture Aged Housing Reserve	-121,500	-35,000	-156,500
Expenditure				
339-B9300-3280-0000	Capital – Winderlup Villas	60,000	35,000	95,000
	Net Total	-61,500	0	-61,500

Table 5:

<i>Cost Code</i>	<i>Description</i>	<i>Current Budget</i>	<i>Change</i>	<i>Proposed Amended Budget</i>
Equity Transfer				
Reserves	Transfer from New Infrastructure Development Reserve	-1,470,740	-125,000	- 1,595,740
	Transfer from Port Geographe Development Reserve	-999,781	-125,810	-1,125,591
Expenditure				
510.C1512.3280.0000		220,000	250,810	470,810
Total	Net	- 2,250,521	0	- 2,250,591

CARRIED 8/0

BY ABSOLUTE MAJORITY

Reason: Table 1 - Correction of affected accounts only

Table 2 - Alteration to appropriate payment amounts subsequent to final payout of accrued interest from the WA Treasury Corporation.

Table 5 - The proposed infrastructure is not only for new infrastructure but also for the benefit of the Port Geographe area. By utilising a portion of the Port Geographe Development Reserve, this is a more appropriate spread of funding sources with lesser impact on the New Infrastructure Development Reserve.

18. MOTIONS OF WHICH PREVIOUS NOTICE HAS BEEN GIVEN

Nil

19. URGENT BUSINESS

Nil

21. CLOSURE

The Presiding Member closed the meeting at 5.31pm.

THESE MINUTES CONSISTING OF PAGES 1 TO 38 WERE CONFIRMED AS A TRUE AND CORRECT RECORD ON WEDNESDAY, 27 MARCH 2019.

DATE: _____ PRESIDING MEMBER: _____