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CITY OF BUSSELTON

MINUTES FOR THE COUNCIL MEETING HELD ON 27 SEPTEMBER 2017

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MINUTES

MINUTES OF A MEETING OF THE A MEETING OF THE BUSSELTON CITY COUNCIL HELD IN THE COUNCIL CHAMBERS, ADMINISTRATION BUILDING, SOUTHERN DRIVE, BUSSELTON, ON 27 SEPTEMBER 2017 AT 5.30PM.

1. DECLARATION OF OPENING AND ANNOUNCEMENT OF VISITORS

The Presiding Member opened the meeting at 5.30pm.

2. ATTENDANCE

Presiding Member:

Cr Grant Henley Mayor

Members:

Cr Coralie Tarbotton
Cr Ross Paine
Cr Terry Best
Cr John McCallum
Cr Rob Bennett
Cr Paul Carter
Cr Robert Reekie
Cr Gordon Bleechmore

Officers:

Mr Cliff Frewing, Acting Chief Executive Officer
Mr Oliver Darby, Director, Engineering and Works Services
Mrs Naomi Searle, Director, Community and Commercial Services
Mr Matthew Riordan, Manager, Strategic Planning and Development
Miss Kate Dudley, Administration Officer, Governance

Apologies

Nil

Approved Leave of Absence

Nil

Media:

"Busselton-Dunsborough Times"
"Busselton-Dunsborough Mail"

Public:

12

3. PRAYER

The prayer was delivered by Nathan Seinemeier of Cornerstone Church.

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**

Nil

Announcements by other Members at the invitation of the Presiding Member

Nil

6. APPLICATION FOR LEAVE OF ABSENCE

Nil

7. PETITIONS AND PRESENTATIONS

- 7.1 The Hon Barry House, President of the Busselton Tennis Club Inc. presented as a party with an interest on item 14.1 Busselton Tennis Club Inc. Lease. The Hon Barry House was in support of the officer recommendation and extended his thanks to the Councillors and the City Officers for their work in progressing the relocation of the tennis facilities to what is expected to be the best complex in Regional Australia.

8. DISCLOSURE OF INTERESTS

The Mayor noted that:

A declaration of Proximity Interest has been received from:

- Mayor Grant Henley:
13.2 CSRFF 2017 Annual / Forward Planning Grants Rating

A declaration of Impartiality Interest has been received from:

- Cr John McCallum:
14.1 Busselton Tennis Club Inc. Lease

The Mayor advised that in accordance with the Local Government (Rules of Conduct) Regulations 2007 this declaration would be read out immediately before Item 13.2 and 14.1 were discussed.

9. CONFIRMATION AND RECEIPT OF MINUTES

Previous Council Meetings

9.1 Minutes of the Council Meeting held 13 September 2017

Council Decision

C1709/227

Moved Councillor T Best, seconded Councillor J McCallum

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

CARRIED 9/0

Committee Meetings

9.2 Minutes of the Finance Committee Meeting held on Thursday 7 September 2017

Council Decision

C1709/228

Moved Councillor G Bleechmore, seconded Councillor P Carter

That the Minutes of the Finance Committee Meeting held on Thursday 7 September 2017 be confirmed as a true and correct record.

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.

Items Brought Forward For Discussion

En Bloc Motion

RECOMMENDATION

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

- 12.1 PROPOSAL TO CLOSE PERMANENTLY A SECTION OF UNNAMED ROAD OFF BIDDLE ROAD, QUEDJINUP
- 12.2 PROPOSAL TO CLOSE PERMANENTLY A PORTION OF FORESHORE PARADE, BUSSELTON
- 13.1 PROPOSED HEADS OF AGREEMENT FOR POTENTIAL DEVELOPMENT OF AN ANIMATION/DIGITAL PRODUCTION STUDIO; PERFORMING ARTS CENTRE AND HOTEL/ACCOMMODATION COMPLEX (HARRIS ROAD: LOTS 110, 10, 4, 5; AND PEEL TERRACE: LOTS 6, 7 181, 182) BUSSELTON
- 14.2 COUNCILLORS' INFORMATION BULLETIN

10. ENGINEERING AND WORKS SERVICES REPORT

12.1 PROPOSAL TO CLOSE PERMANENTLY A SECTION OF UNNAMED ROAD OFF BIDDLE ROAD, QUEDJINUP

SUBJECT INDEX:	Thoroughfares
STRATEGIC OBJECTIVE:	Development is managed sustainably and our environment valued.
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 Map of proposed road closure⇒ Attachment B WAPC endorsed structure plan⇒ Attachment C WAPC approved subdivision application plan⇒

PRÉCIS

This report seeks the consent of the Council for the permanent closure of a section of unnamed road off Biddle Road, Quedjinup (Attachment A). The road land may then be amalgamated with adjoining property as per a Western Australian Planning Commission (WAPC) endorsed structure plan.

BACKGROUND

The developer of land at the corner of Biddle Road and Commonage Road, Quedjinup (Sussex Locations 1041 and 525), has requested the closure of an unnamed public road off Biddle Road (Attachment A). This is so the road land may be amalgamated with adjoining property in accordance with WAPC endorsed plans for the development of the surrounding land.

Under the guidance of the endorsed structure plan (Attachment B), the WAPC approved a subdivision application plan (Attachment C) to create 8 new lots. The subdivision application plan shows that the unnamed road should be amalgamated with new Lot 23. On WAPC final approval of a survey plan for the development, Lot 23 may then be created, allowing for the amalgamation of the road land.

Public roads may be closed pursuant to section 58 of the *Land Administration Act 1997*. The Act requires local government to resolve to make a request to the Minister for Lands for a proposed road closure. The Minister may then order the road to be closed.

This report seeks a Council decision supporting closure of the subject road for amalgamation with adjoining property.

STATUTORY ENVIRONMENT

- [Land Administration Act 1997](#), section 58, 'Closing roads'
- [Land Administration Regulations 1998](#), regulation 9, 'Local government request to close road permanently (Act s. 58(2)), requirements for'

RELEVANT PLANS AND POLICIES

- Endorsed structure plan – Sussex Locations 1041 and 525 Biddle Road and Commonage Road, Quedjinup, 21 August 2009 (Attachment B)
- Subdivision application plan over Lot 9000 on DP 74289 and Lot 525 on DP 254534, WAPC File 148329, 28 June 2013 (Attachment C)

FINANCIAL IMPLICATIONS

The developer has paid the schedule road closure fee to the City for the road closure request. This fee covers the City's advertising and administration costs for processing the request.

The developer (not the City of Busselton) should be responsible for all costs associated with the closure of the public road and the amalgamation of the land into adjoining property. Costs may include surveying, land acquisition (from the WA Government), statutory charges, legal fees and other costs. These costs should be charged by the WA Government direct to the developer so the City will have no involvement with the proposal following a road closure recommendation to the Minister for Lands.

The City has no road or drainage asset on the unnamed road. And being Crown land, the City has no interest in the land.

Proceeds from the sale of the road land will be to State Revenue.

Long-term Financial Plan Implications

Nil.

STRATEGIC COMMUNITY OBJECTIVES

Key goal area	Community objectives
3. Environment	3.1 Development is managed sustainably and our environment valued
5. Transport	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 costs should be borne by the developer, and given the proposal has been endorsed by the WAPC.

CONSULTATION

A notice of the proposal to close the section of unnamed road off Biddle Road was advertised in the 'Council for the Community' section of the Busselton Dunsborough Mail, 26 July 2017. Also, a public notice was posted on City of Busselton notice boards and a written notice was posted to affected persons.

NOTE: Any need to relocate services should form part of the subdivision.

OFFICER COMMENT

The approximate 2260sqm section of unnamed public road off Biddle Road (near Commonage Road) presently provides legal access to one lot, Lot 525 (No. 397) Biddle Road, Quedjinup (refer to Attachment A).

Both the unnamed road and Lot 525 are the subject of a WAPC subdivision application plan (Attachment C) which shows the future amalgamation of the unnamed road into a proposed new lot (shown as Lot 23 on the plan).

This report has not found any reason to vary from the WAPC plans with respect to the closure of the road and the amalgamation of the land with adjoining property. As such, the report recommends the closure of the unnamed road.

To ensure that the City does not bear any costs associated with the proposed road closure, this report recommends that as a condition of the City's support for the proposal, the developer indemnifies the City against any costs.

Given the unnamed public road is Crown land, proceeds from the sale of the land will be directed to State Revenue (and not the City). In contrast, the WA Government has a policy that applies to land that is ceded to the Crown as a condition of subdivision (for recreation purpose as an example), where a portion from the sale of the land may be directed to local government and held in trust for use in a nearby area (for a similar purpose to the original purpose). Part of the rationale for this policy is that the owners and occupiers of land within the area may continue to benefit from use of public land.

This report suggests that the WA Government should hold a similar policy position for the sale of public road land. Part of the proceeds from the sale of public road land should be directed into local government and used for new or improved infrastructure within a nearby area.

CONCLUSION

The approximate 2260sqm section of unnamed public road off Biddle Road (near Commonage Road) should be closed permanently and amalgamated with adjoining property.

OPTIONS

This report does not recommend any options to the closure of the unnamed road. The closure of the road is required to facilitate the development of Sussex Locations 1041 and 525 in accordance with the Western Australian Planning Commission endorsed plans.

TIMELINE FOR IMPLEMENTATION OF OFFICER RECOMMENDATION

A request to close the subject road may be prepared and forwarded to the Minister for Lands within two weeks of the Council meeting minutes being published.

Council Decision and Officer Recommendation

C1709/229 Moved Councillor T Best, seconded Councillor C Tarbotton

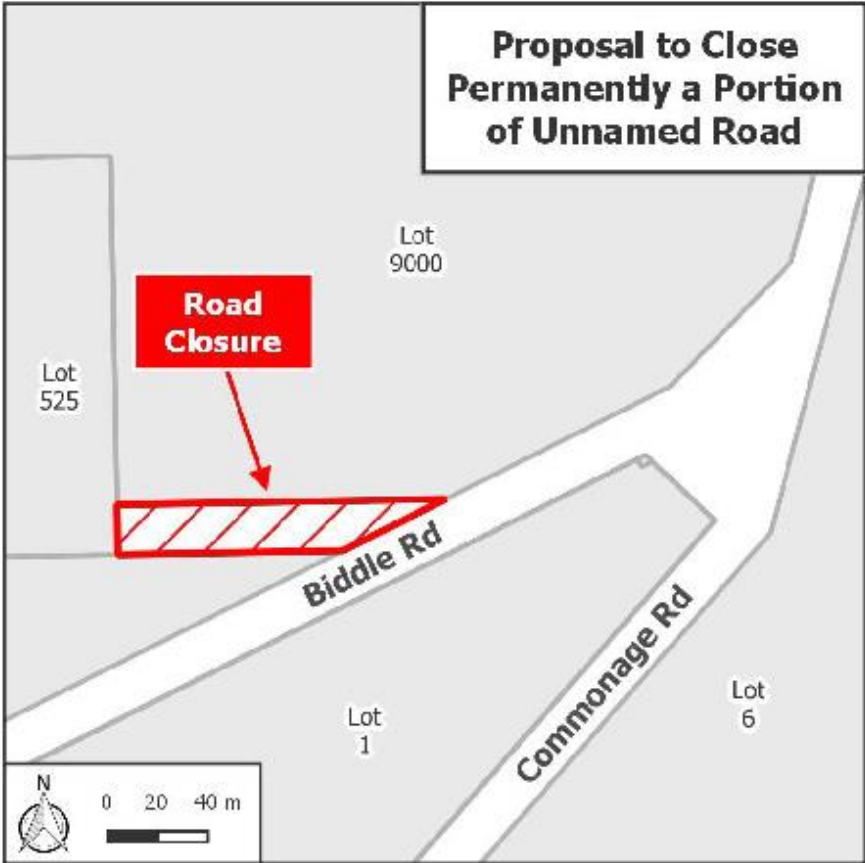
That the Council supports:

1. the proposal to close permanently an approximate 2260sqm portion of unnamed road off Biddle Road, Quedjinup (as shown in Attachment A), so the road land may be amalgamated with adjoining property;
2. a request being made to the Minister for Lands to close permanently the portion of unnamed road, pursuant to the *Land Administration Act 1997*, subject to:
 - a. the proponent indemnifying the City of Busselton against any costs and claims that may be associated with the proposal;
3. a letter from the City being sent to the WA Government requesting that the WA Government review its policy position with respect to proceeds from the sale of public road land, where a portion of the proceeds is directed to local government for construction of public infrastructure (such as road or drainage).

CARRIED 9/0

EN BLOC

Attachment A



12.2 PROPOSAL TO CLOSE PERMANENTLY A PORTION OF FORESHORE PARADE, BUSSELTON

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 Map of proposed road closure⇒ Attachment B Busselton Foreshore Upgrade, Stage 3 Master Plan⇒ Attachment C Aerial of subject area⇒

PRÉCIS

This report seeks the consent of the Council for the permanent closure of a 260sqm portion of Foreshore Parade, Busselton. The road land may then be amalgamated with adjoining Crown Reserve 38558.

BACKGROUND

After the construction of Foreshore Parade, it is now apparent that a 260sqm portion of road land (refer to Attachment A) is not required for road purpose, and would be better utilised as part of adjoining Crown Reserve 38558. But before the road land may be amalgamated with the adjoining reserve, it must first be closed permanently as a public road.

Public roads may be closed permanently pursuant to section 58 of the *Land Administration Act 1997*. The Act requires local government to resolve to make a request to the Minister for Lands for a proposed road closure. The Minister may then order the road to be closed.

This report seeks a Council decision supporting closure of the subject road for amalgamation with adjoining reserve land.

STATUTORY ENVIRONMENT

- [Land Administration Act 1997](#), section 58, 'Closing roads'
- [Land Administration Regulations 1998](#), regulation 9, 'Local government request to close road permanently (Act s. 58(2)), requirements for'

RELEVANT PLANS AND POLICIES

- [Busselton Foreshore Upgrade, Stage 3 Masterplan](#), 23 November 2015 (Attachment B)

FINANCIAL IMPLICATIONS

To close the road and amalgamate with adjoining Crown Reserve, the City may incur costs for licenced surveying. These costs may be funded from 2017/18 budget.

Long-term Financial Plan Implications

Nil

STRATEGIC COMMUNITY OBJECTIVES

Key goal area	Community objectives
5. Transport	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 to close the road are considered negligible.

By not closing the road, there is a chance that public utilities may use the area of land for their services, which may then impose limitations on future plans of the land (other than for road purposes).

CONSULTATION

A notice of the proposal to close the portion of Foreshore Parade was advertised in the 'Council for the Community' section of the Busselton Dunsborough Mail, 31 May 2017. Nil submissions were received.

Public utility providers were also advised of the proposed road closure. ATCO Gas, Telstra and Western Power have assets within the vicinity and advised that they do not object to the proposal.

OFFICER COMMENT

The 260sqm of road land that is the subject of this report is superfluous to public road requirements. Given the 'premium' nature of land within the Busselton Jetty and Foreshore precinct, the land would be better utilised for recreation and community purposes as part of Lot 503 of Crown Reserve 38558. Crown Reserve 38558 is vested with the City of Busselton with power to lease.

CONCLUSION

This report recommends the closure of the road land for amalgamation with adjoining Lot 503 of Crown Reserve 38558.

OPTIONS

The Council may determine that the road land may be better utilised as public road. But should the public utilities place their services within the subject area of land, this may limit future plans for the road land and surrounding area.

TIMELINE FOR IMPLEMENTATION OF OFFICER RECOMMENDATION

A request for the permanent closure of the public road may be forwarded to the Minister for Lands within one month of the publication of the Council meeting minutes.

Council Decision and Officer Recommendation

C1709/230 Moved Councillor T Best, seconded Councillor C Tarbotton

That, pursuant to the *Land Administration Act 1997*, the Council supports a request being made to the Minister for Lands to close permanently an approximate 260sqm portion of Foreshore Parade, Busselton (as shown in Attachment A), so the road land may be amalgamated with adjoining Lot 503 of Crown Reserve 38558.

CARRIED 9/0

EN BLOC

Attachment A



11. COMMUNITY AND COMMERCIAL SERVICES REPORT

13.1 PROPOSED HEADS OF AGREEMENT FOR POTENTIAL DEVELOPMENT OF AN ANIMATION/DIGITAL PRODUCTION STUDIO; PERFORMING ARTS CENTRE AND HOTEL/ACCOMMODATION COMPLEX (HARRIS ROAD: LOTS 110, 10, 4, 5; AND PEEL TERRACE: LOTS 6, 7 181, 182) BUSSELTON

SUBJECT INDEX:	Economic and Business Development
STRATEGIC OBJECTIVE:	An innovative and diversified economy that provides a variety of business and employment opportunities as well as consumer choice.
BUSINESS UNIT:	Commercial Services
ACTIVITY UNIT:	Property and Business Development
REPORTING OFFICER:	Economic and Business Development Coordinator - Jon Berry
AUTHORISING OFFICER:	Director, Community and Commercial Services - Naomi Searle
VOTING REQUIREMENT:	Simple Majority
ATTACHMENTS:	Attachment A City-owned lots at Peel Terrace and Harris Road ↔

PRÉCIS

This report provides an overview of a preliminary proposal for private sector development of an integrated animation/digital production studio, performing arts centre, hotel and residential complex and car-parking on City-owned land at Harris Road (Lots 110, 10, 4, 5) and Peel Terrace (Lots 6, 7 181, 182) Busselton.

The report recommends Council nominates a 'preferred proponent' (Vue Group) for a period of 18 months to negotiate terms and conditions for a potential future lease and/or sale of the land to progress the proposal. It recommends a draft Heads of Agreement be prepared for further consideration by Council, outlining commercial terms for potential future disposition of property in accordance with s3.58 of the Local Government Act 1995 and other financial and management considerations.

BACKGROUND

Vue Group is an international film production company based in Bunbury with additional production facilities in Melbourne. The company creates feature films, television and Internet drama, animation, documentary and large format themed 4D cinema. It has established strong strategic relationships with the film production industry in China and has developed joint ventures with private companies and government agencies. Their productions include animated movie joint ventures with Shanghai Hippo Animation Company (the biggest privately owned animation house in China) and co-production of several documentary and feature films.

Vue Group has developed significant creative, production and financing experience and is committed to development and growth of the film production industry in the South West of WA and was the recipient of Western Australia's Creative Industries Export Award in 2014. Since 2015, Vue Group has been seeking to develop an integrated complex including animation and training studios; digital production/postproduction offices; and, a hotel and residential mixed use development in Bunbury. However recently, they have expressed interest in Busselton as a potential location for the proposed integrated complex. City officers have held preliminary discussions with the company's Managing Director and have identified City-owned land at Harris Road (Lots 110, 10, 4, 5) and Peel Terrace (Lots 6, 7 181, 182) to potentially develop the facility through lease and/or sale of all, or a portion of these lots along with consideration of a public/private partnership arrangement for a Performing Arts and Convention Centre (PACC) as a potential component of the development.

STATUTORY ENVIRONMENT

Local Government Act 1995 (“LG Act”)

The proposed integrated mixed use development would require the City to lease and/or sell its land holdings, which constitutes a ‘disposal of property’ under the LG Act.

Section 3.58 (2) states that a local government can dispose of property to the highest bidder at public auction, or to the person at public tender. Section 3.58 (3, 4) allows for the disposal of property other than by public auction or by tender. It requires Council to give local public notice of its intention to dispose of the property, and consider any submissions which are received within the specified period. Should Council resolve in the future to proceed with the proposal outlined in this report and reach mutually acceptable terms and conditions with Vue Group, Council will be required to undertake LG Act actions described above s3.58 (3, 4).

City of Busselton Town Planning Scheme (TPS No 21)

The land proposed for the mixed-use development outlined in this report is zoned ‘business’. Development plans allowing for up to five storeys would be acceptable within the Central Business District (CBD), however consideration may be given for additional height should it be necessary.

RELEVANT PLANS AND POLICIES

City of Busselton Economic Development Strategy (2016-2026) (‘ED Strategy’)

Council adopted the ED Strategy in November 2016. Key focus areas include ‘Investment Attraction and Marketing’ and ‘Industry Development’. The Strategy identifies the growth of the creative industries (including segments such as music and performing arts; film and TV production; advertising/marketing; software; web and multimedia development; writing/publishing; architecture; design and visual arts) as a key economic opportunity for the Busselton district based on lifestyle attributes and strategic infrastructure including establishment of the National Broadband Network.

South West Regional Investment Blueprint (SWDC 2015)

The State Government’s South West Investment Blueprint specifically acknowledges the Busselton district as a major lifestyle city based on tourism, wine and food, creative and professional industries and events (South West Development Commission, 2015).

FINANCIAL IMPLICATIONS

There are no financial implications arising from the Officer recommendation. Should any external professional services be required to support the development of a Heads of Agreement, these will be funded from the 2017/18 budget adopted by Council.

Long-term Financial Plan Implications

There are no implications on the Long Term Financial Plan (LTFP) arising from the Officer recommendation.

The LTFP identifies borrowings of \$10 million to support development of a Performing Arts and Convention Centre (PACC): [2019/20 (\$3m); 2020/21 (\$3m); 2021/22 (\$4m)]. However, the City is not anticipating spending this amount of capital should a public/private partnership arrangement be negotiated and proceed to fruition. The LTFP also makes provision for an annual operating deficit of approximately \$600k pa (averaged over the first fifteen years of operating a PACC) commencing from the year 2022/23.

The proposed Heads of Agreement may take into consideration a potential contribution by the City to the operations and maintenance of a multi-functional performing arts and convention space in a public/private partnership arrangement.

Additionally, given the Lots proposed for the development were purchased using funds sourced from the City's Car-Parking Reserve, a proportion of any future proceeds from sale and/or lease of the Lots may be required to be directed to replenishing the Car-Parking Reserve. This will be subject to a further report to Council.

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

An assessment of the potential implications of implementing the Officer recommendation has been undertaken using the City's risk assessment framework. The table below describes identified 'downside' risks where the residual risk, once controls have been identified, is identified as 'medium' or greater;

<i>Risk</i>	<i>Controls</i>	<i>Consequence</i>	<i>Likelihood</i>	<i>Risk Level</i>
Potential lost investment opportunities for a period of 18 months with a nominated preferred development proponent over the land	Undertake negotiations for a 'non-binding' heads of agreement s3.58 requires public notification of the proposed disposition, Council will consider submissions through this process prior to disposing of the land	Moderate	Unlikely	Medium

CONSULTATION

There has been no community or stakeholder consultation undertaken at this time. Should Council resolve to progress disposition of property in the future, public comments will be sought on the development concepts and potential terms and conditions for sale/lease of the property.

OFFICER COMMENT

The City of Busselton purchased the following land holdings in 2013 (Lots 110, 10, 4 and 5 Harris Road and Lots 6, 7 181 and 182 Peel Terrace Busselton) as a potential future site for car-parking within close proximity to the CBD and as such owns the land freehold. The land area owned by the City totals 9,161m².

The lots adjoining the City-owned land (Lots 1-2 Harris Road and Lots 2 and 9 Peel Terrace) are privately owned and (subject to interest in sale of the land by the respective owners) have potential to be amalgamated to create a larger land assembly to facilitate an integrated hotel and residential development. The land area privately owned and adjoining City land totals 3,083m².

A plan showing the City-owned lots and surrounding land ownership is in Attachment A.

The land is potentially suitable and zoned appropriately for a proposed mixed use commercial development integrating public car-parking and is considered suitable for a prospective private development proposal being an animation/digital production studio (potentially combining as a performing arts and convention centre) along with other short-stay/residential accommodation and hospitality uses. A performing arts and convention centre with capacity for exhibitions has been identified as a high priority in the City's Community Strategic Plan and has been the subject of preliminary concept planning in the cultural precinct in Queen Street Busselton, however has not been progressed due to funding constraints.

In November 2016 the Council adopted (C1611/132) the City of Busselton Economic Development Strategy as a guide for future planning. Key focus areas within the Strategy include 'Investment Attraction and Marketing' and 'Industry Development'. The Strategy identifies the growth of the creative industries (including segments such as music and performing arts; film and TV production; advertising/marketing; software; web and multimedia development; writing/publishing; architecture; design and visual arts) as a key economic opportunity for the Busselton district based on lifestyle attributes and strategic infrastructure including establishment of the National Broadband Network. Further the development of a multi-media studio and future hotel development will significantly contribute to the local economy through the creation of jobs and further investment in the region. International access to the region through the development of the Busselton Margaret River Airport will also significantly contribute to the success of the development and future marketing of the Busselton District as a base for the film industry.

Prior to committing resources to further investigate the proposed mixed use development and associated management, legal and financial arrangements, Officers recommend Council nominates Vue Group as 'preferred proponent' and authorises the CEO to commence negotiating a draft Heads of Agreement prior to further consideration by Council. A Heads of Agreement will further develop a design concept and state the proposed commercial, legal and other management arrangements associated with a potential future sub-lease and/or sale of the land, prior to progressing statutory disposition of property in accordance with s3.58 of the Local Government Act 1995.

For example, the hotel development (up to eight storeys) would likely be developed as a separate, standalone facility and the City may consider selling a portion of the City-owned lots to facilitate this component of a future development. Conversely, part of the land may be leased for the animation and digital production studio building which could also function as a performing arts and convention centre under a management arrangement with the City.

With respect to potential leasing arrangements and subject to further negotiations, Officers have discussed the following arrangements with the proponent which may form part of a future Heads of Agreement:

- Minimum Lease term of 65 years;
- Studio to be made available to the City of Busselton for an agreed number of days per year for the operation of the Performing Arts and Function/ Exhibition Centre;
- A percentage of total car parking bays be made available for public use;
- City contributions to be considered towards the operational costs of the building;
- Negotiated rent based on market value and percentage of City / public usage as Performing Arts and Function Centre; and
- Standard City development approvals and local government rates would apply.

CONCLUSION

Council is being requested to nominate Vue Group as a preferred proponent (for a period of 18 months) to develop an integrated animation/digital production studio, performing arts centre, hotel and residential complex and car-parking on City-owned land at Harris Road (Lots 110, 10, 4, 5) and Peel Terrace (Lots 6, 7 181, 182) Busselton. The preferred proponent status is non-binding however allows the two parties to negotiate potential future terms and conditions for potential disposition of property (by lease and/or sale) in good faith prior to progressing formal statutory requirements of the Local Government Act 1995, which will require Council consideration of public comments on the proposal.

Officers are also recommending Council authorise the CEO to commence negotiating a draft Heads of Agreement, which will outline terms and conditions for a potential lease and/or sale of the land and include other financial, legal and management considerations.

OPTIONS

Council may elect an alternative course of action including but not limited to:

- Seeking competitive expressions of interest from the private sector to lease or sell the Lots on Harris Road/Peel Terrace
- Taking no action at this time and reserving the land solely for a future car-park development as previously proposed.

TIMELINE FOR IMPLEMENTATION OF OFFICER RECOMMENDATION

Should Council support the Officer recommendation, Officers will commence formal negotiations with Vue Group, based on the concept and high level terms outlined in this report. Once a final draft concept and terms are negotiated, a further report will be prepared for Council consideration in mid-late 2018.

Council Decision and Officer Recommendation

C1709/231

Moved Councillor T Best, seconded Councillor C Tarbotton

That the Council:

1. Nominates Vue Group as 'preferred proponent' for a period of 18 months for development of an integrated animation/digital production studio, performing arts centre, hotel and residential complex with public car-parking on Lots 110, 10, 4 and 5 Harris Road and Lots 6, 7 181 and 182 Peel Terrace Busselton; and,
2. Authorises the CEO to commence negotiating a draft Heads of Agreement with Vue Group for potential future disposition (by sale and/or lease) of the above mentioned land.

CARRIED 9/0

EN BLOC

14. FINANCE AND CORPORATE SERVICES REPORT

14.2 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:	Director, Finance and Corporate Services - Cliff Frewing
VOTING REQUIREMENT:	Simple Majority
ATTACHMENTS:	Attachment A Planning Applications received by the City between 15 August 2017 and 31 August 2017 ⇒
	Attachment B Planning Applications determined by the City between 15 August 2017 and 31 August 2017 ⇒
	Attachment C Meelup Regional Park Management Committee Minutes ⇒

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

14.2.1 Planning and Development Statistics

Attachment A is a report detailing all Planning Applications received by the City between 15 August, 2017 and 31 August, 2017. 62 formal applications were received during this period.

Attachment B is a report detailing all Planning Applications determined by the City between 15 August, 2017 and 31 August, 2017. A total of 40 applications (including subdivision referrals) were determined by the City during this period with 40 approved / supported and 0 refused / not supported.

14.2.2 Current Active Tenders

RFT03/17 DETAILED DESIGN AND CONSTRUCTION OF TODDLER'S PLAYGROUND BUSSELTON FORESHORE

Under Delegation LG3J the CEO declined to accept any tender on the following grounds:

- one tender did not meet the tender specifications; and
- the other tender did not satisfy the City's value for money assessment.

The City will consider the best strategy for progressing this project subject to funding.

RFT11/17 DESIGN AND CONSTRUCTION OF LANDSIDE CIVIL AND SERVICES INFRASTRUCTURE – BUSSELTON-MARGARET RIVER REGIONAL AIRPORT

The City of Busselton invited tenders for the design and construction of the landside civil and services infrastructure at the Busselton-Margaret River Airport. The tender was advertised on 10 June 2017, with a closing date of 29 June 2017, which was later extended to 6 July 2017. The value of the contract is expected to exceed the CEO's delegated authority. The evaluation has been completed and at a special council meeting on 8 September 2017 and Council resolved to:

- Select ERTECH PTY LTD as the best value for money tender and the tender submitted by JAXON CIVIL PTY LTD as the second best value for money tender.
- Delegate to the CEO the authority to negotiate variations with the first preferred tenderer, ERTECH PTY LTD, in accordance with the relevant provisions under the *Local Government (Functions and General) Regulations 19* and to enter into a contract with the chosen tenderer, provided that the total cost does not exceed the budget.
- Delegate to the CEO the authority to negotiate and enter into a contract with the second preferred tenderer JAXON CIVIL PTY LTD on the same basis if negotiations with the first preferred tenderer are unsuccessful.

The City is currently finalising negotiations with Ertech Pty Ltd with a view to entering into the contract prior to the end of September 2017.

RFT12/17 DESIGN AND CONSTRUCTION OF BUSSELTON JETTY PRECINCT HIGH AMENITY AREA

The City of Busselton invited tenders for the design and construction of the Busselton Jetty precinct high amenity area. The tender was advertised on 1 July 2017, with a closing date of 27 July 2017. A total of 6 tenders were received. Council resolved on 22 August 2017 to:

1. Endorse Perkins Pty Ltd as the successful tenderer for the purpose of Regulation 20 of the *Local Government (Functions and General) Regulations 1986*.
2. Delegate to the CEO the authority:
 - (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;
 - (c) to agree to 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.

Following negotiations with the successful tenderer the CEO awarded the contract to Perkins Pty Ltd.

PQS01/17 ELECTRICAL SERVICES PANEL OF PRE-QUALIFIED SUPPLIERS

The City of Busselton requested applications to join a panel of pre-qualified suppliers (PQS) for the provision of electrical services to the City. The request was advertised on 3 June 2017, with a closing date of 20 June 2017. A total of 12 applications were received. In accordance with delegation LG3M the CEO has authority to appoint applicants to be part of a panel of pre-qualified suppliers for provision of goods and services to the City. The evaluation has been completed. Applications from the following applicants have been accepted by the City to join the City's panel of pre-qualified suppliers:

1. JCW Electrical Group Pty Ltd;
2. Barry Allen Electrical Services Pty Ltd;
3. Scotsvale Pty Ltd T/A BSEWA;
4. Brett Titterton Electrical and Air Conditioning T/A The Titterton Family Trust;
5. David Mildwaters;
6. North South Operations Pty Ltd;
7. Ben Watty T/A Ben Watty Electrical; and
8. Lrmen Pty Ltd T/A Brunswick Electrical Services.

RFT13/17 DESIGN AND CONSTRUCTION OF LEACHATE MANAGEMENT CONTROL SYSTEM FOR LANDFILL CELL 1 AND 2, DUNSBOROUGH WASTE FACILITY

The City of Busselton invited tenders for the design and construction of a Leachate Management Control System for Cell 1 and 2 located at the Dunsborough Waste Facility. The tender was advertised on 17 June 2017, with a closing date of 31 July 2017. A total number of 41 prospective tenderers downloaded the tender document, but no conforming tender has been received. Upon enquiry some of the prospective tenderers indicated they may be prepared to reconsider their position and submit a bid. In accordance with section 11(2)(c) of the *Local Government (Functions and General) Regulations 1996* and the City of Busselton Purchasing Policy the City implemented a request for quotation process for procurement of the goods and services required for this project. The evaluation has been completed and the contract awarded by the CEO under delegated authority to Overflow Industrial Pty Ltd.

RFT14/17 SUPPLY AND DELIVERY OF PRE-MIXED CONCRETE

The City of Busselton invited tenders for the supply and delivery of pre-mixed concrete. The tender was advertised on 1 July 2017, with a closing date of 18 July 2017. A total of 2 tenders were received. The evaluation has been completed and Council resolved at its 22 August 2017 meeting to award the contract resulting from RFT14/17 to Hansen Construction Materials Pty Ltd.

RFT15/17 SUPPLY OF WASTE STATIONARY COMPACTION SYSTEM AND SEMI TRAILER

The City of Busselton invited tenders for the installation of a compaction system at the Busselton Waste Transfer and Recycling Station. The tender was advertised on 2 September 2017, with a closing date of 21 September 2017. The value of the contract is expected to exceed the CEO's delegated authority.

14.2.3 Meelup Regional Park Management Committee Minutes

Attachment C shows the informal Meelup Regional Park Management Committee Minutes held on Monday 28 August 2017.

Council Decision and Officer Recommendation

C1709/232 Moved Councillor T Best, seconded Councillor C Tarbotton

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

- 14.2.1 Planning and Development Statistics
- 14.2.2 Current Active Tenders
- 14.2.3 Meelup Regional Park Management Committee Minutes

CARRIED 9/0

EN BLOC

15. REPORTS OF COMMITTEE**10.1 Finance Committee - 7/09/2017 - 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:	Nil

This item was considered by the Finance Committee at its meeting on 7 September 2017, 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.

It will however result in a reduction to the City's "Budget Surplus Contingency Holding Account" from \$217,648 to \$93,980 (by \$123,768).

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. "Main Roads WA (MRWA) Direct Grant Funding"**BACKGROUND**

A decision to discontinue vehicle licence concessions for local government authorities from 1 July 2017 was made by the previous Liberal State Government.

On 27 June 2017, a motion to disallow the Road Traffic (Vehicles) Amendment Regulations (No, 2) 2017 which in effect cancelled the proposal to withdraw the concession was passed by the Legislative Council with the support of the now Opposition and other non-Government Members.

The McGowan Labor State Government has stated openly that it is committed to budget repair, with all sectors of the community contributing to that outcome, and therefore responded to neutralise this setback by making offsetting reductions in expenditure.

As such, and in order to compensate for the loss of the savings envisaged by the cancellation of the withdrawal of the motor vehicle licence concession, the Government has made the decision to reduce the Direct Grants pool of the State Road Funds to Local Government Program by \$10.3 million in 2017/18 and \$9.8 million in subsequent years.

The City of Busselton has received advice that their MRWA direct grants for 2017/2018 have been reduced from \$335,907 to \$193,452, a reduction of \$142,455 being a 42% decrease.

PLANNED EXPENDITURE ITEMS

Council's 2017/18 adopted budget includes an allocation of \$335,907 as follows in Table 1:

Table 1:

<i>Cost Code</i>	<i>Description</i>	2017/18 Annual Budget \$	Government Grants and Subsidies	Municipal Funds	Description of Funding Source & Other Comments
S0314	Koorabin Drive - Reseal	250,000	250,000	0	Complete Re seal the whole length from Gunyulgup Valley Drive to Marrinup Drive approx. 1.1km to prevent reflective cracking
S0315	Guerin Street - Asphalt Overlay	85,907	85,907	0	Asphalt Overlay from SLK 35 to 474 (Marine Terrace to Harwood Rd. The road is in very poor condition 8 to 9.
Total		335,907	335,907	0	

As Council is aware the 2017/2018 Adopted Budget also contains a contingency amount of \$217,648, at the time of Budget Adoption Officers advised that they were of the opinion that this amount should be maintained in light of the impending State Governments Budget to be announced in September 2017. As such this has been proven to be a prudent decision in light of the above changes to MRWA Direct Grant funding.

Officers propose that the 2017/2018 Adopted Budget be amended to reflect the following funding changes, shown in Table 2, these changes will be funded by a reduction in the City's "Budget Surplus Contingency Holding Account" account string 100-10001-3680-0000 which will reduce from \$217,648 to \$75,193.

Table 2:

<i>Cost Code</i>	<i>Description</i>	2017/18 Annual Budget \$	Government Grants and Subsidies	Municipal Funds	Description of Funding Source & Other Comments
S0314	Koorabin Drive - Reseal	250,000	143,977	106,023	Complete Re seal the whole length from Gunyulgup Valley Drive to Marrinup Drive approx. 1.1km to prevent reflective cracking
S0315	Guerin Street - Asphalt Overlay	85,907	49,475	36,432	Asphalt Overlay from SLK 35 to 474 (Marine Terrace to Harwood Rd. The road is in very poor condition 8 to 9.
Total		335,907	193,452	142,455	

PROPOSED OUTCOME

Continuation of proposed projects as shown in Table 2 above.

2. “Financial Assistance Grants and Rating Revenue”

BACKGROUND

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

Since this time advice has been received from the WA Local Government Grants Commission with respect to Final Financial Assistance Grant allocations for the 2017/2018 financial year; the advice received shows a shortfall in Budget funding of \$39,823. This is due to the total pool of funds being reduced to WA. The pool of funds is determined by population and as the population of WA has reduced, so has the pool of funds reduced to be distributed to Local Government. The reduction in funds allocated to the City is less than the average reduction because of the increase in the population of the City.

In addition, due to changes to valuations and subdivisions, the amount budgeted for Rates revenue grew by the amount of \$58,510.

Officers propose that the 2017/2018 Adopted Budget be amended to reflect the following funding changes, shown in Table 3, with the net increase in revenue of \$18,687 being allocated to the City’s “Budget Surplus Contingency Holding Account” account string 100-10001-3680-0000.

Table 3:

<i>Natural Account</i>	Adopted Budget	Proposed Amended Budget	Variance
<u>Rate Amendments</u>			
1001 - Residential Rates	(24,286,897)	(24,358,255)	(71,358)
1007 - General Rates - Industrial	(1,971,191)	(1,970,457)	734
1013 - General Rates - Commercial	(7,084,024)	(7,085,398)	(1,374)
1019 - General Rates - Vacant Land Residential	(2,266,048)	(2,284,387)	(18,339)
1025 - General Rates - Vacant Land Industrial	(186,973)	(184,763)	2,210
1037 - General Rates - Primary Produce	(2,818,566)	(2,819,353)	(787)
1043 - General Rates - Rural	(4,010,265)	(3,975,983)	34,282
1049 - General Rates - Commercial	(776,359)	(780,237)	(3,878)
Total	(43,400,323)	(43,458,833)	(58,510)
<u>Financial Assistance Grants Amendments</u>			
1250 - Grants Commission - General Purpose Grant	(385,756)	(344,104)	41,652
1251 - Grants Commission - Local Roads Grant	(648,440)	(650,269)	(1,829)
Total	(1,034,196)	(994,373)	39,823
Transfer to Budget Surplus Contingency Holding Account		Net Variance	(18,687)

PROPOSED OUTCOME

Alignment of Budget to actual know amounts received or to be received.

3. "Busselton Foreshore Jetty Precinct"

BACKGROUND

The City of Busselton was honoured to host a visit by Prime Minister Malcolm Turnbull on 3rd August 2017. A tour of the Busselton foreshore rounded out the visit where Mr Turnbull unexpectedly announced the City had been successful in a grant funding bid of \$1.5 million toward completion of the foreshore project. The project, which has been a work in progress for 7 years, has seen \$42 million in state and local government funding deliver the precinct to the community, excluding Jetty restoration. This federal funding will ensure the project is completed to the vision established by the community developed masterplan.

PLANNED EXPENDITURE ITEMS

Council's 2017/18 adopted budget includes an allocation of \$4,000,000 as follows in Table 3:

Table 3:

<i>Cost Code</i>	<i>Description</i>	2017/18 Annual Budget \$	Government Grants and Subsidies	Loan	Municipal Funds	Description of Funding Source & Other Comments
C3168	Busselton Foreshore Jetty Precinct	4,000,000	0	3,500,000	500,000	P&G general allocation reduction

Officers propose that the overall Budget for this item be increased by \$500,000 with a reduction in Loan borrowings from \$3,500,000 to \$2,500,000, account string 120-C3168-1759-0000 "Loan Proceeds". This also provides the Council with an opportunity to redirect borrowing of \$1,000,000 to another project if there is a need for capital works in another areas e.g. Airport Development.

The addition of \$500,000 to the Busselton Foreshore Project will provide funds for contingency and to ensure adequate funds to finalise the Jetty Precinct works, the basis for the initial request for Federal Government funding.

Grant funds being recognised in account string 120-C3168-1221-0000 Capital Grants-Other (Federal) \$1.5m.

Officers recommend that the proposed amended Budget shown below in Table 4 below be approved by Council.

Table 4:

<i>Cost Code</i>	<i>Description</i>	Amended 2017/18 Annual Budget \$	Government Grants and Subsidies	Loan	Municipal Funds	Description of Funding Source & Other Comments
C3168	Busselton Foreshore Jetty Precinct	4,500,000	1,500,000	2,500,000	500,000	P&G general allocation reduction

PROPOSED OUTCOME

Continuation of proposed project as shown in Table 4 above.

4. “Churchill Park”

BACKGROUND

Council adopted the Active Open Space recommendations pertaining to Churchill Park at its meeting on 10 April 2013.

The development of the Master Plan for Churchill Park recognises that continued use of the site for its current purposes and the residual value and replacement cost of the existing assets limits any dramatic or major changes to the site layout or infrastructure.

PLANNED EXPENDITURE ITEMS

Council’s 2017/18 adopted budget includes a total allocation of \$150,000 for Churchill Park as shown below in Table 5:

There is no net financial impact on the proposed structural changes requested to these Churchill Park Budget line items.

Table 5:

<i>Cost Code</i>	<i>Description</i>	2017/18 Annual Budget \$	Municipal Funds	Description of Funding Source & Other Comments
<u>CAPITAL</u>				
W0205	Churchill Park New Entry Road to Croquet Club	74,000	74,000	New entry statement to Churchill park and the Croquet Club as part of the Churchill Park Master plan
W0206	Churchill Park Fire Hydrant Relocation	9,000	9,000	Relocation of Fire Hydrant for the entry to be completed
<u>Operating</u>				
541-B1506-3640-0000	Donations, Contributions	67,000	67,000	Busselton Croquet Club Building
Total		150,000		

Officers propose that the overall Budget of \$150,000 be transferred to one Capital account to ensure that the project can be managed to deliver the overall outcomes of the project. The allocation of \$67,000 as an operating line item in the current Budget was arguably determined on the basis that the City’s contribution to the Croquet Club building extension was a grant to the club and with CSRFF funding. However given the Club has secured a transportable building, the application for grant funding for 2017/2018 to CSRFF will not be proceeded with. Further expenditure at Churchill Park is likely to be of a Capital nature as per Council’s LTFP.

Table 6:

<i>Cost Code</i>	<i>Description</i>	Amended 2017/18 Annual Budget \$	Municipal Funds	Description of Funding Source & Other Comments
<u>CAPITAL</u>				
C3145	Churchill Park Redevelopment	150,000	150,000	Churchill park upgrades
Total		150,000		

PROPOSED OUTCOME

Continuation of proposed project as shown in Table 6 above.

5. "Airport Development"

BACKGROUND

The Busselton-Margaret River Airport Development Project landside budgets were developed on the basis of a number of infrastructure elements to be delivered primarily through construction only contracts. Through the design of the landside civil, services and landscaping work package the intended package changed from a construct only to a design and construct contract and as such a consolidation of budget line items, and creation of a new account, is required to better reflect the tender package that will be delivered in one contract.

PLANNED EXPENDITURE ITEMS

A Request for Tender for the design and construction of landside civil and services infrastructure was issued in June 2017 comprising the following: landscaping, carpark and access roads, and external services (water, power, sewer, drainage). Whilst the adopted 2017/18 budget has a budget line item specifically for external services, a component of this budget is for the construction of a water services corridor and associated infrastructure delivered to the Airport lot boundary, to be undertaken by Busselton Water. As such, a separate budget will still be required for this.

Council's 2017/18 adopted budget includes an allocation of \$11,200,000 as follows:

Table 7:

<i>Cost Code</i>	<i>Description</i>	2017/18 Annual Budget \$	Government Grants and Subsidies	Description of Funding Source & Other Comments
C6090	Parks & Gardens Airport Stage 2	600,000	600,000	Department of Regional Development (Royalties for Regions)
C6093	Airport Construction Stage 2, Car Park & Access Roads	6,000,000	6,000,000	Department of Regional Development (Royalties for Regions)
C6095	Airport Construction Stage 2, External Services	4,600,000	4,600,000	Department of Regional Development (Royalties for Regions)
Total		11,200,000		

Officers propose that the 2017/2018 Adopted Budget be amended to reflect the following changes, to be fully funded by the State Government's Royalties for Regions funding for the Airport Development Project.

Table 8:

<i>Cost Code</i>	<i>Description</i>	Amended 2017/18 Annual Budget \$	Government Grants and Subsidies	Description of Funding Source & Other Comments
C6095	Airport Construction Stage 2, External Services	2,600,000	2,600,000	Department of Regional Development (Royalties for Regions)
New Account Number	Airport Construction Stage 2, Landside Civils and Services Infrastructure	8,600,000	8,600,000	Department of Regional Development (Royalties for Regions)
Total		11,200,000		

PROPOSED OUTCOME

The consolidation of budget line items and creation of a new account number to continue the projects outlined above as reflected by their procurement method.

6. “Revitalising Geographe Waterways program - Fish and Aquatic Invertebrate Survey”

BACKGROUND

The City was recently successful in securing \$18,627 from Coastwest to undertake a fish and aquatic invertebrate survey in Toby Inlet in order to inform the management plan that is currently being prepared as part of the Revitalising Geographe Waterways program.

PLANNED EXPENDITURE ITEMS

Faunal survey of the fish and aquatic invertebrates of Toby Inlet and community sampling day (November 2017), processing of samples collected during the faunal survey (February 2018) and project reporting and audit (March 2018).

Council’s 2017/18 adopted budget includes a net allocation of \$153,010 as follows:

Table 9:

<i>Cost Code</i>	<i>Description</i>	2017/18 Annual Budget \$	Government Grants and Subsidies	Description of Funding Source & Other Comments
421-10830-3280-0000	Environmental Management Cont + C/Staff	193,010	40,000	Coastwest
421-10830-1239-0000	Environmental Management – Operating Grants	-40,000	-40,000	R4R Funding – Water management plans, Lower Vasse and Toby Inlet
Total		153,010		

The City was advised of the success of the Coastwest grant after the 2017/18 budget was adopted. Officers propose that the 2017/2018 Adopted Budget be amended to reflect the following changes, with the additional \$18,627 funding for the Revitalising Geographe Waterways program.

Table 10:

<i>Cost Code</i>	<i>Description</i>	Amended 2017/18 Annual Budget \$	Government Grants and Subsidies	Description of Funding Source & Other Comments
421-10830-3280-0000	Environmental Management Cont + C/Staff	211,637	58,627	Water management plans, Lower Vasse and Toby Inlet
421-10830-1239-0000	Environmental Management – Operating Grants	-58,627	-58,627	R4R Funding \$40,000 and additional Grant of \$18,627 - Coastwest
Total		153,010		

PROPOSED OUTCOME

The results of the fish and aquatic invertebrates survey will inform the preparation of the water management plan, currently being prepared as part of the Revitalising Geographe Waterways program. The community sampling day will also assist with engaging with the local community with regards to managing Toby Inlet.

7. “Community Safety Education”

BACKGROUND

The City was recently successful in securing \$18,000 from the Road Safety Commission, to produce 3 short films that emphasise community safety education messages, specific to cycling/motorists, each of which have been identified by community consultation during the bike plan currently underway. In addition, the campaign addresses the City’s transport sustainability message ‘walk or cycle instead’ message.

PLANNED EXPENDITURE ITEMS

Expenses include production of short films, and funds for screening of films at indoor and outdoor cinema. A banner with “walk or cycle instead” will be produced for the billboard at the entry to the City. The bike plan currently underway identifies community safety messages that should be addressed.

Council’s 2017/18 adopted budget includes a net allocation of \$5,000 as follows:

Table 11:

<i>Cost Code</i>	<i>Description</i>	2017/18 Annual Budget \$	Municipal Funds	Description of Funding Source & Other Comments
510- 11107- 3215-0000	Engineering Services, Design	5,000	5,000	
Total		5,000		

The City was advised of the success of the Road Safety Commission grant after the 2017/18 budget was adopted.

Officers propose that the 2017/2018 Adopted Budget be amended to reflect the following changes, with the additional \$18,000 funding for the Community Safety Education campaign.

Table 12:

<i>Cost Code</i>	<i>Description</i>	Amended 2017/18 Annual Budget \$	Government Grants and Subsidies	Municipal Funds	Description of Funding Source & Other Comments
510- 11107- 3215-0000	Engineering Services, Design	23,000	18,000	5,000	Funding of \$18,000 from Road Safety Commission
510- 11107- 1239-0000	Engineering Services, Design – Operating Grants	-18,000	-18,000		Road Safety Commission grant
Total		5,000			

PROPOSED OUTCOME

Projections indicate the safety education messages will reach 160,000 people, including visitors over the November/December 2017 January 2018 period.

8. "Aged Care Housing"

BACKGROUND

The City manages housing units at Harris Road under a Joint Venture arrangement with the Department of Housing. Under the joint venture the City is responsible for managing the tenure of units and for maintaining the units in good condition, fit for occupation. It is also the City's obligation to upgrade the units as and when required.

The City regularly reviews the condition of the units and carries out maintenance requirements as appropriate. In addition, the City reviews the condition of each unit upon it being vacated and, as required, refurbishes the unit prior to it being re-tenanted. While the City is not in a position to know exactly when each unit will be vacated, we budget on the assumption that two units per annum will require refurbishment, historically at an estimated average cost of \$10,000 per unit.

While only being August we have already had two units become vacant this financial year, both of which have been occupied by long term tenants. It has therefore been many years since any significant works have been undertaken on those units. We have recently refurbished another similar unit, the total cost of which was \$18,800 Inc. of GST.

Additional funds are therefore sought based on the increased costs of refurbishment and the expectation that we may have more than the two units vacate through the year.

PLANNED EXPENDITURE ITEMS

Council's 2017/18 adopted budget includes an allocation of \$22,000 as follows in table 12:

Table 12:

<i>Cost Code</i>	<i>Description</i>	2017/18 Annual Budget \$	Municipal Funds	Description of Funding Source & Other Comments
B9301	Aged Housing Capital Improvements - Harris Road	22,000	22,000	Refurbishment of aged housing units upon vacation
Total		22,000		

Officers propose that the 2017/2018 adopted budget be amended to reflect the following funding changes, shown in Table 13. These changes will be funded from the Joint Venture Aged Housing Reserve which shows an expected balance as at 30/06/2018 of \$1,105,291; officers wish to draw \$25,000 from this reserve.

Table 13:

<i>Cost Code</i>	<i>Description</i>	2017/18 Annual Budget \$	Municipal Funds	Reserves	Description of Funding Source & Other Comments
B9301	Aged Housing Capital Improvements - Harris Road	47,000	22,000	25,000	Refurbishment of aged housing units upon vacation
Total		47,000			

PROPOSED OUTCOME

Aged Housing Units at Harris Road will be refurbished and maintained to an appropriate standard, ensuring we meet our obligations under the joint venture agreement.

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. The City's "Budget Surplus Contingency Holding Account" account string 100-10001-3680-0000 would reduce from \$217,648 to \$93,980 (by \$123,768).

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 and Officer Recommendation

C1709/233 Moved Councillor G Bleechmore, seconded Councillor J McCallum

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; noting that the City's "Budget Surplus Contingency Holding Account" would reduce from \$217,648 to \$93,980 (by \$123,768).

CARRIED 9/0

16. PLANNING AND DEVELOPMENT SERVICES REPORT

Nil

17. COMMUNITY AND COMMERCIAL SERVICES REPORT**13.2 CSRFF 2017 ANNUAL / FORWARD PLANNING GRANTS RATING**

SUBJECT INDEX:	CSRFF 2017
STRATEGIC OBJECTIVE:	A community with access to a range of cultural and art, social and recreational facilities and experiences.
BUSINESS UNIT:	Community Development
ACTIVITY UNIT:	Community Services
REPORTING OFFICER:	Community Development Coordinator - Vicki James
AUTHORISING OFFICER:	Director, Community and Commercial Services - Naomi Searle
VOTING REQUIREMENT:	Simple Majority
ATTACHMENTS:	Attachment A CSRFF Grant Application Form⇒ Attachment B Feasibility Study⇒

DISCLOSURE OF INTEREST	
Date	27 September 2017
Meeting	Council
Name/Position	Grant Henley, Mayor
Item No./Subject	13.2 CSRFF Annual/Forward Planning Grants Rating
Type of Interest	Proximity Interest
Nature of Interest	My property adjoins the reserve on which the pavilion is planned.

PRÉCIS

Each year Local Government Authorities are required to rate and prioritise the Annual and Forward Grant Community Sport and Recreation Facilities Fund (CSRFF) submissions received within their municipality.

The purpose of this report is to meet the CSRFF criteria by outlining the submissions received for projects within the City for this current funding round and request that Council rate each application prior to forwarding to the Department of Local Government, Sport and Cultural Industries (DLGSCI) by 30 September 2017 for final consideration.

BACKGROUND

DLGSCI administers the CSRFF program, with the purpose of providing State Government financial assistance to Local Government Authorities and local community groups (up to one third of the total capital cost), to develop well-planned facilities for sport and recreation.

In order to assist with the evaluation of submissions and to ensure projects are viable and appropriate, DLGSCI has developed "Key Principles of Facility Provision". Accordingly, each submission is to be assessed against those criteria.

Under the provision, Local Government Authorities are required to rate and prioritise local submissions using the following guide;

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

Submissions for the current funding round closed on Thursday 31 August 2017. Following this date, each Local Government Authority is required to assess and prioritise applications before forwarding all documentation to the South West Office of DLGSCI no later than 29 September 2017.

Following receipt by DLGSCI, local applications along with others received throughout the State, will be evaluated and ranked by relevant State Sporting Associations and the CSRFF Assessment Panel, prior to the outcome being announced by the Minister for Seniors and Ageing; Volunteering; Sport and Recreation. Funds for successful applications will become available in February/March 2018.

There are two (2) grant categories that can be applied for in the current round of funding, as follows:

Forward Planning Grants

\$166,667 - \$2m will be allocated to the large scale projects where the total project cost exceeds \$500,000 and may require an implementation period of between one and three years.

Annual Grants

\$66,667 - \$166,666 will be allocated to projects with a planning and construction process that will be complete within 12 months. The total project cost for annual grants is between \$200,001 – \$500,000. Grants given in this category must be claimed in the financial year following the date of approval.

One (1) application was received for the current Forward Planning Grant round as follows:

City of Busselton – Lou Weston Pavilion (Reserve 17319) (Attachment A).

No applications were received for the current Annual Grant round.

STATUTORY ENVIRONMENT

Nil.

RELEVANT PLANS AND POLICIES

Social Plan 2015-2025. A key goal of this plan is “Creating needed, quality, sustainable recreation and leisure facilities and services for our community.”

The development of a new pavilion at the Lou Weston Oval is in accordance with the Council endorsed Active Open Space Planning Recommendations.

FINANCIAL IMPLICATIONS

City of Busselton – Lou Weston Pavilion (Reserve 17319)

The application from the City of Busselton is for the development of the Lou Weston Pavilion, which has a total estimated project cost of \$1,500,000 (ex GST) with the City funding an estimated \$1,000,000 based on the State Government contributing up to a maximum of 1/3 (one third) to the total project cost through the CSRFF funding. This is highlighted below:

Table 1. Project Financials Lou Weston Pavilion

Item	Expenditure	Item	Revenue
Lou Weston Pavilion	1,497,000	2017/18 City of Busselton - Municipal funds	1,000,000
Project Signage (DLGSRCI requirement)	\$3,000		500,000
TOTAL	1,500,000	TOTAL	1,500,000

Long-term Financial Plan Implications

Total funding of \$1,500,000 is allocated in the LTFP for 2018/19 to construct the Lou Weston Pavilion as outlined in the table below. This figure included anticipated cash contributions of \$60,000 from the user groups, however, this is now being contributed on an in-kind basis. Therefore, should grant funding be secured, the City will be required to provide the \$60,000 in cash which will need to be allocated to the project from the Building Reserve Fund. There may be an opportunity however for the combined clubs to access Lottery West funding for the furniture and fit-out component of the project.

Table 2. Long Term Financial Plan (LTFP) – Lou Weston Oval 2018/19

Item	Note	Revenue
City of Busselton funding contribution		\$440,000
Community & Recreation Facilities – City District		\$500,000
Anticipated User contributions	No cash funds forthcoming therefore to be funded by the City through the City's contribution	\$60,000
Government Grants		\$500,000
TOTAL		\$1,500,000

STRATEGIC COMMUNITY OBJECTIVES

This matter aligns with the City of Busselton Strategic Community Plan 2017 and principally with the following strategic goal:

Community – Welcoming, friendly and healthy

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

RISK ASSESSMENT

An assessment of the potential implications of not 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.

<i>Risk</i>	<i>Controls</i>	<i>Consequence</i>	<i>Likelihood</i>	<i>Risk Level</i>
Financial risk of the project not receiving external grant funding	The project will only proceed if funding is received or the project scope reduced if feasible to do so	Minor	Possible	Medium

CONSULTATION

Consultation has taken place between City Officers and staff from the South West Office of DLGSCI in regard to the City's application.

Consultation has taken place between City Officers and current Lou Weston Oval user groups of football, tee ball and netball as well as potential future users including Little Athletics and the Busselton Runners Club.

Consultation has also taken place with the Netball, Football (AFL), Tee Ball and Little Athletics State Sporting and Regional Sporting Associations.

OFFICER COMMENT

The funding application supports the achievement of the Council endorsed (C1304/088) City's Active Open Space Recommendations detailed in the extract below:

Precinct Facility Active Open Space Planning and Needs Analysis Recommendations

Busselton	Lou Weston Oval	That Lou Weston Oval be designated as a local level facility for active open space sports such as diamond sports (Tee ball and Softball) and the club based sport of Netball, and as a future facility for Baseball, and provision be made for local level facilities for junior Australian Rules Football.
		That ageing infrastructure at Lou Weston Oval be replaced by considering shared club facilities and rationalisation of ablution facilities including; <ul style="list-style-type: none"> • Additional storage; • Installation of sports lighting at the Active playing Field; • Shelter / viewing area for spectators; • Rationalisation of club rooms, change rooms and public toilets at the reserve.
		That pedestrian and vehicular access and egress improvements be undertaken

Prior to Council endorsing (C1304/088) the City's Active Open Space Recommendations in 2013, a Needs Assessment was undertaken in 2012 and a follow up conducted in 2015 and 2017 with all of the key users of Lou Weston Oval. These assessments highlighted the unsuitability of the facilities at Lou Weston which were steadily creating pressure on the user groups. In particular, junior football and junior tee ball have no storage, kiosk/canteen facilities or spectator viewing (shelter) areas. This identified the need to rationalise change, club and ablution facilities and develop a co-shared sports pavilion, including elements such as storage, kiosk/kitchen, meeting/training, office, spectator viewing, contemporary change rooms, and ablution facilities. Future growth of these sports was also considered and how a shared management model of the Lou Weston Pavilion could be achieved.

The City has applied in two previous CSRFF funding rounds to address the facility development strategies outlined for Lou Weston Oval in the Active Open Space Planning Recommendations. In 2015/16 the City of Busselton applied to the CSRFF Summer Small Grants round for a Master Plan and in the 2017/18 forward planning round to construct the pavilion. The City was unsuccessful on both occasions with feedback that more planning was required.

The strategic and operational benefits of the Barnard Park Pavilion consultation and design process have been applied to the construction of a future pavilion at Lou Weston Oval (albeit a smaller localised facility). The learnings from the Barnard Park Pavilion, combined with Lou Weston Oval user group and Council input, have been incorporated into the Lou Weston Pavilion concept design which is attached (Attachment 1: Appendix 3).

The proposed rationalisation of existing facilities and improved parking and pedestrian access and egress to the venue has included consideration of Australian and Industry Standards as well as maximising community opportunities for physical activity. The proposed Lou Weston Pavilion also provides a local community space that can be used as a fundraising venue for clubs and groups which supports their future sustainability.

Under the guidelines for the CSRFF grant funding process, the City is required to rank, in order of priority, all applications received from within its boundaries.

It is recommended that this project be assessed as a 'high' priority and that it is a (A) Well planned and needed by the municipality and number one (1) priority of the only application received for consideration.

CONCLUSION

The City's application for the 2017/18 CSRFF Forward Planning funding round shows sound reasoning and justification, and as such it is recommended that Council adopts the Officers Recommendation to allow the project to proceed, should funding from DLGSCI be forthcoming.

OPTIONS

The Council could decide not to support the application.

TIMELINE FOR IMPLEMENTATION OF OFFICER RECOMMENDATION

DLGSCI, South West Office staff will be advised in writing of the Council's decision by late September 2017 when the full contents of the application are forwarded to their regional office in Bunbury.

5:46 pm At this time Mayor G Henley left the meeting.

Council Decision and Officer Recommendation

C1709/234 Moved Councillor T Best, seconded Councillor J McCallum

ABSOLUTE MAJORITY DECISION OF COUNCIL REQUIRED

That the Council submits the funding application for the construction of the Lou Weston Pavilion to the Department of Local Government, Sport and Cultural Industries Community Sport and Recreation Facilities Fund and rates the application as a priority 'A' project, ranked number 1.

CARRIED 8/0

5:47 pm At this time Mayor G Henley returned to the meeting.

14. FINANCE AND CORPORATE SERVICES REPORT

14.1 BUSSELTON TENNIS CLUB INC. LEASE

SUBJECT INDEX:	Leasing
STRATEGIC OBJECTIVE:	A community with access to a range of cultural and art, social and recreational facilities and experiences.
BUSINESS UNIT:	Corporate Services
ACTIVITY UNIT:	Property Management Services
REPORTING OFFICER:	Property Management Coordinator - Sharon Woodford-Jones Manager Corporate Services - Sarah Pierson
AUTHORISING OFFICER:	Director, Finance and Corporate Services - Cliff Frewing
VOTING REQUIREMENT:	Absolute Majority
ATTACHMENTS:	Attachment A MOU⇒ Attachment B Relocation Plan⇒

DISCLOSURE OF INTEREST	
Date	27 September 2017
Meeting	Council
Name/Position	John McCallum, Councillor
Item No./Subject	14.1 Busselton Tennis Club Lease
Type of Interest	Impartiality Interest
Nature of Interest	I am a member of the Busselton Tennis Club

PRÉCIS

The Busselton Tennis Club Inc. (the Tennis Club) and the City of Busselton entered into a Memorandum of Understanding on 6th June 2017 (MOU) in relation to the relocation of their club house, facilities and courts to allow for the progression of the Busselton Foreshore Redevelopment Project.

The purpose of this report is to seek endorsement of the fundamental terms of the proposed surrender of the Tennis Club's existing lease and grant of a new lease on an alternative site (New Lease) and the means by which the development of, and relocation to, the new site will be facilitated. The report also seeks to ratify the method by which funds will be allocated during the relocation project.

BACKGROUND

The Tennis Club currently occupy land within A and C Class reserves that has been identified in the Busselton Foreshore Masterplan for redevelopment. The lease over this land was granted to the Tennis Club in February 2004 for a term of 18 years and expires on 30 June 2021 (Existing Lease).

Under the Busselton Foreshore Masterplan the proposal in relation to the Tennis Club is to provide 'like for like' facilities within the Barnard Park Active Sporting Precinct.

Memorandum of Understanding

In order to progress with the relocation the City sought in principle agreement from the Tennis Club to surrender their Existing Lease and enter into the New Lease. On 6th June 2017 an MOU was entered into, a copy of which is provided as Attachment A. The MOU details the relocation project, its objectives and deliverables and includes the terms and conditions to be negotiated in respect of the proposed New Lease.

The entire project, from inception to completion of new club house facilities and useable courts, is anticipated to conclude in late 2019 and the parties will work towards an earlier timeframe if possible.

The MOU is predicated on the understanding that the Tennis Club will enter into appropriate legal agreements with the City in relation to the Surrender of their Existing Lease and the grant of the New Lease.

Land, construction, licence, lease term

The site proposed for construction of the new Tennis Club facilities is shown on the plan attached to the MOU. It comprises part Lot 507 and forms part of Reserve 8485. The City has a management order over this land with power to lease or licence for up to 21 years subject to obtaining the prior written approval of the Minister for Lands.

The concept plan attached to the MOU shows the approximate location of the new tennis courts, club house and ancillary facilities, such as the water tank and shed. The plan also includes future parking proposals. The intention is to provide parking facilities that both the Tennis Club and members of the public will use. This part of the land will therefore not be included within the leased area of the New Lease.

In order to facilitate the provision of essential infrastructure and services to the land it is proposed that the Tennis Club be granted a temporary licence over a portion of this land to enable them to have lawful access for the purpose of attending to the elements of construction they will have responsibility for.

STATUTORY ENVIRONMENT

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 requiring the giving of local public notice when disposing of property. Lease arrangements with Sports Clubs are exempt from this process under Regulation 30 (2) (b) (i) & (ii) of the Local Government (Functions & General) Regulations.

The Tennis Club currently lease land spread over 3 different lots and reserves. This includes the whole of Lot 418, Reserve 28535, being Class A crown land vested with the City with power to lease for any term not exceeding 21 years; the whole of Lot 448, Reserve 46187 being C Class crown land with power to lease for any term not exceeding 21 years and part Lot 503, Reserve 38558 being Class C crown land, also with power to lease.

The land on which the Tennis Club will relocate to is Lot 507, Part Reserve 8485. It is Class A crown land vested with the City with the power to lease for any term not exceeding 21 years, subject to the consent of the Minister of Lands, for the designated purpose of 'Recreation'.

RELEVANT PLANS AND POLICIES

The recommendation to enter into a lease with the Tennis Club is generally consistent with the principles of the recently adopted policy 248, "Leases of City Land and Buildings". While this policy provides that the lease term for a not for profit, sporting and community organisation would generally be for a period of 5 years with an option for the lessee to extend the term by a further 5 years, it also contemplates circumstances, such as those of the Tennis Club, where it is appropriate to offer a longer lease term but not usually exceeding 21 years.

The Busselton Foreshore Management Plan (BFMP) is a strategic document that provides detailed guidance for the planning and development of the Busselton Foreshore.

The original BFMP was adopted by Council on 28th March 2012 and further revisions were adopted on 9th December 2015 and 24th February 2016. The relocation of the Tennis Club in the manner described in this report is consistent with the BFMP.

FINANCIAL IMPLICATIONS

The total cost of the redevelopment project is estimated to be \$4,500,000. The City's intended monetary contribution is \$4,250,000, comprising loan funds repayable over a period of 10 years. It is proposed that \$2,750,000 will be drawn down from loan funds in the 2017/18 financial year and the remainder in the 2018/19 financial year.

In accordance with the MOU, the City has already funded the research and development component of the project to the sum of \$50,000. The City is also budgeting to receive a contribution from the Tennis Australia National Court Rebate Scheme of between \$180,000 and \$200,000. The MOU contemplates in-kind contributions from Tennis Club members or benefactors, the precise amount of which will be worked through by the Relocation Committee as the project progresses.

The project will involve works contracted and overseen by both the City and the Tennis Club. It is recommended that the allocation of funds be embodied in a Funding Agreement. This will enable funds to be drawn down by the Tennis Club as and when required but subject to controls and parameters outlined in that agreement.

A Funding Agreement has therefore been prepared which requires the Tennis Club to undertake and complete construction of the new tennis courts in accordance with a pre-approved project plan and budget, with payments by instalment based on achievement of milestones specified in the project plan. The Funding Agreement also requires a commitment from the Tennis Club to simultaneously execute the surrender of their Existing Lease and the New Lease, effective on a date linked to completion of the construction project.

The rent paid by the Tennis Club under their current lease is \$100.00 per annum with no rent review mechanism. The rent currently charged to community and sporting groups leasing City owned or managed land is currently \$210.00 per annum (inclusive of GST), reviewed annually by CPI. The standard community lease terms will include requirements for the Tennis Club to pay outgoings including services and insurance as well as meet the cost of all maintenance and repair of the buildings and courts.

The City will be responsible for costs in relation to registration of the Lease at Landgate and the preparation of a suitable plan.

Long-term Financial Plan Implications

The LTFP adopted by Council in April 2017 factors in the borrowings and allocations for the delivery of this project over the next two financial years. The availability of grant funds or benefactor contributions will have a positive impact on the allocated amounts, although the extent of the same is unknown at this stage.

STRATEGIC COMMUNITY OBJECTIVES

The recommendation in this report reflects Key Goal Areas 1 and 2 of the City's Strategic Community Plan 2017 as follows:

Objective 1.3 "A community with access to a range of social and recreational facilities and experiences"; and

Objective 2.2 "Attractive parks and open spaces that create opportunities for people to come together, socialise and enjoy a range of activity"

RISK ASSESSMENT

There are no identified risks of a medium or greater level associated with the officer recommendation, with the recommendation serving to mitigate the risks associated with there not being a formal lease in place. The linking of the Funding Agreement, the surrender of the Existing Lease and the New Lease serves to mitigate any risk associated with their being multiple leases.

CONSULTATION

The relocation of the Tennis Club and the development of contemporary like for like replacement facilities has been factored in to strategies supporting the delivery of a new foreshore for a number of years. The Busselton Foreshore Masterplan has been the subject of extensive community consultation and widely advertised.

The MOU reflects the consultative and collaborative approach to the relocation project and contains the terms of reference of the Relocation Committee. The fundamental role of the Relocation Committee is to bring the project to fruition and facilitate ongoing consultation between the City and the Tennis Club.

City staff have been in contact with the Department of Planning, Lands and Heritage (the DPLH - formerly Department of Lands) concerning the ability to grant the Tennis Club a short term licence of the land over which their New Lease will be granted without impacting on the ability of the City to grant a full 21 year term in their New Lease. At officer level the DPLH has endorsed the proposal, citing consistency with the notion of like for like.

OFFICER COMMENT

The current clubhouse was constructed on Marine Terrace in 1999. The Tennis Club currently has 13 grass and 6 hard courts, with 6 of the courts under lights and the membership totals 220. The relocation and construction of new contemporary facilities funded by the City will enable the club to replace as well as future proof their amenity.

Lease Terms

The approximate extent of the area proposed to be leased is as shown on the Plan marked Attachment B. It will specifically exclude the parking area to be constructed on the land in the approximate location shown. The Tennis Club will have the right to use the car park along with the general public.

With the exception of the longer term proposed of 21 years, the main provisions of the lease will be based on the City's standard not for profit community group lease, namely:

Rent – this will start at a nominal \$210 per annum and is proposed to increase by CPI each year.

Maintenance, Outgoings and Insurance – The Tennis club will be responsible for the maintenance, insurance costs, and repair of the entire facility, namely courts and club house including all services and outgoings.

Funding Agreement

The Funding Agreement documents and commits the City and the Tennis Club to their respective obligations in relation to the construction of the new club house and the new tennis courts. It is based on certain pre-requisites such as execution by the Tennis Club of the surrender of the Existing Lease and execution of the New Lease prior to funds being released.

In outline, the agreement will provide that the City undertakes to construct the new club house and supporting infrastructure (i.e utilities, storage shed and fixtures and fittings). In addition, the City will provide the Tennis Club with funds (in the form of a grant) for the construction of the new tennis courts and their supporting infrastructure (i.e lighting, water supply and irrigation).

Surrender of Existing Lease

Both the MOU and the Funding Agreement require the Tennis Club to surrender their Existing Lease in consideration of the City funding and providing new like for like facilities.

The proposal is based on the Tennis Club entering into a Deed of Surrender in respect of the Tennis Club's Existing Lease. The Deed of Surrender would become effective on a date linked to completion of the construction project and will require the Tennis Club to leave the land and buildings in a condition consistent with the terms of their Existing Lease. The Deed of Surrender will also contain an undertaking on the part of the City not to use the existing facility for tennis or tennis events.

Periodic Licence

To enable the Tennis Club to commence works on the land they are relocating to, the City will grant a periodic licence. The management order of the land the Tennis Club are relocating to enables the City to do this with the consent of the Minister for Planning, Lands and Heritage.

Term of Lease

The Tennis Club would prefer their New Lease be granted for a longer term than the 21 years contemplated in the MOU and being recommended. The City are effectively constrained by the provisions of the management order which grants the City power to lease or licence for up to 21 years. This duration of the proposed New Lease is also compatible with the City's leasing policy recently adopted by Council.

CONCLUSION

With less than 4 years left on their Existing Lease, the grant of a New Lease to the Tennis Club for 21 years has been negotiated to provide the Tennis Club with security of tenure. The relocation and construction of new contemporary facilities funded by the City will enable the club to replace as well as future proof their amenity.

The relocation of the Tennis Club also secures the progression of the Busselton Foreshore Master Plan for the benefit of the wider community.

It is recommended that Council resolve to delegate authority to the CEO to enter into a surrender of the Existing Lease, grant of a New Lease, temporary licence and Funding Agreement with the Tennis Club, subject to the New Lease containing certain fundamental terms as identified in this report and the officer recommendation.

OPTIONS

1. Council could resolve to enter into a different term of lease with the Tennis Club, however the term offered could not exceed the duration of the City's power to lease under the Management Order of 21 years.
2. Council could resolve not to enter into a Funding Agreement and instead manage the entire construction project in house.
3. Council could resolve not to enter into a short term licence of the land over which the New Lease will be granted and instead resolve that the New Lease be entered into immediately (subject to approval by the Minister of Lands, Heritage and Planning) and that the surrender of the Existing Lease coincide with the grant of the New Lease. This would however in effect provide the Tennis Club with a shorter period of tenure of their completed facilities and would terminate their existing lease, requiring a new periodic lease to be entered into.

TIMELINE FOR IMPLEMENTATION OF OFFICER RECOMMENDATION

The proposed Funding Agreement, Deed of Surrender of the Existing Lease and grant of New Lease will be entered into immediately following the date of the resolution.

The effective date of surrender of the Existing Lease and grant of the New Lease will be linked to practical completion of the new facilities which is scheduled to take place in October/November 2019 or earlier if possible.

The proposed Licence over the land for construction purposes will be granted as soon as possible, the duration of which will be linked to the period of construction up to practical completion of the new club house.

Council Decision and Officer Recommendation

C1709/235

Moved Councillor G Blechmore, seconded Councillor P Carter

ABSOLUTE MAJORITY OF COUNCIL REQUIRED

That the Council:

1. Delegates to the CEO the power to negotiate and authorises the CEO to enter into a lease, subject to the Minister for Lands approval, with the Busselton Tennis Club Inc. for a portion of Lot 507 on Deposited Plan 402933, Reserve 8485, the approximate extent of which is shown on the plan at Attachment B (and which will be surveyed by a suitably qualified surveyor to delineate the final lease area) subject to the following:
 - a) The grant of this lease will be conditional upon the surrender by the Busselton Tennis Club Inc. of their lease of land comprising the whole of Reserve 28535; the whole of Lot 448 Reserve 46181 and a portion of Reserve 38558 dated 4th February 2004 between the Shire of Busselton and the Busselton Tennis Club and the Busselton Tennis Club Inc. entering into the Funding Agreement referred to in point 3 below.

- b) The term of the lease to be 21 years commencing on the same date as surrender of the Busselton Tennis Club Inc.'s existing lease which will be a date linked to practical completion of the new facility.
 - c) The rent to commence at \$210 per annum and be increased by CPI each year
 - d) Terms and conditions consistent with the City's standard community and sporting group lease including provisions in relation to the use of the new facility and obligations of the Lessee for maintenance, repair, insurance and water consumption.
 - e) Such other terms and conditions as may be required to be negotiated to suit the needs and intentions of the parties.
2. Delegates to the CEO the power to negotiate and authorises the CEO to enter into a short term licence with the Busselton Tennis Club Inc for a portion of Lot 507 on Deposited Plan 40293, Reserve 8485 for a period that ends when the lease referred to in Recommendation 1 above commences to allow the Busselton Tennis Club Inc to gain access during the construction phase of the Tennis Courts.
 3. Delegates to the CEO the power to enter into a Deed of Surrender of the Lease dated 4th February 2004 between the City of Busselton and the Busselton Tennis Club Inc. in respect of land comprising Lot 418 on Deposited Plan 189088, Reserve 28535; Lot 448 on Deposited Plan 193977, Reserve 46187 and part Lot 503 on Deposited Plan 402933, Reserve 38558, if necessary incorporating provisions enabling the Busselton Tennis Club to remain in occupation of their premises on a monthly periodical basis should the relocation project extend beyond the time frame proposed.
 4. Delegates to the CEO power to negotiate and authorises the CEO to enter into a Funding Agreement with the Busselton Tennis Club Inc. detailing the means by which funds can be drawn down by the Busselton Tennis Club Incorporated for the purpose of construction of the new tennis club courts and club house.

CARRIED 9/0

Attachment B



15. CHIEF EXECUTIVE OFFICER'S REPORT

Nil

16. MOTIONS OF WHICH PREVIOUS NOTICE HAS BEEN GIVEN

Nil

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 CONFERRAL OF AWARDS

SUBJECT INDEX:	Awards
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:	Absolute Majority
ATTACHMENTS:	Nil

This item is confidential in accordance with section 5.23(2) (b) of the Local Government Act 1995, as it contains information relating to the personal affairs of any person.

Council Decision and Officer Recommendation

C1709/236 Moved Councillor R Bennett, seconded Councillor J McCallum

ABSOLUTE MAJORITY DECISION OF COUNCIL REQUIRED

That Council:

1. Considers granting the awards as outlined in this report;
2. Authorises the Mayor to seek confirmation of acceptance of the Awards and then the names be made public; and
3. That the Mayor, Deputy mayor and Chief Executive Officer be authorised to make the final arrangements in relation to the Awards.

CARRIED 9/0

18. QUESTIONS FROM MEMBERS

Nil

19. PUBLIC QUESTION TIME

Nil

20. NEXT MEETING DATE

Wednesday, 11 October 2017

21. CLOSURE

The meeting closed at 5.48pm.

THESE MINUTES CONSISTING OF PAGES 1 TO 48 WERE CONFIRMED AS A TRUE AND CORRECT RECORD ON WEDNESDAY, 11 OCTOBER 2017.

DATE: _____ PRESIDING MEMBER: _____