

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

**CITY OF BUSSELTON**

**MINUTES FOR THE COUNCIL MEETING HELD ON 27 JANUARY 2016**

**TABLE OF CONTENTS**

| <b>ITEM NO.</b> | <b>SUBJECT</b>   | <b>PAGE NO.</b> |
|-----------------|--|-----------------|
| <b>1.</b>       | <b>DECLARATION OF OPENING AND ANNOUNCEMENT OF VISITORS.....</b>  | <b>3</b>        |
| <b>2.</b>       | <b>ATTENDANCE .....</b>  | <b>3</b>        |
| <b>3.</b>       | <b>PRAYER .....</b>  | <b>4</b>        |
| <b>4.</b>       | <b>PUBLIC QUESTION TIME.....</b>   | <b>4</b>        |
| <b>5.</b>       | <b>ANNOUNCEMENTS WITHOUT DISCUSSION.....</b>   | <b>4</b>        |
| <b>6.</b>       | <b>APPLICATION FOR LEAVE OF ABSENCE.....</b>   | <b>5</b>        |
| <b>7.</b>       | <b>PETITIONS AND PRESENTATIONS .....</b>   | <b>5</b>        |
| <b>8.</b>       | <b>DISCLOSURE OF INTERESTS .....</b>   | <b>5</b>        |
| <b>9.</b>       | <b>CONFIRMATION AND RECEIPT OF MINUTES .....</b>   | <b>5</b>        |
|                 | Previous Council Meetings.....   | 5               |
| 9.1             | Minutes of the Council held on 9 December 2015.....  | 5               |
|                 | Committee Meetings.....  | 6               |
| 9.2             | Minutes of the meeting of the Capes Region Organisation of Councils (CapeROC) held on 10 December 2015 ..... | 6               |
| <b>10.</b>      | <b>PLANNING AND DEVELOPMENT SERVICES REPORT .....</b>  | <b>8</b>        |
| 10.1            | DA15/0426 - HOLIDAY HOME (SINGLE HOUSE) - 6 PEOPLE - 21 MONCLAIR CIRCUIT, DUNSBOROUGH.....                   | 8               |
| <b>11.</b>      | <b>ENGINEERING AND WORKS SERVICES REPORT.....</b>  | <b>13</b>       |
| 11.1            | PROPOSED ROAD CLOSURE - PORTION OF SEYMOUR ROAD, DUNSBOROUGH .....   | 13              |
| 11.2            | ROAD DEDICATION AND PROCLAMATION - 'VASSE BYPASS' .....  | 18              |
| <b>12.</b>      | <b>COMMUNITY AND COMMERCIAL SERVICES REPORT .....</b>  | <b>22</b>       |
| 12.1            | MARKETING AND EVENTS REFERENCE GROUP OUTCOMES .....  | 22              |
| <b>13.</b>      | <b>FINANCE AND CORPORATE SERVICES REPORT .....</b>   | <b>26</b>       |
| 13.1            | FINANCIAL ACTIVITY STATEMENTS - 30 NOVEMBER 2015.....  | 26              |
| 13.2            | BUSSELTON FORESHORE LAND RATIONALISATION - SURRENDER OF HEAD LEASE LOT 431 .....                             | 40              |
| <b>14.</b>      | <b>CHIEF EXECUTIVE OFFICER'S REPORT .....</b>  | <b>33</b>       |
| 14.1            | COUNCILLORS' INFORMATION BULLETIN .....  | 33              |

|  |           |
|--|-----------|
| <b>15. MOTIONS OF WHICH PREVIOUS NOTICE HAS BEEN GIVEN .....</b> | <b>44</b> |
| <b>16. CONFIDENTIAL REPORTS.....</b>                             | <b>44</b> |
| <b>17. PUBLIC QUESTION TIME.....</b>                             | <b>44</b> |
| <b>18. NEXT MEETING DATE .....</b>                               | <b>44</b> |
| <b>19. CLOSURE .....</b>   | <b>44</b> |

## MINUTES

MINUTES OF A MEETING OF THE BUSSELTON CITY COUNCIL HELD IN MEETING ROOM ONE, COMMUNITY RESOURCE CENTRE, 21 CAMMILLERI STREET, BUSSELTON, ON 27 JANUARY 2016 AT 5.30PM.

### 1. DECLARATION OF OPENING AND ANNOUNCEMENT OF VISITORS

The Presiding Member opened the meeting at 5.28pm.

### 2. ATTENDANCE

#### Presiding Member:

Cr Grant Henley Mayor

#### Members:

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

#### Officers:

Mr Mike Archer, Chief Executive Officer  
Mr George Workman, Manager, Operations Services  
Mr Anthony Rowe, Manager Development Services and Policy  
Mrs Naomi Searle, Director, Community and Commercial Services  
Mr Matthew Smith, Director, Finance and Corporate Services  
Miss Lynley Rich, Manager, Governance Services  
Miss Hayley Barge, Administration Officer, Governance

#### Apologies

Mr Oliver Darby, Director, Engineering and Works Services  
Mr Paul Needham, Director, Planning and Development Services

#### Approved Leave of Absence

Nil

#### Media:

“Busselton-Dunsborough Times”  
“Busselton-Dunsborough Mail”

#### Public:

8

**3. PRAYER**

The prayer was delivered by Tony Peake from Abundant Life Centre

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

Nil

**Public Question Time****Mrs Lisa Goldsmith**

The City of Busselton's policy 043 on "Applications for Exploration or Mining extraction licences for coal within the City of Busselton" states that Council has significant concerns regarding the potential implications of this mining on ground water and surface water resources and its conflict with existing land uses in the region such as tourism, recreation, agriculture and viticulture. Given that all of these concerns relate equally to gas mining would the council be prepared to extend this policy to include gas mining?

**Response, Cr Henley**

Yes the Council would be prepared to review Policy 043, policies are reviewed frequently through the Policy and Legislation Committee and it can be done as part of this process.

**Mrs Naomi Witham**

Does the Council have any policies relating to well housings?

**Response, Cr Henley**

No, this falls under the Department of Mines and Petroleum.

**Mrs Lisa Chapman**

Would the Council consider working towards a gas free South West by restricting further applications to strictly include the two existing gas wells?

**Response, Cr Henley**

I believe this is beyond the City of Busselton's controls but the question will be taken on notice.

**Response, Finance and Corporate Services**

The ability for Local Governments to impact these decisions is limited and they are dealt with at State Government Level, however, further information will be provided.

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

I would like to acknowledge the recipients of awards recently, Mr Bob Wood received the Order of Australia Medal and Mr Geoff Brierley received the Emergency Services Award as part of our Australia Day honours list.

**Announcements by other Members at the invitation of the Presiding Member**

Nil

**6. APPLICATION FOR LEAVE OF ABSENCE**

Nil

**7. PETITIONS AND PRESENTATIONS**

Nil

**8. DISCLOSURE OF INTERESTS**

Nil

**9. CONFIRMATION AND RECEIPT OF MINUTES**

**Previous Council Meetings**

9.1 Minutes of the Council held on 9 December 2015

**Council Decision**

**C1601/001**

Moved Councillor P Carter, seconded Councillor G Bleechmore

That the Minutes of the Council Meeting held 9 December 2015 be confirmed as a true and correct record.

**CARRIED 9/0**

**Committee Meetings**

9.2 Minutes of the meeting of the Capes Region Organisation of Councils (CapeROC) held on 10 December 2015

**Council Decision****C1601/002**

Moved Councillor T Best, seconded Councillor C Tarbotton

- 1) That the minutes of the meeting of the Capes Region Organisation of Councils (CapeROC) held on 10 December 2015 be received.
- 2) That the Council notes the outcomes of the Capes Region Organisation of Councils (CapeROC) meeting held on 10 December 2015 being:
  - a) CapeROC was provided general updates in relation to Waste Management, Tourism Directional Signage, the Regional Centres Development Program and the Capes Higher Education Strategy.
  - b) CapeROC endorsed the budget update for 2015/16.
  - c) CapeROC endorsed the responsibility of Presiding Member and associated administration duties for CapeROC to be rotated on an annual financial year basis and meeting dates for 2016.
  - d) CapeROC was provided with updates on Major Projects currently being undertaken by both Local Governments in relation to:
    - i. The Busselton Margaret River Regional Airport;
    - ii. The Busselton Foreshore & Civic and Administration Building projects; and
    - iii. Augusta – Margaret River projects such as the new primary school, Old Settlement, Augusta Boat Harbour Trail, Perimeter Road, Main Street, Wadandi Track – Extension to Redgate Road, Cultural Centre Refurbishment, Turner Caravan Park, Cowaramup Streetscape Works & Development Activity Report.

**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****Council Decision and Officer Recommendation**

**C1601/003** Moved Councillor G Bleechmore, seconded Councillor J McCallum

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

- 10.1 DA15/0426 - HOLIDAY HOME (SINGLE HOUSE) - 6 PEOPLE - 21 MONCLAIR CIRCUIT, DUNSBOROUGH
- 11.1 PROPOSED ROAD CLOSURE - PORTION OF SEYMOUR ROAD, DUNSBOROUGH
- 11.2 ROAD DEDICATION AND PROCLAMATION - 'VASSE BYPASS'
- 12.1 MARKETING AND EVENTS REFERENCE GROUP OUTCOMES
- 13.1 FINANCIAL ACTIVITY STATEMENTS - 30 NOVEMBER 2015
- 14.1 COUNCILLORS' INFORMATION BULLETIN

**CARRIED 9/0**

**EN BLOC**

## **10. PLANNING AND DEVELOPMENT SERVICES REPORT**

10.1 DA15/0426 - HOLIDAY HOME (SINGLE HOUSE) - 6 PEOPLE - 21 MONCLAIR CIRCUIT, DUNSBOROUGH

|                             |  |
|-----------------------------|--|
| <b>SUBJECT INDEX:</b>       | Planning/Development Applications  |
| <b>STRATEGIC OBJECTIVE:</b> | A City of shared, vibrant and well planned places that provide for diverse activity and strengthen our social connections. |
| <b>BUSINESS UNIT:</b>       | Statutory Planning   |
| <b>ACTIVITY UNIT:</b>       | Statutory Planning   |
| <b>REPORTING OFFICER:</b>   | Planning Officer - Stephanie Izzard  |
| <b>AUTHORISING OFFICER:</b> | Director, Planning and Development Services - Paul Needham   |
| <b>VOTING REQUIREMENT:</b>  | Simple Majority  |
| <b>ATTACHMENTS:</b>         | Attachment A Location Plan<br>Attachment B Site Plan<br>Attachment C Floor Plan  |

### **PRÉCIS**

The Council is asked to consider an application seeking retrospective approval for a Holiday Home (Single House) – 6 People at Lot 971 (Hse No.21) Monclair Circuit, Dunsborough (“the site”).

The planning proposal has been placed before Council due to complaints received from an adjoining landowner prior to lodgement of the development application as well as objections from the same adjoining land owner received during the consultation period for the application.

It is considered that the proposal is consistent with the relevant planning framework and it is recommended for approval subject to conditions.

### **BACKGROUND**

Prior to the applicant lodging a development application the City received a complaint from an adjoining landowner regarding the use of the adjoining dwelling as a holiday home. The neighbour expressed concerns regarding anti-social behavior, excessive noise, abusive language as well as parking issues at the property.

A Compliance Officer from the City subsequently investigated the matter, verified the house was being used as a holiday home, and the owner advised they were required to obtain planning approval for the use of a Holiday Home (Single House) at the site.

A development application (DA15/0426) was received by the City on 13 August 2015.

The subject land, 21 Monclair Circuit, is located in the Dunsborough Lakes Development Area (Attachment A and B refer). The site is zoned ‘Residential’ in the City of Busselton Local Planning Scheme No.21 (the Scheme) and the Dunsborough Lakes Development Guide Plan (adopted pursuant to the Scheme).

On 10 December 2014 the Council resolved to amend its *Local Planning Policy 7C – Holiday Homes* to include Dunsborough Lakes within Area 1. This provided broad support for holiday homes within the Residential zone in this location, subject to satisfying the requirements of the Scheme.

The application was referred to adjoining landowners for comments for a period of 14 days. One submission was received by the same adjoining landowner who had lodged a complaint with the City prior to the development application being lodged.



## **STATUTORY ENVIRONMENT**

The key statutory environment is set out in the City of Busselton Local Planning Scheme No. 21. In accordance with *Table 1 – Zoning Table* and *clause 5.17 – Bed and Breakfast and Holiday Homes* of the Scheme a “Holiday Home (Single House)” which proposes to accommodate 9 or less people is a discretionary (“D”) land use within the “Residential” zone. This means that the use is not permitted unless the local government has exercised its discretion by granting approval. When determining an application for a discretionary (“D”) land use the local government is required to take into consideration the matters set out in *clause 11.2 – Matters to be considered* of the Scheme.

A Holiday Home is also required to be registered, and maintain its registration, under the *City of Busselton Holiday Homes Local Law 2012*.

## **RELEVANT PLANS AND POLICIES**

### *Local Planning Policy 7C – Holiday Home s*

The City’s Holiday Home framework (Planning control, local law-registration) was adopted on 12 December 2012 and became effective on 26 December 2012.

The *Local Planning Policy 7C – Holiday Home s* identifies areas where holiday homes will be generally supported and identifies servicing requirements for holiday homes. The Policy divides all Residential and Rural Residential zoned lots into two areas, being Area 1 and Area 2. Within Area 1, holiday homes are broadly supported within the “Residential” and “Rural Residential” zones but within Area 2 holiday homes are broadly supported only in the “Rural Residential” zone.

## **FINANCIAL IMPLICATIONS**

There are no direct financial implications arising from the officer recommendation in this report.

## **STRATEGIC COMMUNITY OBJECTIVES**

The recommendation in this report reflects Community Objective 2.2 of the City’s *Strategic Community Plan 2013 – ‘A City of shared, vibrant and well planned places that provide for diverse activity and strengthen our social connections’*.

## **RISK ASSESSMENT**

An assessment of the potential implications of implementing the Officer Recommendation has been undertaken using the City’s risk assessment framework. The assessment identifies ‘downside’ risks only, rather than ‘upside’ risks as well, and risks are only identified where the residual risk, once controls are identified, is ‘medium’ or greater. There were no such risks identified.

## **CONSULTATION**

The neighbour who lodged the initial objection was consulted during the consultation period of the development application. This adjoining land owner lodged an objection to the application.

The concerns raised by the neighbour objecting to the development were as follows:

- Concerns regarding excessive noise;
- Concerns for safety following alleged physical and verbal abuse from occupants of the Holiday Home;

- Concerns regarding compliance with number of persons proposed as online advertisement advises that the dwelling can sleep up to 14 persons;
- Concerns regarding number of vehicles parked at the dwelling.

## **OFFICER COMMENT**

### Broader Context

The City of Busselton has traditionally been a holiday home destination. Holiday homes may be a second home and rented to offset some costs or rented as a property investment. Holiday homes often go through transitions from a second home, that is then rented occasionally, before facilitating the owner's transition to permanent residency in the City of Busselton.

The City recognises that holiday homes make an important contribution to the local economy. The City, however, also recognises that within the spectrum of holiday homes there are instances of visitor behavior that are not reasonably compatible with residential amenity or the building of a sense of community. Many owners are motivated to care for their property and a genuinely alarmed when receiving a report of bad behavior by a visitor. Regrettably some are less careful, with their houses being marketed to a particular clientele that has a high frequency of disruption to neighbors.

Significantly from a planning assessment aspect, the holiday home building, presents no material difference to a residential dwelling as a primary place of residence. It is the behavioral aspects which are the potential problem.

The City of Busselton was one of the first local governments in WA to seek to address these issues, which have been ongoing for many years in coastal communities around Australia. This involved recognising the role and limitations of planning law and replacing those limitations with a local law including an essential registration requirement. Maintaining the registration was then made dependent upon maintaining the operation of a holiday home without basis for reasonable compliant and ensuring a 24 hour accountability for the operation of the holiday home.

The City's planning law and the local law therefore work in unison. Planning, in the first instance, to ensure the building is suitable for its intended use and physically compatible within the locality. The local law, then ensuring the holiday home operates ostensibly as a good neighbor, without repeated adverse incidents. But if the registration is revoked then the use of the land is unauthorised and the City can take action against its continued operation, if that occurs.

Under the City Local Law a Holiday Home is required to be registered with the City. This registration is required to be renewed annually. When determining an application for an initial or renewal of a Holiday Home Registration the City's will take into consideration the provisions of the local law and may refuse to approval an application for any of the following reasons as stated under section 2.5 (3) of the local law which states:

- (3) *The Council may refuse to approve an application for registration on any one or more of the following grounds –*
- that the owner, the proposed manager or the proposed acting manager has committed a breach of any provisions of this local law or of any other relevant law;*
  - that the owner, the proposed manager or the proposed acting manager is not a fit and property person in relation to the proposed holiday home; or*
  - any other ground that the Council may reasonably considered to be relevant in the circumstances of the case, including a ground arising from the Council's consideration of the factors set out in clause 2.5(1).*

In addition to the above, it is noted that the City may also cancel a Holiday Home registration under section 2.14 of the local law which states the following:

*“(2) A registration may be cancelled by the Council if -*

*(a) the owner, manager or an attendant has not complied with –*

*(i) a condition of the registration;*

*(ii) a provision of this local law; or*

*(iii) any relevant law; or*

*(b) the Council is satisfied, on the basis of complaints or other evidence of excessive noise, antisocial behavior or other business, that the continuing operations of the holiday home is not in the best interested of the City.”*

### Specific Application

The house at 21 Monclair Circuit, Dunsborough is outwardly a typical type of house. There is nothing to distinguish it as a holiday home and there are no proposed modifications to the external appearance of the dwelling as part of this development application. The house has off street parking for three vehicles which is adequate to accommodate six overnight guests.

The house is located within Area 1 under the local planning policy and therefore a holiday home is a land use contemplated in the area of the site. The proposal therefore complies with all the applicable requirements of the Local Planning Scheme and the *Local Planning Policy 7C – Holiday Home Provisions*.

This matter commenced as a compliance action and the owner took the opportunity to apply for a retrospective development application. This is therefore a commencement of a process that would conclude with registration and the maintaining of the Registration, if the planning application is approved and the house is to continue to operate as a holiday home.

It is through the registration process under the local law working that the behavior of the visitors is able to be regulated. Whilst it may be difficult for the adjoining landowner to accept, the past management of the property (i.e. operating as a holiday home without approval and with some alleged substantive issues in terms of tenant behavior or similar) is not a matter that can be given any significant weight in the making of the planning decision. Rather, the planning decisions needs to be about whether, fundamentally, the site is a suitable location for a holiday home. Given that holiday homes are broadly supported in the area by City policy, there would need to be some factor particular to this site which meant that the site was fundamentally unsuitable for use as a holiday home. There is no such factor that could reasonably be seen as applying to the site in question.

In addition to the above, it should be noted that the application is for a holiday home to accommodate up to six people only, when ordinarily a property of this kind would be approved for up to 12 people. Because the application has only sought approval for up to six people, that is reflected as the maximum approved occupancy in the officer recommendation.

### **CONCLUSION**

It is recommended that the Council approve the development with conditions.

**OPTIONS**

The Council could:

1. Refuse the proposal, setting out reasons for doing so.
2. Apply additional or different conditions.

**TIMELINE FOR IMPLEMENTATION OF OFFICER RECOMMENDATION**

The proponent will be advised of the Council decision within two weeks of the Council meeting.

**Council Decision and Officer Recommendation**

**C1601/004** Moved Councillor G Bleechmore, seconded Councillor J McCallum

That the Council resolve :

1. That application DA15/0426 submitted for development at Lot 971 (No.21) Monclair Circuit, Dunsborough is generally consistent with Local Planning Scheme No. 21 and the objectives and policies of the zone within which it is located.
2. That Development Approval is issued subject to the following conditions:

**General Conditions:**

1. The use hereby approved shall be in accordance with the Approved Plan dated (attached), including any conditions placed thereon by the City of Busselton.
2. The use hereby approved shall at all times comply with the definition of Holiday Home (Single House) as provided in Schedule 1 of the City of Busselton Local Planning Scheme No. 21, as follows:

*'Holiday home (single house)' means a single house (excluding ancillary accommodation), which may also be used for short stay accommodation for hire or reward for no more than 12 people (but does not include a bed and breakfast, chalet development, guesthouse, rural tourist accommodation or tourist accommodation).*

Notwithstanding the above interpretation, the approved use is restricted to a maximum of 6 people.

3. Advertising signage associated with the approved use shall be no greater than 0.2m<sup>2</sup>, located within the subject site.
4. A minimum number of 2 car parking bays shall be provided on site.

**CARRIED 9/0  
EN BLOC**

## 11. ENGINEERING AND WORKS SERVICES REPORT

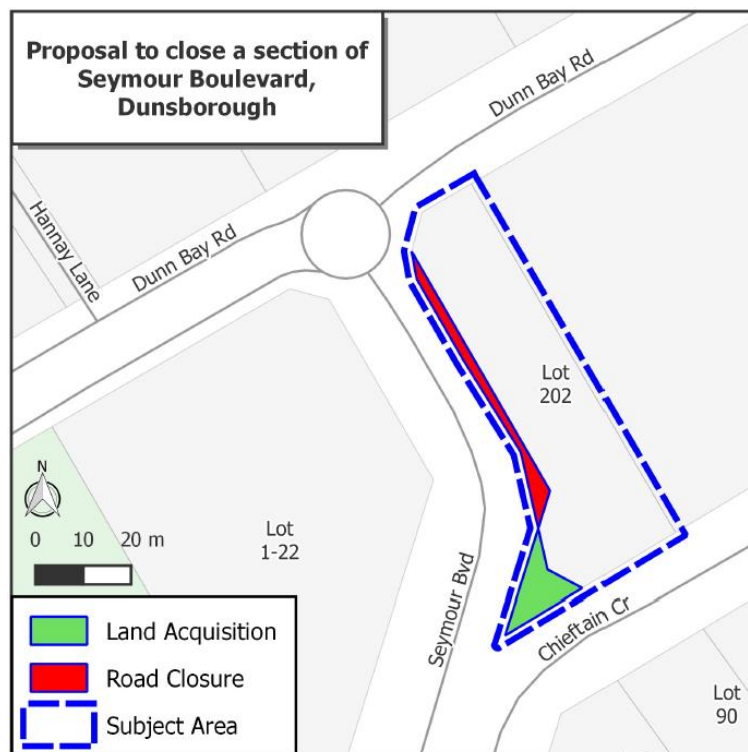
### 11.1 PROPOSED ROAD CLOSURE - PORTION OF SEYMOUR ROAD, DUNSBOROUGH

|                             |   |
|-----------------------------|---|
| <b>SUBJECT INDEX:</b>       | Thoroughfares   |
| <b>STRATEGIC OBJECTIVE:</b> | Infrastructure assets are well maintained and responsibly managed to provide for future generations.  |
| <b>BUSINESS UNIT:</b>       | Engineering and Facilities Services   |
| <b>ACTIVITY UNIT:</b>       | Land matters  |
| <b>REPORTING OFFICER:</b>   | Land and Infrastructure Officer - Andrew Scott  |
| <b>AUTHORISING OFFICER:</b> | Director, Engineering and Works Services - Oliver Darby   |
| <b>VOTING REQUIREMENT:</b>  | Simple Majority   |
| <b>ATTACHMENTS:</b>         | Attachment A Dunsborough Town Centre Conceptual Plan<br>Attachment B Construction Stage Plan<br>Attachment C Construction Works Stage 3 Sketch<br>Attachment D Road Widening and Closure Plan |

### PRÉCIS

This report recommends that a portion of Seymour Road, Dunsborough, adjacent to Lot 202 (24 Dunn Bay Road), is permanently closed for amalgamation with Lot 202.

The reason for closing the portion of road is so that the land is made available and used in an agreement to acquire a portion of Lot 202 for public road widening, facilitating Stage 3 of the Dunsborough Town Centre Conceptual Plan.



### BACKGROUND

#### Dunsborough Town Centre Conceptual Plan

Following public consultation in 2013, the City of Busselton Council adopted the Dunsborough Town Centre Conceptual Plan (Attachment A) on 29 January 2014 (decision C1401/007). The plan included

a number of priority projects to address the growth pressures which are developing in the Dunsborough Town Centre. This included the need for a reconfiguration of the Dunsborough Place / Seymour Boulevard entrance to the town centre to improve pedestrian safety, traffic flow, car parking and landscape amenity.

Construction works for the Dunsborough Town Centre Conceptual Plan is planned over several stages (Attachment B):

- Stage 1 (Dunsborough Place) was completed April 2015
- Stage 2 (Seymour Boulevard to Dunsborough Place) is due for completion January 2016.
- Stage 3 (Seymour Boulevard and Chieftain Crescent) is planned to commence September 2016
- Stage 4 (Dunn Bay Road and Naturaliste Terrace roundabout) is planned to commence September 2017

Stage 3 is the construction stage relevant to this report. Preliminary design for Stage 3 (Attachment C) shows the realignment of the intersection of Seymour Boulevard and Chieftain Crescent, requiring a portion of Lot 202, 24 Dunn Bay Road to be acquired for road widening.

#### Land acquisition agreement

The City has negotiated with the owners of Lot 202, 24 Dunn Bay Road, to acquire a 113m<sup>2</sup> portion of Lot 202 for public road widening purpose. As consideration for the acquired land, a 113m<sup>2</sup> portion of Seymour Boulevard is to be closed (as a public road) and amalgamated with Lot 202. Attachment D is a plan of the land acquisition and road closure.

The land acquisition agreement with the owners of Lot 202 is subject to approvals by the Council (this report), the Department of Lands and the WA Planning Commission. The City has attained in-principle support for the arrangement from the Department of Lands.

#### Lot 202, 24 Dunn Bay Road

Lot 202 is presently vacant land located in the Dunsborough central business district. A development application has been assessed by the City for a commercial complex (restaurant, café, food court and artisan market). The Council considered the application at a meeting held 25 November 2015 and resolved to grant approval subject to conditions (decision C1511/340).

### **STATUTORY ENVIRONMENT**

- *Land Administration Act 1997* section 58 'Closing roads'
- *Land Administration Act 1997* section 168 'Agreement to purchase or consent to take required interest, acquiring authority's powers as to'
- *Land Administration Act 1997* section 169 'Purchase price in agreement to purchase'

### **RELEVANT PLANS AND POLICIES**

Dunsborough Town Centre Conceptual Plan (Attachment A) by the Council, 29 January 2014.

### **FINANCIAL IMPLICATIONS**

In a land acquisition agreement with the owners of Lot 202, the City is responsible for surveying and subdivision costs. These costs have been allowed for in the 2015/16 budget.

**Long-term Financial Plan Implications**

Nil

**STRATEGIC COMMUNITY OBJECTIVES**

| <b>Key goal</b>                            | <b>Community objectives</b>  |
|--|--|
| 2. Well planned, vibrant and active places | 2.3 Infrastructure assets that are well maintained and responsibly managed to provide for future generations.          |
| 4. Connected City                          | 4.1 Transport options that provide greater links within our district and increase capacity for community participation |

**RISK ASSESSMENT**

The proposal allows for a portion of Lot 202 to be acquired for road purpose at nil cost\*, as the closed portion of road land may be used as compensation for the land proposed to be acquired.

Should the road closure not proceed, but the City decides to proceed with the Dunsborough Town Centre Stage 3 upgrade during 2016/17; the consideration to acquire a portion of Lot 202 for road widening would be at market or negotiated value, currently valued at \$1,000/m<sup>2</sup>. The amount would need to be budgeted during 2016/17.

NOTE \*: Survey and subdivision costs are at the City's expense.

**CONSULTATION**

This report considers a proposal to close a portion of Seymour Boulevard, Dunsborough, to facilitate an acquisition of land for road widening purpose. The proposal is related to:

- (a) the Dunsborough Town Centre Conceptual Plan; and
- (b) Development Application DA15/0476 for Lot 202 (i.e. the property from which a portion of land is proposed to be acquired).

The concept plan and development application have both undergone public consultation, with submissions considered by the Council; culminating in the Council's support for the proposals (decisions C1401/007 and C1511/340 respectively).

Specific to the road closure proposal, a public notice of the proposal was published in the 'Council for the Community' section of the Busselton Dunsborough Mail, 7 October 2015. The notice invited submissions to the proposal. One submission was received from the owners of Lot 90, 41 Chieftain Crescent, Dunsborough, located directly opposite Lot 202, the area of land proposed to be acquired for road widening purpose.

The owners of Lot 90 object to the proposal on the basis that it will adversely affect them when Stage 3 of the Dunsborough Town Centre Concept Plan is completed. When completed, road traffic will face directly into their home and additional road traffic will travel along Chieftain Crescent to a cul de sac end. Presently, Chieftain Crescent is separated from Seymour Boulevard and the central business traffic of Dunsborough.

In their submission, the owners offered an alternate proposal where the cul de sac end for Chieftain Crescent was formed at the Seymour Boulevard end so that vehicles would not be able to access that section of Chieftain Crescent from Seymour Boulevard.

From their submission, it is apparent that the owners of Lot 90 would like to maintain the present position where the road that fronts Lot 90 is not directly linked to Seymour Boulevard. This is so central business traffic would not pass their property.

But that position is contrary to the Dunsborough Town Centre Concept Plan. The plan, as endorsed by the Council after a period of public consultation, addresses road traffic and parking issues within the Dunsborough town centre.

While officers acknowledge central business traffic will use Chieftain Crescent, possibly as drivers look for parking, the amount of traffic may not be as much as expected given the constructed and planned road traffic and parking improvements to the town centre, and due to Chieftain Crescent being a cul de sac and no through road.

Should road traffic and parking become a problem along Chieftain Crescent, there are measures that the City may undertake to address the problem, such as parking restrictions.

#### **OFFICER COMMENT**

The intersection of Seymour Boulevard and Chieftain Crescent, Dunsborough, is planned to be realigned according to Dunsborough Town Centre Conceptual Plan as endorsed by the Council, 21 January 2014. Construction works is expected to commence September 2016, subject to 2016/17 budget approval.

To realign the intersection, a portion of Lot 202, 24 Dunn Bay must be acquired for road widening purpose. Ordinarily, the City would pay consideration for the land at market value or an agreed amount. But section 169(2) of the *Land Administration Act 1997* allows for available Crown land to be granted as consideration when land is being acquired for public works purpose.

Closing a portion of the verge of Seymour Road would make that land available for consideration, meaning the City has an opportunity to acquire a 113m<sup>2</sup> portion of land in the Dunsborough central business district for a net value of nil. The road closure plan does not affect the constructed road so there is no impact on traffic flow.

The primary reason for the road closure and acquisition plan is to facilitate Stage 3 of the Dunsborough Town Centre Plan. But the road closure and acquisition plan may also be considered independent of the Conceptual Plan.

Independent of the Conceptual Plan, there is merit in proceeding with the road closure and acquisition plan, as it adds flexibility with road design in a growing central business district and reshapes what is a somewhat odd shaped lot for development. The plan represents a relatively unique opportunity to acquire land for public works purpose at nil net cost (apart from surveying and subdivision costs).

#### **CONCLUSION**

This report recommends that a portion of Seymour Road, Dunsborough is closed so that the land is made available as consideration in a land acquisition agreement for portion of Lot 202 (24 Dunn Bay Road, Dunsborough).

#### **OPTIONS**

The Council might consider not closing a portion of Seymour Road. But to acquire a portion of Lot 202 for road widening purpose, the City would need to pay consideration for the land at market value, presently valued at \$1,000/m<sup>2</sup>.



**TIMELINE FOR IMPLEMENTATION OF OFFICER RECOMMENDATION**

The surveying and subdivision for the road closure and road widening should be completed by 30 June 2015.

**Council Decision and Officer Recommendation**

**C1601/005** Moved Councillor G Bleechmore, seconded Councillor J McCallum

That the Council endorses the permanent closure of a 113 square metre portion of Seymour Boulevard, Dunsborough, where it lies adjacent to Lot 202, 24 Dunn Bay Road; pursuant to the *Land Administration Act 1997* and enters into a land acquisition agreement with the owners of Lot 202.

**CARRIED 9/0**

**EN BLOC**

## 11.2 ROAD DEDICATION AND PROCLAMATION - 'VASSE BYPASS'

|                             |  |
|-----------------------------|--|
| <b>SUBJECT INDEX:</b>       | Thoroughfares  |
| <b>STRATEGIC OBJECTIVE:</b> | Transport options that provide greater links within our district and increase capacity for community participation.  |
| <b>BUSINESS UNIT:</b>       | Engineering and Facilities Services  |
| <b>ACTIVITY UNIT:</b>       | Land matters   |
| <b>REPORTING OFFICER:</b>   | Land and Infrastructure Officer - Andrew Scott   |
| <b>AUTHORISING OFFICER:</b> | Director, Engineering and Works Services - Oliver Darby  |
| <b>VOTING REQUIREMENT:</b>  | Simple Majority  |
| <b>ATTACHMENTS:</b>         | Attachment A 'Vasse Bypass' Project Overview<br>Attachment B Road Dedication Plan<br>Attachment C Road Proclamation Plan<br>Attachment D DGP for Vasse Newtown |

### PRÉCIS

This report recommends that portion of Crown Reserve 48251 and land acquired by Main Roads Western Australia for the 'Vasse Bypass' is dedicated as public road and proclaimed as highway.

### BACKGROUND

The 'Vasse Bypass' (actual name to be determined) is a new section of highway that extends west from the Busselton Bypass, and north and west of the Vasse development (refer to Attachment A).

#### Main Roads WA request the support of the Council for several plans

Main Roads WA seeks the endorsement of the Council to dedicate as public road the land on which the 'Vasse Bypass' has been constructed. The drawings for the road dedication (Attachment B) are numbered 201402-0413 and 201402-0414. Drawing 201402-0417 is an index of the plans.

Main Roads WA also seeks the endorsement of the Council for the new 'Vasse Bypass' road to be declared as a highway. Drawing 201502-0192 (Attachment C) is a plan of the proposed proclamation. With the Council's support and the Governors' proclamation, the road may be officially brought under the control and management responsibility of Main Roads WA.

The Council's endorsement for these plans is a requirement under legislation, specifically the *Land Administration Act 1997* for the dedication of road; and the *Main Roads Act 1930* for the proclamation of road as a highway or a main road.

#### The 'Vasse Bypass' and the Development Guide Plan for the Vasse Newtown development

The 'Vasse Bypass' forms part of the Development Guide Plan for the Vasse Newtown development, as endorsed 27 July 2014 (Attachment D). Due to be open to traffic during January 2016, the bypass should carry most traffic travelling south of Vasse (including heavy vehicles) which would otherwise travel through the Vasse village. The bypass should reduce traffic flow through the village, improving road safety for the local community and road-users, and improve the ambience of the place as a village centre.

#### The land on which the 'Vasse Bypass' has been constructed

The land on which the 'Vasse Bypass' has been constructed has been acquired by Main Roads WA, except for an approximate 3,265m<sup>2</sup> portion of Lot 502 on Crown Reserve 48521. Lot 502 is the Wadandi Track corridor as managed by the City, and the 'Vasse Bypass' passes over the corridor.

Before the portion of Lot 502 may be dedicated as public road, the City should consent to revoking a management order over that portion of Crown Reserve.

Overall, the land proposed to be dedicated as public road may be described as:

- Lot 502 on Plan 404730
- Lot 551 on Plan 404729
- An approximate 3,265m<sup>2</sup> portion of Lot 502 on Plan 55430 (Crown Reserve 48251)
- Lot 9051 on Plan 52479
- Lot 547 on Plan 404728
- Lot 548 on Plan, 404726

#### Construction of the 'Vasse Bypass' and other related activities

The construction of the 'Vasse Bypass' is a Main Roads WA project (for the Vasse Development) through a joint venture between Macca Civil and BMD. Construction works commenced March 2015 and the bypass is due to be opened to vehicle traffic during January 2016. The City was consulted regarding the engineering plans for the road.

The construction of the 'Vasse Bypass' required the temporary closure of a section of Vasse-Yallingup Siding Road from Commerce Road (just east of the bypass) to Chain Avenue (4.5km west of the bypass). Vasse-Yallingup Siding Road was closed from October 1 to December 23 when vehicles were allowed to pass over the 'Vasse Bypass' on a temporary basis until the opening of the bypass.

Main Roads WA has made a request to the City for the 'Vasse Bypass' to be named 'Bussell Highway'. This would mean the section of Bussell Highway that runs from the Busselton Bypass, south through the Vasse village to where it meets the 'Vasse Bypass' again would need to be renamed. The section of Vasse-Yallingup Siding Road from Commerce Road west to the Bussell Highway should also be renamed. A separate report regarding the road naming proposal should be presented to the Council after consulting with the Geographic Names Committee (a state government agency to the Minister of Lands) and the persons affected by the proposal.

Permanent closure of the section of Vasse-Yallingup Siding Road between the 'Vasse Bypass' and Commerce Road is another proposal that is undergoing public consultation for a later report for consideration by the Council.

The 'Vasse Bypass' passes over a section of the Wadandi Track corridor. The track has been constructed both sides of the 'Vasse Bypass', and Main Roads WA agreed to complete a crossing at grade.

#### **STATUTORY ENVIRONMENT**

- *Land Administration Act 1997* section 56, 'Dedication of land as road'
- *Land Administration Act 1997* section 46, 'Care, control and management of reserves'
- *Main Roads Act 1930* section 13, 'Proclamation of highways and main roads'

#### **RELEVANT PLANS AND POLICIES**

- Overall Development Guide Plan for Vasse Newtown, endorsed 24 July 2014 (Attachment D)

#### **FINANCIAL IMPLICATIONS**

Nil.

Any costs associated with the road dedication and proclamation to be borne by Main Roads WA.

**Long-term Financial Plan Implications**

Nil.

**STRATEGIC COMMUNITY OBJECTIVES**

| <b>Key goal</b>   | <b>Community objectives</b>  |
|-------------------|--|
| 4. Connected City | 4.1 Transport options that provide greater links within our district and increase capacity for community participation |

**RISK ASSESSMENT**

The risks associated with the road dedication of land already acquired by Main Roads WA are considered negligible. However not dedicating the land as public road may place the legal status of the land in doubt.

The risk associated with proclaiming the 'Vasse Bypass' as a highway is considered negligible as it places care, control and management responsibility of the road with Main Roads WA. However by not proclaiming the road as highway there may be some legal doubt about management responsibility for the road.

**CONSULTATION**

There has been no public consultation regarding the dedication of land as public road. In this instance, the owner of the land (and the entity most affected by the proposal) is Main Roads WA, who is also the proponent.

There has been no public consultation regarding the proclamation of the 'Vasse Bypass' as highway.

Consultation regarding the Development Guide Plan for Vasse Newtown (Attachment D), which included the alignment of the 'Vasse Bypass', would have been undertaken leading up to the approval of the plan.

Consultation was undertaken for the related proposal to close Vasse-Yallingup Siding Road to vehicle traffic. During that consultation, objections were received regarding the design of the intersection of the 'Vasse Bypass' with Vasse-Yallingup Siding Road, as a T-intersection.

**OFFICER COMMENT**

The 'Vasse Bypass' is a public road that has been constructed on land acquired by Main Roads WA; and Main Roads WA intend to manage the road as a highway and primary route south of Vasse. For that reason and pursuant to applicable legislation, the land should be dedicated as road and proclaimed as highway as requested by Main Roads WA.

One exception to the acquisition of land by Main Roads WA is an approximate 3,265m<sup>2</sup> portion of Lot 502 of Crown Reserve 48521, which is presently under the care, control and management responsibility of the City of Busselton by way of a management order. For that area of land to be declared as public road, the City should first agree that the management order on the reserve is revoked for that portion of land.

**CONCLUSION**

The Council should support the requests from Main Roads WA to dedicate the land acquired by Main Roads WA for the 'Vasse Bypass' and for the proclamation of the 'Vasse Bypass' as highway.

**OPTIONS**

The alternative of not supporting the road dedication and proclamation is not recommended as it may place doubt over the legal status of the land and care, control and management responsibility for the road.

**TIMELINE FOR IMPLEMENTATION OF OFFICER RECOMMENDATION**

A letter advising Main Roads WA of the Council's decision may be posted within a week of the publishing of the Council meeting minutes.

**Council Decision and Officer Recommendation**

**C1601/006** Moved Councillor G Bleechmore, seconded Councillor J McCallum

That the Council:

1. Endorses dedication of land as shown in Main Roads Western Australia drawings 201402-0413 and 201402-0414 (Attachment B) as public road, pursuant to section 56 of the *Land Administration Act 1997*;
2. Agrees to the revocation of a management order over a portion of Lot 502 on Crown Reserve 48251 so that portion of land may be dedicated as public road; and
3. Endorses the proclamation of road as shown in Main Roads Western Australia drawing 201502-0192 (Attachment C) as highway, pursuant to the *Main Roads Act 1930*.

**CARRIED 9/0**

**EN BLOC**

## **12. COMMUNITY AND COMMERCIAL SERVICES REPORT**

### **12.1 MARKETING AND EVENTS REFERENCE GROUP OUTCOMES**

|                             |   |
|-----------------------------|---|
| <b>SUBJECT INDEX:</b>       | Events  |
| <b>STRATEGIC OBJECTIVE:</b> | A City where the community has access to quality cultural, recreation, leisure facilities and services. |
| <b>BUSINESS UNIT:</b>       | Commercial Services   |
| <b>ACTIVITY UNIT:</b>       | Community and Commercial Services   |
| <b>REPORTING OFFICER:</b>   | Events Coordinator - Shane Walsh  |
| <b>AUTHORISING OFFICER:</b> | Director, Community and Commercial Services - Naomi Searle  |
| <b>VOTING REQUIREMENT:</b>  | Simple Majority   |
| <b>ATTACHMENTS:</b>         | Nil   |

### **PRÉCIS**

A meeting of the Marketing and Events Reference Group (MERG) was held on Tuesday 8 December 2015. This report presents the recommendations from this meeting.

### **BACKGROUND**

The Council, at its meeting of 13 April 2011 (C1104/114), resolved to endorse the implementation of a differential rating system whereby properties rated within the Industrial and Commercial zones across the City would directly contribute toward the City's continued support of tourism, marketing and event activities. This resolution also endorsed the establishment of a 'Key Stakeholders Reference Group' (now known as the 'Marketing and Events Reference Group') to make recommendations to Council with respect to the marketing and events budget allocations.

Further to this, at its meeting of 22 June 2011 (C1106/201), Council resolved to introduce a 3% Differential Rate on the abovementioned properties and as a result, \$180k was included in the 2011/2012 budget towards events and marketing. Following this, Council increased the Differential Rate to 6% in 2012/2013 (totalling \$360k), 7% in 2013/2014 (totalling \$379k) and 8% in 2014/2015 (totalling \$488k) towards events and marketing.

As part of the 2015/2016 adopted budget, Council increased the Differential Rate to 9% (totalling \$556k), with the funds split 75:25 between events and marketing respectively.

The total endorsed marketing and events budget for 2015/2016 is \$893k; \$697k allocated for events and \$196k allocated towards marketing. The \$697k budget allocation for events includes \$280k from municipal funds and \$417k from the Differential Rate Budget of \$556k. \$196k has been allocated specifically for marketing, including \$139k from the Differential Rate Budget and \$57k carry over from 2014/15. This excludes budgetary allocations for the Leavers Week event, administration, and events staffing.

A meeting of the Marketing and Events Reference Group (MERG) was held on Tuesday 8 December, with the following key matters presented at the meeting;

- City Officers recommended that revised KPI's and additional benefits to the City be prepared for inclusion in the new three year CinefestOz grant agreement with the City for the 2016, 2017 and 2018 film festivals;
- City Officers provided an update on the progress of the new City event; the Book Club Festival to be held in the July off peak season in 2016;
- The allocation of the remaining marketing budget of \$46k, following Council endorsement to transfer \$150k into a new airport marketing reserve; it was recommended that MERG wait

until the Australia's South West tourism gap analysis is presented to determine where funds would be best allocated to address any gaps identified in the tourism sector as necessary.

- Recommendation to Council that the CEO enters into a grant agreement with the Dunsborough and Districts Progress Association to take over the management of the Jazz by the Bay festival, to be funded through the Differential Rate Events budget;
- MRBTA to provide the design work and the City to cost the production of a welcome statement on the Busselton Jetty for cruise ship visitations at the new marine berthing facilities on both sides of the Busselton Jetty, promoting the arrival point being Busselton.
- Dunsborough Yallingup Chamber of Commerce to provide further details on their concept of an events welcome structure on the main road into Dunsborough. The City can then advise on any MRWA concerns and costs.

In addition a report on the Events Scorecard, as it relates to the City of Busselton Events Strategy, for 2014/2015 was presented including;

- The number of event applications processed in 2015 up until 1 December is 128.
- The City has sponsored 45 events in the 2015/2016 financial year.

### STATUTORY ENVIRONMENT

Nil

### RELEVANT PLANS AND POLICIES

The recommendations are in line with Council Policies

### FINANCIAL IMPLICATIONS

As part of the 2015/2016 budget process, Council increased the Industrial and Commercial Differential Rate by 1% from 8% to 9%, with the funds being split 75:25 between events and marketing respectively, (\$417k towards events and \$139k towards marketing).

In addition to employing Events staff, the total 2015/16 marketing and events budget totals \$893k; \$697k allocated for events including \$280k from municipal funds for events funded through multi-year agreements and \$196k allocated specifically for marketing, including \$139k from the Differential Rate budget and \$57k carryover from the 2014/15 marketing budget. The funding allocated through the 2015/16 Municipal budget is as follows;

| <b>Events - Multi-Year Agreements funded through Municipal funds</b> | <b>2015/16</b>   |
|--|------------------|
| Busselton Jetty Swim   | \$15,600         |
| Ironman WA Busselton   | \$149,400        |
| Busselton Ironman 70.3   | \$45,000         |
| Geographe Bay Race Week  | \$10,000         |
| Cinefest Oz  | \$50,000         |
| Festival of Busselton  | \$6,000          |
| Carols by the Jetty  | \$1,000          |
| Australia Day  | \$3,000          |
| <b>TOTAL</b>   | <b>\$280,000</b> |

Within the Differential Rate Events Budget, \$232.6k is allocated for events funded through multiyear agreements, leaving a total of \$164.3k for the Events Sponsorship Programme. \$106k was approved by Council in Round 1, and \$47.1k for Round 2, leaving \$11.2k remaining in the events budget for 2015/2016.

### **Long-term Financial Plan Implications**

The marketing and events budget, including both the municipal contribution and funds generated through the Differential Rate, are in line with the City's Long Term Financial Plan.

### **STRATEGIC COMMUNITY OBJECTIVES**

This matter aligns with the City of Busselton's endorsed Strategic Community Plan 2013, and principally with the following Strategic Goal:

Well planned vibrant and active places;

- A City where the community has access to quality cultural, recreation, and leisure facilities and services.

### **RISK ASSESSMENT**

The recommendations contained within this report are considered low risk and as such a formal risk assessment is not provided.

### **CONSULTATION**

Consultation has been undertaken with members of the Marketing and Events Reference Group, consisting of representatives from the Busselton Chamber of Commerce and Industry, Dunsborough Yallingup Chamber of Commerce and Industry, Geographe Bay Tourism Association and Conservation Association, Busselton Jetty Environment and Conservation Association and the City of Busselton.

### **OFFICER COMMENT**

The Marketing and Events Reference Group has been established with representatives from the City of Busselton, local Chambers of Commerce, the Margaret River Busselton Tourism Association, and the Busselton Jetty Environment and Conservation Association. A Terms of Reference guides the operations of the Group and an Events Sponsorship Programme has been developed.

Supporting the development and attraction of new events throughout the year, the Events Sponsorship Programme promotes the City of Busselton as an attractive host and event tourism destination for a range of events. The City, through the programme has attracted exciting new events to boost the local economy through event tourism.

It has been a long term strategy of City Officers to build the Jazz by the Bay event and then hand it over to an appropriate local not-for-profit organisation to continue to oversee the growth of this successful event. The 2015 event grew by 30% with attendance totalling 5,127, with the estimated economic impact totalling \$2.32m.

The Dunsborough and Districts Progress Association has agreed to take on the management of the Jazz Festival in 2016, subject to a sponsorship agreement for \$50k (endorsed by Council at its 24 June Ordinary Meeting C1506/179) being agreed on and signed. City event officers will continue to assist the new committee, but to a lesser degree than the previous three years.

Following feedback received from the local cruise ship welcoming volunteers that many visitors think they are arriving in Margaret River, It is recommended that up to \$10k of the remaining marketing budget of \$46k be allocated to two new 'Welcome to Busselton' signs, one for each side above the marine berthing platforms on the Busselton Jetty.



Since the December MERG meeting, the Margaret River Busselton Tourist Association has paid for the design and production of a vinyl 'Welcome to Busselton' sign to be utilized for the next cruise ship visit on 7 January 2016. MERG will discuss the merits of permanent welcome sign(s) at its next meeting in 2016 and the possible allocation of up to \$10k from the Marketing budget for the signage.

In 2014/2015, the City increased its number of major events from 83 to 138. At the 14 October 2015 Council meeting, Council approved (C1510/293) a new three multi-year funding application from CinefestOz for their 2016, 2017, and 2018 film festivals. In its 8<sup>th</sup> year, in 2015 the festival had record ticket sales and attendances at free community screenings with over 23,650 attendees, an increase of 30% on last year's film festival. Council also approved ( C1510/293) that the City managed Book Club Festival to be held on 22-24 July 2016 be supported with \$15k from the 2016/17 Differential Rate Events Budget.

## **CONCLUSION**

The Marketing and Events Reference Group (MERG) has been assigned by Council to make recommendations on the way in which funds raised through the Industrial and Commercial Differential Rate for the purposes of events and marketing are allocated. This report contains the recommendations made at the 8 December 2015 meeting, which if endorsed by Council, will result in the continuation of high quality events being held within the region, supported by successful marketing promotions. All recommendations support Council's vision of being recognised as the 'Events Capital WA.'

## **OPTIONS**

Council may choose not to support the recommendations made by the Marketing and Events Reference Group and resolve not to endorse part or all of the recommendations.

## **TIMELINE FOR IMPLEMENTATION OF OFFICER RECOMMENDATION**

Following Council's decision, the outcomes will be communicated to all members of the Marketing and Events Reference Group and relevant event organisers for their information and implemented where required.

### **Council Decision and Officer Recommendation**

**C1601/007** Moved Councillor G Bleechmore, seconded Councillor J McCallum

That the Council:

1. Authorises the Chief Executive Officer to enter into a new one (1) year event sponsorship agreement for \$50k with the Dunsborough and Districts Progress Association for the Jazz by the Bay Festival to be held in June 2016 to be funded from the rates differential budget.

**CARRIED 9/0**

**EN BLOC**

### **13. FINANCE AND CORPORATE SERVICES REPORT**

#### **13.1 FINANCIAL ACTIVITY STATEMENTS - 30 NOVEMBER 2015**

|                             |   |
|-----------------------------|---|
| <b>SUBJECT INDEX:</b>       | Budget Planning and Reporting   |
| <b>STRATEGIC OBJECTIVE:</b> | An organisation that is managed effectively and achieves positive outcomes for the community. |
| <b>BUSINESS UNIT:</b>       | Finance and Information Technology  |
| <b>ACTIVITY UNIT:</b>       | Financial Services  |
| <b>REPORTING OFFICER:</b>   | Financial Accountant - Ehab Gowegati  |
| <b>AUTHORISING OFFICER:</b> | Director, Finance and Corporate Services - Matthew Smith                                      |
| <b>VOTING REQUIREMENT:</b>  | Simple Majority   |
| <b>ATTACHMENTS:</b>         | Attachment A Financial Activity Statements 30 November 2015                                   |

#### **PRÉCIS**

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

This report has been compiled to fulfil the statutory reporting requirements of the Act and associated Regulations, whilst also providing the Council with an overview of the City's financial performance on a year to date basis for the period ending 30 November 2015.

#### **BACKGROUND**

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

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

Additionally, and pursuant to Regulation 34(5) of the Regulations, a local government is required to adopt a material variance reporting threshold in each financial year. At its meeting of 23 July 2015, the Council adopted (C1507/208) the following material variance reporting threshold for the 2015/16 financial year:

That pursuant to Regulation 34(5) of the Local Government (Financial Management) Regulations, the Council adopts a material variance reporting threshold with respect to financial activity statement reporting for the 2015/16 financial year to comprise variances equal to or greater than 10% of the year to date budget amount as detailed in the Income Statement by Nature and Type/ Statement of Financial Activity report, however variances due to timing differences and/ or seasonal adjustments are to be reported on a quarterly basis.

## **STATUTORY ENVIRONMENT**

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

## **RELEVANT PLANS AND POLICIES**

NA

## **FINANCIAL IMPLICATIONS**

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

### **Long-term Financial Plan Implications**

NA

## **STRATEGIC COMMUNITY OBJECTIVES**

This matter principally aligns with Key Goal Area 6 – ‘Open and Collaborative Leadership’ and more specifically Community Objective 6.3 - ‘An organisation that is managed effectively and achieves positive outcomes for the community’. The achievement of the above is underpinned by the Council strategy to ‘ensure the long term financial sustainability of Council through effective financial management’.

## **RISK ASSESSMENT**

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

## **CONSULTATION**

Managers and Coordinators

## **OFFICER COMMENT**

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

- Statement of Financial Activity

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

- Net Current Position

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

- Capital Acquisition Report

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

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

- Reserve Movements Report

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

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

## COMMENTS ON FINANCIAL ACTIVITY TO 30 November 2015

### Operating Activity

- Operating Revenue

As at 30 November 2015, there is a variance of +2.5% in total operating revenue, with the following categories exceeding the 10% material variance threshold:

| Description                                   | Variance % | Variance \$000's |
|---|------------|------------------|
| Operating Grants, Subsidies and Contributions | +13%       | +\$199           |
| Interest Earnings                             | +21%       | +\$195           |

A summary of the above variances is provided as follows:

### **Operating Grants, Subsidies and Contributions (+\$199K)**

The current variance is primarily attributable to:

- The receipt of a lotteryWest grant to part fund the construction of New River East loop trail \$48k. The Project was constructed in 2015/16 however the income was budgeted to be received 2016/17 in arrears as per signed agreement (50% in December and 50% in June hence the timing variance);
- The receipt of unbudgeted \$37k from the Local Government Insurance Scheme for the 2015 scheme member dividend. Last year \$6m was redistributed to members with the City's share as disclosed above. This benefit is largely attributed to the schemes strong financial position over recent times in managing the City's risk through a group self-insurance approach;
- Under the community services area, funds of \$15k were Invoiced which are attributable to funding of the Youth Development Officer in accordance with year 2 of the agreement;
- Horticultural apprentice rebate +\$21k (one off unbudgeted revenue associated with funding relating to current worker traineeships);
- CapeRoc waste management study \$24k (share of contribution from the Shire of Augusta-Margaret River);
- Reimbursements associated within the Legal and Compliance activity area are currently \$18k above budget. This amount includes a one off payment of \$15k for the City to use with regard to any costs as associated with a specific proposed agreement. Any unused portion will be returned after the finalisation of these transactions;

### Interest Earnings (+\$195K)

The current timing variances are primarily attributable to:

- Instalment Plan Interest +\$16k
- Interest on Reserve Funds +\$55k;
- Interest on Restricted Funds +\$119k (Relates to airport funds – not budgeted for);
- Operating Expenditure

As at 30 November 2015, there is a variance of -8% in total operating expenditure, with the following categories exceeding the 10% material variance threshold:

| Description             | Variance % | Variance \$000's |
|-------------------------|------------|------------------|
| Materials and Contracts | -24%       | -\$1,500         |
| Utilities               | -16%       | -\$155           |
| Other Expenses          | -12%       | -\$151           |
| Allocations             | -22%       | -\$190           |
| Loss on Asset Disposals | +130%      | +\$35            |

A summary of the above variances is provided as follows:

### Materials and Contracts (-\$1,500K)

- Variances associated with material and contracts are predominately attributable to timing differences at this stage of the analysis. Materials and contract nature and type comprises of some 547 cost codes with the main areas of significant variances are as follows;
  - Information Technology materials and contracts are down by a net of -\$109k. The main variances relate to Computer Software Licences is -\$131k, Consultancy -\$27k, GIS Costs -\$32k and Lease of Equipment +\$89k. These variances have been identified as timing difference at this stage, which is confirmed by the value of outstanding purchase orders within this area of operations ;
  - Port Geographe Emergency funds for works in association with Department of Transport -\$200k, funds are to be utilised as and when required;
  - Busselton Jetty maintenance expenditure -\$258k. Timing variance only, structural assessment and repairs on the UWO scheduled to commence late January 2016. The handrails will be painted in the warmer months of the year and alternative LED light globes are now being tested and trialled for installation later in the financial year;
  - Timing difference associated with recycling refuse collection of -\$106k. This is mainly due to the timing of receipt of invoices;
  - Parks and gardens within the Provence area is on the whole -\$97k. At this stage Provence hasn't been handed over to the City for maintenance but this is anticipated to occur within the next few months;
  - Parks and gardens within the Vasse Newtown area is on the whole -\$78k. Parks and garden staff will be moving contractors into Vasse Newtown shortly to maintain the agreed service level as there has been major irrigation failures which are now largely repaired;
  - Materials and contract within the fleet management area is down by -\$78k. The under-spend can be attributed mostly to fuel. Actual cost per litre is less than anticipated and the summer months are historically the months of greatest workload and therefore we anticipate this variance will reduce;

### Utilities (-\$155k)

- Variances associated with utilities are attributable to timing differences. The breakdown is as follows;

- Telephones (-\$11k);
- Electricity (-\$31k);
- Water (-\$116k);
- Gas (-\$3k)

#### **Other Expenditure (-\$151k)**

- Variances associated with other expenditure are predominately attributable to timing differences. The main areas involved are as follows;
  - Members of Council expenses -\$128k (main variances are for Elected Members election & poll Expenses -\$75k (invoice was subsequently received (\$70k GST Exclusive) and is payable in December), elected members sitting fees -\$20k, allowances -\$10k, refreshment and functions -\$5k, conference expenses -\$7k);
  - Office of the CEO -10k. This is mainly attributable to timing variances for the CEO's discretionary fund -\$9k;

#### **Allocations (-\$190k)**

- This activity incorporates numerous internal accounting allocations. Whilst the majority of individual allocations are administration based (and clear each month), the activity also includes plant and overhead related allocations. Due to the nature of these line items, the activity reflects as a net offset against operating expenditure, in recognition of those expenses that are of a capital nature (and need to be recognised accordingly). Variances, particularly early in the financial year, are not uncommon, as the activity is highly dependent upon a range of works related factors. It should be noted however that as anticipated (and in line with historical data) that the variance is progressively decreasing as the year progresses.

#### **Loss on Asset Disposal (+\$35k)**

- Timing difference associated with book losses due to disposal of assets. It should be noted that this is an accounting entry only, and has no direct impact on the net current position.

#### **Capital Activity**

##### ▪ Capital Revenue

As at 30 November 2015, there is a variance of -71% in total capital revenue, with the following categories exceeding the 10% material variance threshold:

| <b>Description</b>              | <b>Variance %</b> | <b>Variance \$000's</b> |
|---------------------------------|-------------------|-------------------------|
| Proceeds from Sale of Assets    | -32%              | -\$99                   |
| Proceeds from New Loans         | -100%             | -\$850                  |
| Transfer from Restricted Assets | -70%              | -\$351                  |
| Transfer from Reserves          | -67%              | -\$2,295                |

- Variances associated with capital revenue are as follows;

##### **Proceeds from Sales -\$99k**

- Timing difference associated with the sale of light vehicles and minor plant that were scheduled to be disposed of, which is yet to occur;

##### **Proceeds from New Loans -\$850k**

- The adopted budget included the drawdown of a loan for the purchase of Lot 40 Vasse highway. This has been delayed pending further review of current trends with regard to borrowing rates. Based on latest information available, a decision has now been made draw down the loan in December;

**Transfer from Restricted Assets -\$351k**

- The 2015/16 budget includes a transfer from restricted assets of \$500k that is associated with expenditure to be incurred for the Busselton Regional Airport development. To date no transfer has been made as expenditure for the project is yet to reach \$500k, therefore this transaction results in a -\$500k in this account;
- The remainder of \$149k is attributable to deposits and bonds refunded due to all obligations being fulfilled. As the City does not budget for these transactions, any variance will be highlighted accordingly;

**Transfer from Reserves -\$2,295k**

- The 2015/16 budget includes a transfer from reserves of \$2,295k that is associated with the building of the new Civic and Administration Centre. As this is expenditure has not been realised as at 30<sup>th</sup> November, no transfer has been made.

- Capital Expenditure

As at 30 November 2015, there is a variance of -35% in total capital expenditure, with the following categories exceeding the 10% material variance threshold:

| Description                    | Variance % | Variance \$000's |
|--------------------------------|------------|------------------|
| Land and Buildings             | -81%       | -\$5,301         |
| Plant & Equipment              | -44%       | -\$363           |
| Furniture and Equipment        | -26%       | -\$61            |
| Infrastructure                 | -25%       | -\$2,365         |
| Transfers to Restricted Assets | +44%       | +\$332           |

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

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

A summary of the remaining variance is provided as follows:

**Transfers to Restricted Assets (+\$332k)**

The annual budget in this category is spread evenly across the financial year. The favourable year to date variance is due to the receipt of additional developer contributions in excess of budget totalling approximately \$70k and also the receipt of deposits and bonds of \$261k (for which no budget exists). The additional funds received for developer contributions were predominately received into the Community and Recreation Facilities account and are subsequently transferred to the Restricted Assets account. With regard to the deposit and bonds, all cash received was restricted, with a contra created to recognise the liability in the City's accounts.

Transfers to Restricted Assets has no direct impact on the surplus/ deficit position, as associated transactions represent equity transfers to quarantine funds received in the form of, amongst others, developer contributions (via the 'Non-Operating Grants, Subsidies and Contributions' operating revenue category) and borrowings.

**CONCLUSION**

As at 30 November 2015, the City's financial performance is considered satisfactory, with no obvious trends evident at this time. Whilst current variances exist in some operational areas, these are primarily due to timing differences, or involve transactions that have no direct impact on the Net Current Position. Additionally, and excluding timing differences, operating expenditure is also generally in line with historical performance at this time of the financial year.

Whilst also acknowledging that capital expenditure in the buildings and to a lesser extent infrastructure asset class's performance is presently tracking below year to date budget estimates, this is also attributable to timing differences at this time. The major timing variances within the buildings asset class are associated with the construction of the City's administration building and the Busselton foreshore development. With regard to Infrastructure, the major timing differences at this time are for the Busselton jetty refurbishment, Vasse community and recreation precinct (AFL oval stage 1), sanitation infrastructure works and Council road initiative projects.

In line with previous year's analysis, a more accurate reflection of the City's 2015/16 financial performance will be available at which time the December 2015 quarterly report is compiled.

**OPTIONS**

The Council may determine not to receive the statutory financial activity statement reports.

**TIMELINE FOR IMPLEMENTATION OF OFFICER RECOMMENDATION**

NA

**Council Decision and Officer Recommendation**

**C1601/008** Moved Councillor G Bleechmore, seconded Councillor J McCallum

That the Council receives the statutory financial activity statement reports for the period ending 30 November 2015, pursuant to Regulation 34(4) of the Local Government (Financial Management) Regulations.

**CARRIED 9/0**

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## **14. CHIEF EXECUTIVE OFFICER'S REPORT**

### **14.1 COUNCILLORS' INFORMATION BULLETIN**

|                             |  |
|-----------------------------|--|
| <b>SUBJECT INDEX:</b>       | Councillors' Information   |
| <b>STRATEGIC OBJECTIVE:</b> | Governance systems that deliver responsible, ethical and accountable decision-making.    |
| <b>BUSINESS UNIT:</b>       | Executive Services   |
| <b>ACTIVITY UNIT:</b>       | Executive Services   |
| <b>REPORTING OFFICER:</b>   | Reporting Officers - Various .   |
| <b>AUTHORISING OFFICER:</b> | Chief Executive Officer - Mike Archer  |
| <b>VOTING REQUIREMENT:</b>  | Simple Majority  |
| <b>ATTACHMENTS:</b>         | Attachment A WA Planning Commission - City of Busselton Local Planning Strategy          |
|                             | Attachment B Port Geographe Community Consultation Forum Minutes                         |
|                             | Attachment C Port Geographe Coastal Reconfiguration                                      |
|                             | Attachment D Australian Local Government Association - National State of the Assets 2015 |
|                             | Attachment E Planning Applications Received 16 November - 31 December 2015               |
|                             | Attachment F Planning Applications Determined 16 November - 31 December 2015             |
|                             | Attachment G Marine Parks & Reserves Authority - 2014/2015 Annual Report                 |
|                             | Attachment H The Busselton Art Society Inc – Letter of Appreciation                      |
|                             | Attachment I Cornerstone Christian College – Letter of Appreciation                      |
|                             | Attachment J Dunsborough Primary School – Letter of Appreciation                         |
|                             | Attachment K Geographe Education Support Centre – Letter of Appreciation                 |
|                             | Attachment L MacKillop Catholic College – Letter of Appreciation                         |
|                             | Attachment M Our Lady of the Cape – Letter of Appreciation                               |
|                             | Attachment N Vasse Primary School - Natasha Leaver - Letter of Appreciation              |
|                             | Attachment O Vasse Primary School - Taliah Dalglish - Letter of Appreciation             |
|                             | Attachment P Shire of Esperance – Letter of Appreciation                                 |
|                             | Attachment Q Parks and Leisure Magazine  |
|                             | Attachment R Dog Management & Control  |

### **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****14.1.1 Current Active Tenders****RFT04/15 BUSSELTON FORESHORE – DESIGN, SUPPLY AND INSTALLATION OF UTILITIES SERVICES**

The City of Busselton invited tenders for the design, supply and installation of utility services for the Busselton Foreshore development. The tender was advertised on the weekend of 30 - 31 May 2015, with the closing date being 14 July 2015. Tender submissions were received and evaluated however, RFT04/15 will not be progressed further and has been cancelled. The decision to cancel this tender is due to ongoing delays associated with funding for the project. Furthermore, the recently adopted revised Busselton Foreshore Master Plan has resulted in changes to the scope of works issued under RFT04/15, this means that a new tender must be invited in accordance with the Local Government (Functions and General) Regulations 1996.

**RFT06/15 ENGINEERING CONSULTANCY PANEL**

The City of Busselton invited tenders for a panel of Engineering Consultants. The tender was advertised on 20-21 June 2015, with its closing date being 21 July 2015. Thirty four (34) tenders were submitted. The evaluation process has now been concluded. Due however to amendments to the Local Government (Functions and General) Regulations 1996 which came into effect post evaluation of the tender but before a report could be presented to Council for establishing a panel, the process under which this request for tender is considered to be inconsistent with the new regulations. Therefore the decision has been made to cancel RFT 06/15 and not to proceed with awarding contracts or establishing a panel. Tenderers have been advised accordingly.

**RFT13/15 DESIGN AND CONSTRUCT – RAILWAY HOUSE**

The City of Busselton invited tenders for design and construction of Railway House. The Railway House Project comprises of construction of a new multifunctional facility at the Busselton Foreshore and includes incorporation of the existing old railway building, currently located at Causeway Road, into the new building. The Tender was advertised on 15 August 2015, and closed on the 9 October 2015. Two tender submissions were received from Big Ben Builders Southwest and Innovest Construction. The Tender evaluation process was completed. On 25 November Council endorsed the outcomes of the evaluation panel's assessment and delegated authority to the CEO to award, subject further negotiations in relation to potential cost savings, the contract to Big Ben Builders. The Contract was awarded to Big Ben on 14 December 2015. Construction works are planned to commence on site in April 2016.

**RFT14/15 15m BUSSELTON JETTY MARINE BERTHING FACILITY (extension)**

The City of Busselton invited tenders and awarded a Contract for a marine berthing facility under RFT 09/15). Due to surplus funds resultant from the efficiencies of RFT 09/15, the City had the ability to further extend the structure of the marine berthing facility. Tenders were subsequently invited for construction of an additional 15m berthing platform, including access stairs. The Tender was advertised on 10 October 2015 and closed on 27 October 2015. The Tender evaluation process was completed and the outcome of the evaluation panel's endorsed by the CEO. The value of the Contract was within the CEO's delegated authority and therefore the Contract was awarded to SMC Marine on 13 November 2015.

**RFT15/15 UNDERWATER OBSERVATORY – CONCRETE CONDITION INSPECTION & REPORTING**

The City of Busselton invited tenders for the inspection of and reporting on the structural integrity of the Busselton Jetty Underwater Observatory (UWO). The purpose is to identify any areas of deterioration and vulnerability in the structure, in order to implement future maintenance strategies.

The Tender was advertised on the 10 October 2015, with the closing date on 10 November 2015. Five tender submissions were received by the City and are currently under evaluation. It is anticipated that the Tender evaluation process will be concluded at the end of January and the assessment report presented to the CEO by mid-February to allow for award of the contract before the end of February. The value of the contract will not exceed \$300,000, and therefore falls within the CEO's delegated authority.

#### **RFT 16/15 CONSTRUCTION OF LANDFILL CELL 1 AT THE DUNSBOROUGH WASTE FACILITY**

The City of Busselton invited tenders for the Construction of Cell 1 at the Dunsborough Waste Facility located on Western Cape Drive. These works are to follow the bulk earthworks for Cell 1 recently completed under RFT 02/15. Construction of Cell 1 under RFT 16/15 involves the installation of associated leachate drainage and treatment infrastructure. The Tender was advertised on 24 October 2015 and closed on 01 December 2015. The Tender evaluation process was completed and the outcome of the evaluation panel presented to Council on 9 December 2015. The Council endorsed the recommendation report to award tender RFT 16/15 – Construction of Landfill Cell 1 at Dunsborough Waste Facility to WBHO Infrastructure Pty Ltd for the total contract sum of \$1,063,838.35 (exclusive GST).

#### **RFT 17/15 OLD BUTTER FACTORY FIRST FLOOR COMPLIANCE**

The City of Busselton invited tenders for the Old Butter Factory First Floor Compliance refurbishment works. The purpose of the works is to ensure the Old Butter Factory remains structurally compliant and operational for current and future users. The Tender was advertised on 31 October 2015 and closed on 19 November 2015. Only one tender submission was received. The panel completed the tender evaluation process and agreed that the one submission received satisfies the requirements of the City and presents value for money. However, as the value of this submission was above the City's initial budget for the works, additional funding was requested via a report presented to Council (C1512/361). The Council endorsed the recommendation to approve additional funds, increasing the budget for this project to \$187,000.00 Ex GST. The value of the contract will not exceed \$300,000, and therefore falls within the CEO's delegated authority. An evaluation report will be presented to the CEO recommending award of the Contract resulting from RFT17/15 to Innovest, for a value of \$134,056.00 EX GST. Works are scheduled to commence on site mid- February 2016.

#### **RFT 18/15 GEOGRAPHE LEISURE CENTRE DRYSIDE CHANGEROOM REBURBISHMENT**

The City of Busselton invited tenders for the Geographe Leisure Centre Dryside Changerooms Refurbishment. The purpose of the works is to complete necessary renewal works to the ablution facilities found adjacent to the sports hall. The Tender was advertised on 31 October 2015, and closed on the 11 December 2015. Only one compliant submission was received. The value of this submission is considerably above the City's budget for the works of \$100,000.00. The evaluation panel submitted a recommendation to the CEO to cancel the Tender under RFT18/15. The tender regulations have now been amended to only require tenders where the value of the contract exceeds \$150,000. Subject to the endorsement of a revised purchasing policy by Council which reflects this change, which will be presented to the Policy and Legislative Committee in February, a quotation process will be utilised to source an appropriate supplier for the GLC Dryside Changeroom Refurbishment works.

#### **RFT 19/15 CONSTRUCTION OF THE NEW TRANSFER STATION AT BUSSELTON WASTE FACILITY**

The City of Busselton invited tenders for the construction of the new transfer station at the Busselton Waste Facility. The project includes construction of a new state of the art multifunctional facility, comprised of a community recycling drop-off area, light and heavy vehicle multi-tiered drop-off area for putrescible waste, as well as associated stormwater drainage and road access infrastructure. The Tender was advertised on 26 December 2015 with a closing date for submissions of 29 January 2016.

It is anticipated that the evaluation will be completed and a report presented to Council in February. The value of the contract exceeds the CEO's delegated authority and will have to be awarded by Council.

## **2016**

### **RFT 01/16 CITY OF BUSSELTON CORPORATE UNIFORM PROVISION**

The City of Busselton is inviting tenders for the provision of the City's corporate uniforms. The successful supplier will supply the City's corporate wardrobe as required for a period of two years plus 2 x 1 year options. The Tender is due for advertising on 16 January 2016 with a closing date for submissions of 11 February 2016. It is anticipated that the evaluation will be completed and a report presented to the CEO in February. The value of the contract will not exceed \$300,000, and therefore falls within the CEO's delegated authority.

### **RFT 02/16 VASSE SPOTING PRECINCT STAGE 1 – SUPPLY & LAY TURF**

The City of Busselton is inviting tenders for the supply and installation of roll-on turf for Stage 1 of the sporting oval located in the new sports precinct under development in Vasse. The turf installation is scheduled to take place following completion of the preliminary works which are being managed in conjunction with the relevant developer. The Tender is due for advertising on 16 January 2016 with a closing date for submissions of 02 February 2016. It is anticipated the Tender evaluation will be completed and a report presented to Council in February. The value of the contract will not exceed \$300,000, and therefore falls within the CEO's delegated authority.

#### **14.1.2 WA Planning Commission**

On 18 November 2015, the Western Australian Planning Commission granted consent for the City's draft Local Planning Strategy to be advertised for public comment, subject a number of modifications. A copy of the WAPC letter is provided in Attachment A and outlines the required modifications. The City will modify the draft LPS accordingly and advertising is anticipated to commence towards the end of February 2016 for a two month period. Councillors will be further advised of details on the consultation process.

#### **14.1.3 Port Geographe Community Consultation**

The minutes of the 18 December 2015 Port Geographe Community Consultation Forum have been received and are available to view in Attachment B. The Department of Transport, Port Geographe Coastal Reconfiguration plan is also available to view in Attachment C.

#### **14.1.4 Australian Local Government Association – National State of the Assets 2015**

The Australian Local Government Association has provided a copy of the National State of Assets 2015 – Roads and Community Infrastructure Report. The covering letter is available to view in Attachment D and the report is located in the Council in tray.

#### **14.1.5 Planning and Development Service Statistics**

##### Planning Applications

Attachment E is a report detailing all Planning Applications received by the City between 16 November, 2015 and 31 December, 2015. Eighty three formal applications were received during this period.

Attachment F is a report detailing all Planning Applications determined by the City between 16 November, 2015 and 31 December. A total of ninety five applications (including subdivision referrals) were determined by the City during this period with eighty nine approved / supported and six refused.

#### **14.1.6 Marine Parks & Reserves Authority – 2014/2015 Annual Report**

The 2014/2015 Annual Report of the Marine Parks and Reserves Authority has been received, the covering letter is available to view in Attachment G and the report is located in the Council in tray.

#### **14.1.7 Department of Regional Development**

The Department of Regional Development has provided a copy of the 'In your Region' newsletter. The newsletter is available to view in the Council in tray.

#### **14.1.8 South West Academy of Sport – 2015 Annual Report**

The 2015 Annual Report of the South West Academy of Sport has been received and is available to view in the Council in tray.

#### **14.1.9 Margaret River Busselton Tourism Association – Letter of Congratulations**

Correspondence has been received from Pip Close of the Margaret River Busselton Tourism Association congratulating the City on its achievement in the 2015 WA Tourism Awards.

#### **14.1.10 The Busselton Art Society Inc – Letter of Appreciation**

Correspondence has been received from The Busselton Art Society Inc and is available to view in Attachment H.

#### **14.1.11 Cornerstone Christian College – Letter of Appreciation**

Correspondence has been received from Cornerstone Christian College and is available to view in Attachment I.

#### **14.1.12 Dunsborough Primary School – Letter of Appreciation**

Correspondence has been received from Jamilla Clark of Dunsborough Primary School and is available to view in Attachment J.

#### **14.1.13 Geographe Education Support Centre – Letter of Appreciation**

Correspondence has been received from the Geographe Education Support Centre and is available to view in Attachment K.

#### **14.1.14 MacKillop Catholic College – Letter of Appreciation**

Correspondence has been received from the MacKillop Catholic College and is available to view in Attachment L.

#### **14.1.15 Our Lady of the Cape – Letter of Appreciation**

Correspondence has been received from the Our Lady of the Cape and is available to view in Attachment M.

**14.1.16 Vasse Primary School – Letters of Appreciation**

Correspondence has been received from Natasha Leaver and Taliah Dalglish of Vasse Primary School and is available to view in Attachment N & O.

**14.1.17 Shire of Esperance – Letter of Appreciation**

Correspondence has been received from the Shire of Esperance and is available to view in Attachment P.

**14.1.18 Parks and Leisure Magazine – City of Busselton Article**

The City of Busselton had an article in the December issue of the Parks and Leisure magazine and is available to view in Attachment Q.

**14.1.19 Dog Management and Control**

Attachment R is a summary of Ranger and Emergency Services staff actions relating to the management and control of dogs in the community for the term 1st October 2015 to 31 December 2015.

During the term 41 dogs were impounded of which 34 dogs (82%) were reunited with their owner, and six dogs were successfully rehomed through the community volunteer animal rescue groups Saving Animals from Euthanasia (SAFE) and K9 Rescue Group South West (K9). Also during this term, one unclaimed/surrendered dog that could not be rehomed was euthanized.

During this term there was one prosecution instigated for a dog attack.

**Council Decision and Officer Recommendation**

**C1601/009** Moved Councillor G Bleachmore, seconded Councillor J McCallum

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

- 14.1.1 Current Active Tenders
- 14.1.2 WA Planning Commission
- 14.1.3 Port Geographe Community Consultation
- 14.1.4 Australian Local Government Association – National State of the Assets 2015
- 14.1.5 Planning and Development Service Statistics
- 14.1.6 Marine Parks & Reserves Authority – 2014/2015 Annual Report
- 14.1.7 Department of Regional Development
- 14.1.8 South West Academy of Sport – 2015 Annual Report
- 14.1.9 Margaret River Busselton Tourism Association – Letter of Congratulations
- 14.1.10 The Busselton Art Society Inc – Letter of Appreciation
- 14.1.11 Cornerstone Christian College – Letter of Appreciation
- 14.1.12 Dunsborough Primary School – Letter of Appreciation
- 14.1.13 Geographe Education Support Centre – Letter of Appreciation
- 14.1.14 MacKillop Catholic College – Letter of Appreciation
- 14.1.15 Our Lady of the Cape – Letter of Appreciation

- 14.1.16 Vasse Primary School – Letters of Appreciation
- 14.1.17 Shire of Esperance – Letter of Appreciation
- 14.1.18 Parks and Leisure Magazine – City of Busselton Article
- 14.1.19 Dog Management and Control

**CARRIED 9/0**

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At this time the Mayor approved the introduction of a Late Item for consideration by Council.

### 13.2 BUSSELTON FORESHORE LAND RATIONALISATION - SURRENDER OF HEAD LEASE LOT 431

|                             |  |
|-----------------------------|--|
| <b>SUBJECT INDEX:</b>       | Busselton Jetty and Foreshore Revitalisation   |
| <b>STRATEGIC OBJECTIVE:</b> | A City of shared, vibrant and well planned places that provide for diverse activity and strengthen our social connections. |
| <b>BUSINESS UNIT:</b>       | Corporate Services   |
| <b>ACTIVITY UNIT:</b>       | Legal Services   |
| <b>REPORTING OFFICER:</b>   | Legal Services Coordinator - Cobus Botha   |
| <b>AUTHORISING OFFICER:</b> | Director, Finance and Corporate Services - Matthew Smith   |
| <b>VOTING REQUIREMENT:</b>  | Simple Majority  |
| <b>ATTACHMENTS:</b>         | Nil  |

**Due to ongoing review and modification of the Busselton Foreshore Master Plan, it has not been practical to finalise and implement the Busselton Foreshore land rationalisation strategy any earlier. Implementation of the first stage of the land rationalisation strategy without any further delay is however essential for delivering the Busselton Foreshore redevelopment project and associated new leases such as the Equinox Café lease in a timely fashion. Therefore this matter is presented for consideration by way of a late report proposed for acceptance at the Council meeting of 27 January, 2016.**

#### **PRÉCIS**

Implementation of the City's Busselton Foreshore Master Plan requires rationalisation of land tenure within the Busselton Foreshore precinct. The first stage of this rationalisation process requires surrender of an existing lease between the State of Western Australia (as lessor) and the City of Busselton (as lessee) of Lot 431 on Deposited Plan 190978 (**Lot 431**) which is located within Reserve 38558 on the Busselton Foreshore, and variation of the existing Management Order in respect of Reserve 38558.

This report seeks Council's authorisation for surrender of the abovementioned lease and Council's resolution to seek a variation of abovementioned Management Order.

#### **BACKGROUND**

The Busselton Foreshore Masterplan, which was adopted by Council on 28 March 2012 and has since been reviewed and updated, guides development of the Busselton foreshore into the future. It identifies a series of complementary precincts where visitors and the community alike can enjoy active and passive recreation interspersed with existing and proposed commercial developments from which lease income can be derived to contribute towards substantial ongoing maintenance costs for both the Busselton jetty and the redeveloped Busselton foreshore area.

Reserve 38558 is located on the Busselton Foreshore in an area bordered by Queen Street to the west, Marine Terrace to the south and Geographe Bay Road to the east. Management and control of Reserve 38558 vest in the City of Busselton for recreation and community purposes, including the power to lease, sublease or licence any portion of the reserve for any term not exceeding 21 years. Reserve 38558 is the main focus of the Busselton Foreshore redevelopment project. Land tenure arrangements within Reserve are essential for the successful implementation of the Busselton Foreshore Master Plan in this area, as this will form the basis for commercial developments such as cafes, restaurants and short stay accommodation as well as providing tenancies for community groups such as Busselton Jetty Environmental and Conservation Association (**BJECA**), Margaret River/Busselton Tourism Association (**MRBTA**) and Surf Life Saving Australia.



As part of the implementation of the Busselton Foreshore Master Plan, the City and Department of Lands developed a land rationalisation strategy for the Busselton Foreshore, which, due to practical and legal considerations, will be implemented in various stages. The first stage of this process requires the follow action (which is discussed in more detail below):

- Surrender of an existing lease between the State of Western Australia (as lessor) and the City of Busselton (as lessee) of Lot 431 (**Head Lease**); and
- Variation of the existing Managing Order in terms of which management and control of Reserve 38558 vest in the City for purposes of recreation and community purposes (**Management Order**).

#### Surrender of Head Lease

Lot 431 is a 6,589m<sup>2</sup> block of land located within Reserve R38558. By Lease I26939 (registered on 11 February 1993) the State of Western Australia leased Lot 431 to the City for a term of 50 years, which allowed the City to sub-lease Lot 431 to David and Jenny Couch for purposes of developing the Nautical Lady amusement park. For purposes of implementing the Busselton Foreshore Master Plan, the City has since acquired Couch's leasehold interest in Lot 431. However the term of the Head Lease only expires 7 January 2043.

In terms of the Busselton Foreshore Master Plan the area where Lot 431 is currently located, is earmarked for various different uses, which include a portion of a road, landscaped areas and (potentially) a future amphi-theatre and commercial development. Department of Lands advised that the first stage of the Busselton Foreshore land rationalisation process requires surrender of the Head Lease in order for the area where Lot 431 is located, to be retained as part of Reserve 38558. This will result in this portion of land being brought under the City's management and control as part of Reserve 38558 and will allow for land tenure arrangements which will form the basis of abovementioned future development.

#### Variation of Management Order

The Railway House project, which is part of the Busselton Foreshore redevelopment project, comprises of construction of Railway House on Reserve 38558 and leasing the premises to BJECA and MRBTA. Pursuant to Council resolution C1511/338 (made on 25 November 2015) a contract was awarded for design and construction of Railway House. The indicative date for completion of the Railway House building is 30 November 2016.

In accordance with Council endorsed Memoranda of Understanding between the City and respectively BJECA and MRBTA, negotiations at officer level between the parties resulted in 'in principle' agreements on 42 year lease terms for the Railway House tenancies. These lease arrangements will be presented to Council for formal approval under separate reports. However in terms of the Management Order the City's power to lease or licence any portion of land within Reserve 38558 is limited to a maximum term of 21 years. Department of Lands indicated support for increasing the City's power to lease and licence for terms up to 42 years, which is consistent with what has been agreed 'in principle' with BJECA and MRBTA. This will however require variation of the Management Order which, on advice from Department of Lands, should happen as part of the first stage of the land rationalisation process and has to be actioned by way of a formal request from Council to vary the Management Order accordingly.

### **STATUTORY ENVIRONMENT**

Section 46 of the Land Administration Act 1997 (LAA) specifies that the Minister for Lands may, by order, place the care, control and management of a reserve with a management body (in this instance the City of Busselton). Subsequent provisions of the LAA confer on the management body a power to grant a lease (or sublease or licence) over a reserve. The land rationalisation strategy for

the Busselton Foreshore and in particular the Officer Recommendation in this report is considered to be consistent with the relevant requirements under the LAA.

### **RELEVANT PLANS AND POLICIES**

Surrender of the Head Lease is consistent with the Busselton Foreshore Masterplan which provides for the future development of this area into a combination of roads, park/landscaped areas and potential commercial sites.

### **FINANCIAL IMPLICATIONS**

The City will be responsible for payment of Department of Lands' costs for preparation and registration of the surrender of the Head Lease which will not exceed \$463.00. Other than these costs the surrender of the Head Lease and variation of the Management Order will have no further financial implications.

### **STRATEGIC COMMUNITY OBJECTIVES**

Surrender of the Head Lease will facilitate implementation of the Busselton Foreshore Master Plan, which aligns with the City of Busselton's Strategic Community Plan 2013 as follows:

*A City of shared, vibrant and well planned places that provide for diverse activity and strengthen our social connections.*

The Busselton Foreshore redevelopment project is a direct consequence of the abovementioned Community Objective.

### **RISK ASSESSMENT**

The surrender of the Head Lease and variation of the Management Order does not involve any significant changes from current strategies or practices and is therefore considered low risk with no risks identified as "low" or greater.

### **CONSULTATION**

The Busselton Foreshore land rationalisation strategy is the result of extensive, ongoing consultation between City officers and Department of Lands with regards to implementation of the Busselton Foreshore Master Plan.

### **OFFICER COMMENT**

Implementation of the Busselton Foreshore Masterplan and delivery of the Busselton Foreshore redevelopment project is to a large extent dependent on the rationalisation of land tenure within the relevant area. Continuation of the Head Lease is of no commercial value or practical use for the City. Surrendering of the Head lease will allow for the land which comprises of Lot 431 to be integrated into Reserve R38558, bringing it under the City's management and control for recreation and community purposes, which in turn will allow redevelopment of this area in accordance with the Busselton Foreshore Masterplan.

Seeking variation of the Management Order to allow for leasing, sub-leasing and licencing any portion of Reserve 38558 for terms up to 42 years will provide the City with the ability to provide community groups like BJECA with sufficient security of tenure to make significant contributions towards the cost of redeveloping then Busselton Foreshore.

## **CONCLUSION**

Implementation of the land rationalisation strategy developed by City officers and Department of Lands is required for successfully delivering the Busselton Foreshore redevelopment project in accordance with the Busselton Foreshore Master Plan. The first stage of this land rationalisation process, which requires surrender of the Head Lease and variation of the Management Order in accordance with the Officer Recommendation, have to proceed without any delay in order to allow for the redevelopment project to be implemented in a timely fashion.

## **OPTIONS**

Council may consider not seeking surrender of the Head Lease which could provide Council with the option to sublease the relevant portion of land for the remaining term of the Head Lease (approximately 27 years). This will however be inconsistent with Council's strategy for the Busselton foreshore redevelopment and require modification of the Busselton Foreshore Masterplan and is therefore not recommended.

## **TIMELINE FOR IMPLEMENTATION OF OFFICER RECOMMENDATION**

Should Council resolve to surrender the Head Lease of Lot 431 as recommended, the formal Surrender of Lease will in all likelihood be lodged and registered with Landgate by the end of February 2016.

Variation of the Management Order to allow for the City to lease, sub-lease or licence any portion of Reserve 38558 for terms up to 42 should be finalized within a 3 month timeframe.

### **Council Decision and Officer Recommendation**

**C1601/010** Moved Councillor J McCallum, seconded Councillor R Reekie

That the Council:

1. Surrender Lease I126939, between the State of Western Australia as the Lessor and the City of Busselton as Lessee in respect of Lot 431 on Deposited Plan 190978; and
2. Request the Minister for Lands to revoke the existing Management Order for Reserve 38558 and replace it with a new Management Order granting the City of Busselton the power to lease (or sublease or licence) the whole or any portion of the Reserve for the designated purpose for a term not exceeding 42 years.

**CARRIED 9/0**

**15. MOTIONS OF WHICH PREVIOUS NOTICE HAS BEEN GIVEN**

Nil

**16. CONFIDENTIAL REPORTS**

Nil

**17. PUBLIC QUESTION TIME**

**Lisa Chapman**

Is the Council aware of the risks associated to the water table through gas mining.

**Response, Councillor Bleechmore**

As a Council representative I have attended information sessions on this subject, so yes I am aware.

**18. NEXT MEETING DATE**

Wednesday, 10 February 2016

**19. CLOSURE**

The meeting closed at 5.42pm.

THESE MINUTES CONSISTING OF PAGES 1 TO 44 WERE CONFIRMED AS A TRUE AND CORRECT RECORD ON WEDNESDAY, 10 FEBRUARY 2016.

DATE: \_\_\_\_\_ PRESIDING MEMBER: \_\_\_\_\_