

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 25 MAY 2016

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MINUTES

MINUTES OF A MEETING OF THE BUSSELTON CITY COUNCIL HELD IN MEETING ROOM ONE, COMMUNITY RESOURCE CENTRE, 21 CAMMILLERI STREET, BUSSELTON, ON 25 MAY 2016 AT 5.30PM.

1. DECLARATION OF OPENING AND ANNOUNCEMENT OF VISITORS

The Presiding Member opened the meeting at 5.30pm.

2. ATTENDANCE

Presiding Member:

Cr Grant Henley Mayor

Members:

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

Officers:

Mr Mike Archer, Chief Executive Officer
Mr Oliver Darby, Director, Engineering and Works Services
Mr Paul Needham, Director, Planning and Development Services
Mrs Maxine Palmer, Acting, Community and Commercial Services
Mr Matthew Smith, Director, Finance and Corporate Services
Mr Martyn Glover, Executive Director
Miss Lynley Rich, Manager, Governance Services
Miss Hayley Barge, Administration Officer, Governance

Apologies

Nil

Approved Leave of Absence

Nil

Media:

1

Public:

Nil

3. PRAYER

The prayer was delivered by Reverend Ted VanSponsen from Busselton Free Reformed Church.

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

Nil

Public Question Time

Nil

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

Nil

Announcements by other Members at the invitation of the Presiding Member

Nil

6. APPLICATION FOR LEAVE OF ABSENCE

Nil

7. PETITIONS AND PRESENTATIONS

Nil

8. DISCLOSURE OF INTERESTS

Nil

9. CONFIRMATION AND RECEIPT OF MINUTES**Previous Council Meetings****9.1 Minutes of the Council Meeting held 11 May 2016****Council Decision****C1605/115**

Moved Councillor J McCallum, seconded Councillor T Best

That the Minutes of the Council Meeting held 11 May 2016 be confirmed as a true and correct record.

CARRIED 9/0

Committee Meetings9.2 Minutes of the Airport Advisory Committee Meeting held 29 April 2016**Council Decision****C1605/116** Moved Councillor G Bleechmore, seconded Councillor R Reekie

- 1) That the minutes of the Airport Advisory Committee Meeting held 29 April 2016 be received.
- 2) That the Council notes the outcomes of the Airport Advisory Committee Meeting held 29 April 2016 being:
 - a) The Busselton-Margaret River Regional Airport – Airport Update item was noted.
 - b) The Busselton-Margaret River Regional Airport Development Project Stakeholder Reference Group item is presented for Council consideration at item 10.1 of this agenda.

CARRIED 9/09.3 Minutes of the Finance Committee Meeting held 5 May 2016**Council Decision****C1605/117** Moved Councillor G Bleechmore, seconded Councillor R Reekie

- 1) That the minutes of the Finance Committee Meeting held 5 May 2016 be received.
- 2) That the Council notes the outcomes of the Finance Committee Meeting held 5 May 2016 being:
 - a) The Busselton Settlement Art Project: Request to Transfer Funds from Sundry Income to Restricted Assets Account and Future Funding of Remaining Statues item is presented for Council consideration at item 10.2 of this agenda.
 - b) The List of Payments Made - March 2016 item is presented for Council consideration at item 10.3 of this agenda.
 - c) The Finance Committee Information Bulletin - March 2016 was noted.
 - d) Financial Activity Statements – Period Ending 31 March 2016 item is presented for Council consideration at item 10.4 of this agenda.
 - e) The Reserve Accounts - Establishment and Purpose item is presented for Council consideration at item 10.5 of this agenda.

CARRIED 9/0

9.4 Minutes of the Settlement Art Project Steering Committee Meeting held 5 May 2016**Council Decision****C1605/118** Moved Councillor G Bleechmore, seconded Councillor R Reekie

- 1) That the minutes of the Settlement Art Project Steering Committee Meeting held 5 May 2016 be received.
- 2) That the Council notes the outcomes of the Settlement Art Project Steering Committee Meeting held 5 May 2016 being:
 - a) The Nomination of a New Committee Member item is presented for Council consideration at item 10.6 of this agenda.

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.

Council Decision / Committee Recommendation and Officer Recommendation

C1605/119 Moved Councillor G Bleechmore, seconded Councillor P Carter

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

- 10.1 Airport Advisory Committee - 29/04/2016 - BUSSELTON-MARGARET RIVER REGIONAL AIRPORT DEVELOPMENT PROJECT STAKEHOLDER REFERENCE GROUP
- 10.3 Finance Committee - 5/05/2016 - LIST OF PAYMENTS MADE - MARCH 2016
- 10.4 Finance Committee - 5/05/2016 - FINANCIAL ACTIVITY STATEMENTS – PERIOD ENDING 31 MARCH 2016
- 10.5 Finance Committee - 5/05/2016 - RESERVE ACCOUNTS - ESTABLISHMENT AND PURPOSE
- 11.1 AMENDMENT NO. 18 TO LOCAL PLANNING SCHEME NO. 21 - REZONE LOT 4 AND 318 LAYMAN ROAD, WONNERUP FROM 'AGRICULTURE' TO 'CONSERVATION' AND RESERVE FOR 'RECREATION' WITH ASSOCIATED STRUCTURE PLAN, CONSIDERATION FOR INITIATION
- 11.2 APPLICATION FOR PLANNING CONSENT FOR A USE NOT LISTED (PET CREMATORIUM) AT 247 WILDWOOD ROAD, CARBUNUP RIVER
- 11.3 CONSIDERATION BY THE COUNCIL OF OFFER OF LAND TENURE EXCHANGE BY DEPARTMENT OF LANDS, OF LOT 480 GEOGRAPHE ROAD QUINDALUP AND LOT 501 ADELAIDE /WEST STREETS, BUSSELTON
- 13.1 BUSSELTON PERFORMING ARTS AND CONVENTION CENTRE - ALTERNATIVE SITE
- 15.1 COUNCILLORS' INFORMATION BULLETIN

CARRIED 9/0

EN BLOC

10. REPORTS OF COMMITTEE

10.1 Airport Advisory Committee - 29/04/2016 - BUSSELTON-MARGARET RIVER REGIONAL AIRPORT DEVELOPMENT PROJECT STAKEHOLDER REFERENCE GROUP

SUBJECT INDEX:	Busselton-Margaret River Regional Airport
STRATEGIC OBJECTIVE:	Infrastructure assets are well maintained and responsibly managed to provide for future generations.
BUSINESS UNIT:	Community Services; Commercial Services
ACTIVITY UNIT:	Commercial Services
REPORTING OFFICER:	Director, Community and Commercial Services - Naomi Searle
AUTHORISING OFFICER:	Director, Community and Commercial Services - Naomi Searle
VOTING REQUIREMENT:	Simple Majority
ATTACHMENTS:	Attachment A Officer Recommendation - BMRRA Development Project Stakeholder Reference Group - Terms of Reference Attachment B Committee Recommendation - BMRRA Consultative Group - Terms of Reference

This item was considered by the Airport Advisory Committee at its meeting on 29 April 2016, the recommendations from which have been included in this report.

PRÉCIS

Following the submission of a comprehensive Business Case to the State Government, the City of Busselton was awarded \$55.9m for the redevelopment of the Busselton Regional Airport (BRA). Since the announcement of funding a significant amount of progress has been made, including the development of a Project Definition Plan incorporating a Project Communications Plan. A key communications and engagement tool outlined in the Plan includes the establishment of a Stakeholder Reference Group to aid ongoing consultation and communication between the community and the City of Busselton as the Project Manager.

This report seeks Council's endorsement to establish a Development Project Stakeholder Reference Group and subsequent Terms of Reference to guide the functions of the Group.

BACKGROUND

In June 2015 the State Government committed to delivering a domestic airport to service the South West region. After reviewing a rigorous Business Case submitted by the South West Development Commission in 2013, the Government committed publically to allocating funding for the redevelopment of the Busselton Regional Airport (BRA).

Since the announcement a considerable amount of progress has been made, including the completion of a Project Definition Plan (PDP) which establishes the basis of the project. The PDP was formally approved by the State Government appointed Project Governance Committee on 21 April 2016. A key component of the PDP is a Stakeholder Engagement and Communications Strategy. The establishment of a Stakeholder Reference Group to act as a conduit for information sharing between the City of Busselton, peak community organisations, aviation, and tourism and business sectors is identified as a key method of engaging with the community and communicating matters relating to the Development Project.

This report sets out the proposed Terms of Reference of the Stakeholder Reference Group, including purpose, roles and responsibilities, and membership of the Group and seeks Council's endorsement of such.

STATUTORY ENVIRONMENT

There are no statutory issues relating to the Officer recommendation contained within this report.

RELEVANT PLANS AND POLICIES

The Busselton – Margaret River Regional Airport Master Plan (2016- 2036) and Busselton Regional Airport Statement of Intent outline the vision for the Development Project and are relevant to this report.

FINANCIAL IMPLICATIONS

State Government funding of \$55.9m to deliver stage 2 has been incorporated into the City's 2015/16 adopted budget, and will form part of future budgets. The funding covers operational and capital costs associated with the project.

Long-term Financial Plan Implications

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

The Long Term Financial Plan (LTFP) is currently based on the 'here and now' scenario (stage 1), and will require updating to reflect the project, including ongoing operational and capital revenue and expenditure based on the stage 2 redevelopment. This work has commenced and will be incorporated into the future LTFP reviews. Further feasibility studies, forecasts and modeling will also be undertaken in due course on the opportunities associated with the potential development of landside aviation related industries on land surplus to the needs of the airport operations.

STRATEGIC COMMUNITY OBJECTIVES

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

Well Planned, Vibrant and Active Places:

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

RISK ASSESSMENT

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

CONSULTATION

Following the announcement of State Government funding, a Project Governance Committee was established to oversee the overall deliverables of the project and associated funding. Committee members include; South West Development Commission (SWDC), Department of Transport, Department of Treasury, Tourism WA, City of Busselton, and the Department of Regional Development as observers. The establishment of a Stakeholder Reference Group is supported by the Committee as part of the Development Project's stakeholder engagement and communications planning processes.

OFFICER COMMENT

On commencement of the planning and approvals phase for the BMRRRA Development Project a communications strategy was developed to identify key stakeholders and determine the types of communication activities to be undertaken to ensure that project communications meet the requirements and expectations of decision making authorities, funding agreements, the community, business and the City of Busselton Council.

A key element of the strategy is a BMRRRA Communications Plan which identifies all stakeholders relevant to the BMRRRA Development Project, and outlines how progress will be communicated. The Plan was developed in collaboration with funding partners Department of Regional Development, Department of Transport, and SWDC to ensure the identified strategies and tools meet the requirements of funding agreements and to enable effective and timely approval processes.

The aim of the Plan is to provide a framework that identifies all communication strategies to inform key stakeholders and promote the progress of the Development Project in an effective manner. The Plan includes the establishment of a Stakeholder Reference Group to act as a conduit for information sharing between the City of Busselton, peak community organisations, aviation, and tourism and business sectors, as outlined in attachment A. The Reference Group will:

- Provide general and relevant information and Development Project updates;
- Provide a documented forum to enable concerns of interested parties to be raised and taken into account by the City of Busselton; and
- Contribute to community understanding of the Development Project with the added outcome of wider understanding of the economic and social potential the developed airport will bring to the South West region.

It is expected that Reference Group members will provide updates to the community and industry representatives on:

- Development Project phases and activities;
- Airport operations;
- Airport Noise Management;
- Planning, regulatory and policy changes affecting the Airport;
- Construction work;
- New airport activity (such as new services) or changes to aviation services;

- Changes to Airport facilities.

It is proposed that the Reference Group will be chaired by the City of Busselton's Airport Advisory Committee Chairperson and members will be appointed by invitation. Representatives will be invited from the following sectors:

Business and Industry

Margaret River Busselton Tourism Association;
South West Combined Chambers of Commerce;

Airport Users

Hangar Owner Group 1;
Hangar Owner Group 2;
Hangar Owner Group 3;
Busselton Aero Club;
Rio Tinto;
Department of Fire and Emergency Services;
Royal Flying Doctors Service;
Surf Life Saving Australia

Community

Reinscourt;
Kalgup;
Yalyalup;
Yoongarillup;

Neighbouring Property Owners

Chapman;
Manning;
Satterley Property Group.

Given the proximity of the Airport to the suburbs of Reinscourt, Kalgup, Yalyalup and Yoongarillup, it is proposed that residents from these areas will be able to nominate for membership via an expression of interest process and appointments will be made by the Chairperson.

The term of the appointments will be for the life of the project, finishing completion of the project, unless determined at an earlier date by agreement.

For the purposes of wider communication, outcomes of the Group will be provided on the BMRRRA website.

CONCLUSION

The establishment of a Stakeholder Reference Group was identified as a key communication tool as part of the overall communications strategy for the BMRRRA Development Project, and has support from the State Government appointed Project Governance Committee. The establishment of the Group will provide the City of Busselton, as the Project Manager, the avenue to consult with the community, and business and industry representatives.

OPTIONS

Council may choose not to establish a BMRRRA Development Project Stakeholder Reference Group, however engagement and communication methods relating to the project will need to be reviewed. Alternatively Council may choose to amend the proposed membership of the Group.

TIMELINE FOR IMPLEMENTATION OF OFFICER RECOMMENDATION

Expressions of interest for community representatives from the four identified localities will be advertised in the Council for the Community page immediately following Council's endorsement of the Officer Recommendation. Identified representatives will also be invited to participate in the Stakeholder Reference Group. It is anticipated that the first meeting will be held in June 2016.

OFFICER RECOMMENDATION

That the Council endorses the establishment of a Busselton-Margaret River Regional Airport (BMRRA) Development Project Stakeholder Reference Group and associated Terms of Reference at Attachment A to this report to guide the functions of the Group.

Note: The Council supported the Committee Recommendation that the serving Local Member of Parliament be included in the Membership section of the Terms of Reference and that the name be changed to the Busselton-Margaret River Regional Airport (BMRRA) Consultative Group.

Council Decision and Committee Recommendation

C1605/120 Moved Councillor G Bleachmore, seconded Councillor P Carter

That the Council endorses the establishment of a Busselton-Margaret River Regional Airport (BMRRA) Consultative Group and associated Terms of Reference (with name change) at Attachment B to this report to guide the functions of the Group and to include the Local Member of Parliament in the Membership section.

CARRIED 9/0

EN BLOC

10.3 Finance Committee - 5/05/2016 - LIST OF PAYMENTS MADE - MARCH 2016

SUBJECT INDEX:	Financial Operations
STRATEGIC OBJECTIVE:	An organisation that is managed effectively and achieves positive outcomes for the community.
BUSINESS UNIT:	Finance and Information Technology
ACTIVITY UNIT:	Finance
REPORTING OFFICER:	Financial Accountant - Ehab Gowegati
AUTHORISING OFFICER:	Director, Finance and Corporate Services - Matthew Smith
VOTING REQUIREMENT:	Simple Majority
ATTACHMENTS:	Attachment A List of Payments Made - March 2016

This item was considered by the Finance Committee at its meeting on 5 May 2016, the recommendations from which have been included in this report.

PRÉCIS

This report provides details of payments made from the City's bank accounts for the month of March 2016, for noting by the Council and recording in the Council Minutes.

BACKGROUND

The Local Government (Financial Management) Regulations require that when the Council has delegated authority to the Chief Executive Officer to make payments from the City's bank accounts, that a list of payments made is prepared each month for presentation to, and noting by, Council.

STATUTORY ENVIRONMENT

Section 6.10 of the Local Government Act and more specifically, Regulation 13 of the Local Government (Financial Management) Regulations; refer to the requirement for a listing of payments made each month to be presented to the Council.

RELEVANT PLANS AND POLICIES

NA.

FINANCIAL 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'.

RISK ASSESSMENT

NA.

CONSULTATION

NA.

OFFICER COMMENT

NA.

CONCLUSION

NA.

OPTIONS

NA.

TIMELINE FOR IMPLEMENTATION OF OFFICER RECOMMENDATION

NA.

Council Decision / Committee Recommendation and Officer Recommendation

C1605/121 Moved Councillor G Bleechmore, seconded Councillor P Carter

That the Council notes payment of voucher numbers M112730 – M112830, EF045130 – EF045653, T007226 – T007232, and DD002697 – DD002726; together totaling \$9,696,772.78.

CARRIED 9/0

EN BLOC

10.4 Finance Committee - 5/05/2016 - FINANCIAL ACTIVITY STATEMENTS – PERIOD ENDING 31 MARCH 2016

SUBJECT INDEX:	Budget Planning and Reporting
STRATEGIC OBJECTIVE:	An organisation that is managed effectively and achieves positive outcomes for the community.
BUSINESS UNIT:	Financial Services
ACTIVITY UNIT:	Financial Services
REPORTING OFFICER:	Manager, Financial Services - Victoria Wilmot Financial Accountant - Ehab Gowegati
AUTHORISING OFFICER:	Director, Finance and Corporate Services - Matthew Smith
VOTING REQUIREMENT:	Simple Majority
ATTACHMENTS:	Attachment A Financial Activity Statements - March 2016

This item was considered by the Finance Committee at its meeting on 5 May 2016, the recommendations from which have been included in this report.

PRÉCIS

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

This report has been compiled to fulfil the statutory reporting requirements of the Act and associated Regulations, whilst also providing the Council with an overview of the City's financial performance on a year to date basis for the period ending 31 March 2016.

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.

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

NA

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 31 MARCH 2016

Comments on the financial activity and a brief explanation of the variances is provided below.

Operating Activity

- Operating Revenue

As at 31 March 2016, there is a variance of +1% in total operating revenue, with the following categories exceeding the 10% material variance threshold:

Description	Variance %	Variance \$000's
Interest Earnings	+23%	+\$357
Profit on Asset Disposal	+17%	+\$2

Interest Earnings (+\$357K)

The current variance on interest earnings is primarily attributable to:

- Late payment interest +\$25k;
- Instalment plan interest +8k;
- Interest on Municipal funds -\$21k;
- Interest on reserve funds +\$158k. The reserves balance currently includes the \$16.9m loan funds for the Administration building redevelopment which is yet to be utilised to offset project expenditure. Due to the higher than anticipated balance at this time, interest earned has exceeded budget projections. It should be noted of the \$158k in additional interest, \$118k is attributable to the Civic and Administration Centre Construction Reserve;
- Interest on restricted funds +\$187k. Relates to interest on airport funds which is not budgeted for. It is noted that the Airport grant agreement requires these funds be applied towards the Airport project.

Profit on Asset Disposals (+\$2K)

The current minor variance remains attributable to book profits on the sale of assets. It should be noted that this is an accounting book entry, and has no direct impact on the surplus/deficit position.

- Operating Expenditure

As at 31 March 2016, there is a variance of -7% in total operating expenditure, with the following categories exceeding the 10% material variance threshold:

Description	Variance %	Variance \$000's
Materials and Contracts	-22%	-\$2,505
Other Expenses	-21%	-\$477
Allocations	+12%	+\$194
Loss on Asset Disposal	+40%	+\$25

Materials and Contracts (-\$2,505K)

The Materials and Contracts operating expenditure category comprises a wide range of expenditure types. The current variance is attributable to both favourable and adverse variances (of varying magnitudes) across a range of diverse activities. Material reporting variances are as follows:

Information Technology

Information technology favourable variance of -\$193k as compared to year to date budget is mainly attributable to consultancy -\$54k, computer software licenses -\$30k, GIS Costs -\$32k, lease of equipment -\$65k. It is anticipated that the full budget allocation will be spent.

Community Recreation Centres

Community recreation centres have an overall favourable variance of -\$91k. This is attributable to the Naturaliste Community Centre -\$57k, and the Geographe Leisure Centre -\$35k below year to date budget. To maintain the net operating positions forecast, expenditure at both the GLC and NCC is being strictly prioritised and delayed wherever possible.

Environmental Planning

Environmental planning is overall favourable -\$106k, with implementation of management plans being down as compared to budget by -\$78k. This is attributable to timing differences associated with the utilisation of contractors and the seasonality of the work that is required.

Busselton Jetty

Busselton Jetty contractor costs are under year to date budget estimates by approximately -\$440k. Jetty works are funded from the jetty reserve therefore this variance will have no impact on the City's year end net financial position. It is anticipated that there will significant works to be undertaken on the jetty in the next three months and so much of this budget will be expended.

Meelup Regional Park

The Meelup Regional Park budget is underspent by -\$88k. This is mainly attributable to seasonal scheduling of expenditure on trail maintenance works -\$36k and vegetation rehabilitation works -\$32k. These works are now in progress.

Building Maintenance

The building maintenance budget is underspent by -\$216k. This is due in part to Facility staff spending a considerable amount of their time on relocating staff for the new administration building project. It is anticipated however that the level of expenditure will increase in the later part of the year. Overall, it is projected that building maintenance services and overall cleaning costs at year end will come within budget expectations.

Refuse Sites

Waste Management is -\$260k under budget year to date, with the Busselton transfer station -\$58k, Dunsborough waste facility -\$167k, and rubbish sites development -\$30k. These funds are expected to be utilised by year end.

Provence and Vasse Newtown – Parks and Gardens

Contractor costs associated with Provence Estate maintenance are under budget by -\$174k as public open space areas within the estate is yet to be handed over and therefore the maintenance of the area is not yet the responsibility of the City. There is also a favourable variance for contractor cost totalling -\$110k attributable to Vasse Newtown. A portion of the allocated budget is funded from the specified area rates and this draw down can only occur if expenditure is within the specified area.

Other Expenditure (-\$477K)

The current variances associated with other expenditure is attributable to:

- Members of Council expenses -\$101k. This variance is made up of a number of different accounts with the main variances being;
 - Mayor and deputy mayor allowances -\$11k;
 - Elected members refreshment and functions -\$8k;
 - Elected members conference and training expenses -\$13k;

- Elected members election and poll expenses -\$5k;
- Elected members sitting fees -\$26k;
- International relationships account -\$9k;
- Presentations on termination policy -\$5;
- Community services administration expenses -\$235k. This variance is attributable to;
 - Events, marketing and promotions is -\$147k below year to date budget. MERG Marketing funds which have not been expended as the MRBTA recharge campaign was halted due to amalgamation of GBTA/AMRTA and regional branding. Council has resolved to transfer \$150k from the commercial and industrial differential marketing funds into the Airport Marketing Reserve specifically for the marketing and support of the Airport development project, and this \$147k, along with further savings in the remainder of the financial year, will be used for this purpose;
 - Donations, contributions and subsidies -\$75k. This relates to the timing of payments for projects funded as part of the community bids programme;
 - Events sponsorships (differential rates) -\$13k. This relates to events that have been funded through the events sponsorship programme that either have not yet been held, or have been cancelled.
- Public relations expenses -\$28k. This is attributable to timing differences with the major variances relating to catering -\$12k, advertising Council pages -\$7k, community consultations and surveys -\$6k, public relations account -\$7k and long service contributions to other Local Government Authorities +\$7k.
- Planning administration expenses -\$30k. This is mainly attributable to façade refurbishment subsidy account -\$25k and advertising (public/statutory) account being -\$4.5k below year to date budget. With regard to the façade refurbishment, there were no suitable applications received in the first round fitting the requirements for funding. A second round calling for applications will be actioned during April.

Allocations (+\$194K)

The variance in allocations is largely attributable to plant and overhead related allocations, which due to the nature of this activity is routinely subject to timing variances. It is anticipated that in line with historical trends, that the variance will gradually decrease as the year progresses.

Loss on Asset Disposal (+\$25K)

The loss on asset disposal represents adverse book losses on the sale of sundry plant items and vehicles. It should be noted that this is a book entry only, and has no direct impact on the surplus/deficit position.

Capital Activity

Capital Revenue

As at 31 March 2016, there is a variance of -69% in total capital revenue, with the following categories exceeding the 10% material variance threshold:

Description	Variance %	Variance \$000's
Proceeds from Sale of Assets	-34%	-\$190
Transfer from Restricted Assets	-93%	-\$6,014
Transfer from Reserves	-60%	-\$4,900

Proceeds from Sales (-\$190K)

The proceeds from sale of assets category recognises the estimated sale or trade-in value of heavy and light plant items budgeted to be replaced during the financial year. The current adverse variance is largely reflective of the timing difference in the lower plant and equipment capital expenditure on a year to date basis.

Transfer from Restricted Assets (-\$6,014K)

The variance in transfers from restricted assets results largely from the budgeted \$6.5M transfer associated with the Busselton Regional Airport development. As at 31 March 2016, no transfer has been processed with year to date actual project expenditure at \$640k.

This variance is partly offset by refunds in bonds and deposits of +\$485K as at the end of March where all obligations have been fulfilled to authorise the return of funds. The City does not budget for these transactions, and as such, any material variance will be reported accordingly.

Transfer from Reserves (-\$4,900K)

The variance in transfers from reserves is attributed to the less than anticipated budget transfer of \$4.9M associated with the new Civic and Administration Centre building. A significant timing variance is reflected as at 31 March 2016, as transfers are not processed until after funds have been expended or invoiced. It is anticipated that the end of year position will be in line with the budget.

- Capital Expenditure

As at 31 March 2016, there is a variance of -38% in total capital expenditure, with the following categories exceeding the 10% material variance threshold:

Description	Variance %	Variance \$000's
Land and Buildings	-70%	-\$9,078
Plant & Equipment	-40%	-\$897
Furniture and Equipment	-34%	-\$159
Infrastructure	-39%	-\$8,090
Transfers to Restricted Assets	+43%	+\$585

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

In respect of the other classifications, an overview of the year to date financial performance is provided as follows:

Transfers to Restricted Assets (+\$585K)

The transfers to restricted assets budget comprises an estimation of funds that could potentially be received during the financial year, primarily from developer contributions. Due to the nature of the category, the annual budget allocation is spread evenly throughout the financial year. The performance in this activity does not have any direct impact on the surplus/deficit position, as whilst recognised as operating revenue upon receipt, these funds are subsequently quarantined to restricted assets, essentially offsetting the initial transaction. Furthermore, the transfers to restricted assets category also include the payment of bonds and deposits, where no specific budget allocation is made for these funds.

The favourable financial year to date variance of approximately +\$585k are primarily attributable to the receipt of developer contribution payments in excess of budget totalling +\$145k, and bond and deposit payments totalling approximately +\$440k.

Whilst performance in this category does not directly impact on the closing surplus/deficit position, interest earnings on a range of restricted asset funds do contribute to the City's municipal interest earnings.

CONCLUSION

In terms of the Annual Budget Review, completed as at 29 February 2016, a surplus closing position of approximately \$360K has been projected as at 30 June 2016 (excluding any re-list items). No material financial implications have arisen during March 2016 which would warrant an amendment to the currently projected surplus.

OPTIONS

Nil.

TIMELINE FOR IMPLEMENTATION OF OFFICER RECOMMENDATION

Not applicable.

Council Decision / Committee Recommendation and Officer Recommendation

C1605/122 Moved Councillor G Bleechmore, seconded Councillor P Carter

That the Council receives the statutory financial activity statement reports for the period ending 31 March 2016, pursuant to Regulation 34(4) of the Local Government (Financial Management) Regulations.

CARRIED 9/0

EN BLOC

10.5 Finance Committee - 5/05/2016 - RESERVE ACCOUNTS - ESTABLISHMENT AND PURPOSE

SUBJECT INDEX:	Financial Operations
STRATEGIC OBJECTIVE:	An organisation that is managed effectively and achieves positive outcomes for the community.
BUSINESS UNIT:	Financial Services
ACTIVITY UNIT:	Finance
REPORTING OFFICER:	Manager, Financial Services - Victoria Wilmot Financial Accountant - Ehab Gowegati
AUTHORISING OFFICER:	Director, Finance and Corporate Services - Matthew Smith
VOTING REQUIREMENT:	Simple Majority
ATTACHMENTS:	Nil

This item was considered by the Finance Committee at its meeting on 5 May 2016, the recommendations from which have been included in this report.

PRÉCIS

During the long term financial plan workshops with Council and subsequent restricted assets review, a number of changes to the reserve accounts were identified. This report summarises the potential creation of new reserves and amendments to existing reserve accounts as proposed as part of the 2016/17 annual budget process.

BACKGROUND

The Council has 27 reserve accounts which have been established to set aside funds for future years for a specific purpose. As part of the preparation of the long term financial plan, Councillors reviewed and discussed the current reserve accounts and contributions held in restricted assets.

The City has also recently undertaken a review of monies held by the City as restricted assets which was the subject of a presentation to the Finance Committee at its meeting of 14 April 2016. Money is held as a restricted asset generally because it has been received by the City in a manner which ties it to a particular use, purpose or other restriction. Sources of funds held as restricted assets include:

- (1) Money received pursuant to State or Federal Government grants for particular purposes;
- (2) Money held as bonds or deposits which will ultimately need to be repaid at a certain time or subject to the occurrence of certain events; and
- (3) Monies received pursuant to the subdivision and/or development application process as a consequence of conditions of approval which are required to be used for particular purposes as identified in the condition.

It is appropriate that the City continues to hold various funds as restricted assets including government grants that have not yet been allocated for their designated purpose and also bonds or deposits that are not yet due for return or which have not been forfeited. The main aim of the review, however, was to endeavour to move some of the City's restricted asset monies, primarily the restricted asset monies received pursuant to the subdivision and/or development approval process, to appropriate reserve accounts for future expenditure for their intended designated purpose, thereby improving the City's account structure and forward planning.

Thus as detailed in the Officer Comment section of this report, where there are existing reserve accounts to which monies currently held by the City as restricted assets can be lawfully and appropriately transferred, it is proposed that this be done subsequent to the adoption of the

2016/17 financial year budget. Where appropriate reserve accounts do not already exist, it is proposed that those reserve accounts be created as part of the 2016/17 financial year budget process, as detailed in the Officer Comment section of this report, and restricted asset funds transferred to those new reserve accounts during the 2016/17 financial year.

Most notably, it is proposed that a new reserve account be created to hold the funds the City is currently holding and will receive in the future pursuant to the subdivision and/or development approval process as contributions for future community infrastructure needs in accordance with the City of Busselton Local Planning Scheme No. 21.

This report has been prepared to outline the proposed establishment of new reserves and the potential amendment of several existing reserves as a result of Council Long Term Financial Plan discussions and the restricted assets review.

The formal adoption of the amendments will be presented as part of the 2016/17 annual budget process.

STATUTORY ENVIRONMENT

Section 6.11 of the Local Government Act and Regulations 17 and 18 of the Local Government (Financial Management) Regulations pertains to the establishment and maintenance of reserve accounts. In addition, Section 6.37 of the Local Government Act which relates to specified area rates, specifically includes the requirement to establish and maintain reserves under section 6.11 for specified area rate funds.

A local government may set aside money for use for a purpose in a future financial year, through the establishment and maintenance of a reserve account for such purpose. A reserve account is to have a title that clearly identifies the purpose for which the money is set aside.

Before a local government can change the purposes of a reserve account, or uses the money in a reserve account for another purpose, it is required to give one month's local public notice of the proposed change. A local government is not required to give public notice where the change of purpose or proposed use has been disclosed in the annual budget. Any change in purpose is also required to be disclosed in the annual financial report.

The City of Busselton Local Planning Scheme No.21 provisions set out the requirements in relation to the taking of community infrastructure contributions including the basis for collection and use where justified as a consequence of a subdivision approval or planning consent. The Local Planning Scheme No.21 Schedule 15 lists the specific permitted infrastructure works within the district and identified precinct areas.

Section 7.73 of the Local Planning Scheme No. 21 requires the City to ensure that contributions are to be applied in an accountable manner. Section 6.12.18 of the Scheme sets out specific requirements for the administration of funds.

RELEVANT PLANS AND POLICIES

Whilst the Council does not have a specific overarching policy on reserves, there are several Council policies relating to the administration of specific reserve accounts:

- Waste Management Facility and Plant Reserve (Council Policy 007)
- Road Asset Renewal (Council Policy 026)
- Verge and Public Open Space Improvement – Subdivision (Council Policy 185/3)

The establishment and administration of reserve accounts will be reflected in the key financial management documents; the annual budget, the long term financial plan and the annual financial report.

It is noted, that monies received and utilised in an individual reserve account may also be subject to other specific plans and policies relating to the particular activity and purpose of those monies.

FINANCIAL IMPLICATIONS

Any monies held in reserve accounts may only be utilised in accordance with the approved purpose. It is proposed that any transfers to the new or amended reserve accounts associated with this report will be assessed and determined as part of the annual budget.

All reserve accounts are tied to a specific purpose and receive interest on the balance of monies held in the reserve. The value of the proposed transfers and interest on these monies will be outlined in the 2016/17 annual budget documents to be considered by Council in July 2016.

Long-term Financial Plan Implications

Any amendments to reserve accounts will be reflected into the long term financial plan. The reserving of monies for future years may assist the Council in ensuring financial sustainability and planning for future costs and obligations. The reserve accounts will hold contributions and other monies for future capital infrastructure and works projects where identified as required through the long term financial plan, strategic community plan and relevant asset management plans.

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’. This is underpinned by the Council strategy to ‘ensure the long term financial sustainability of Council through effective financial management’.

RISK ASSESSMENT

This report outlines the potential establishment and amendment of reserve accounts. Reserve accounts are used to hold monies for future expenditure relating to a specific purpose. Therefore the proposed reserve accounts seek to ensure the risk associated with the future funding of specific obligations is reduced.

It is not seen that any medium or high level risks would arise from the matters contained in this report.

CONSULTATION

Not applicable at this stage as this report is setting out what is proposed to be done at annual budget time.

OFFICER COMMENT

The establishment and management of reserve accounts is considered prudent financial management and assists the Council in ensuring monies that have been received are quarantined for the appropriate specific purpose and/or monies are set aside to meet expected future obligations.

Proposed New Reserves

Discussion in relation to the City's restricted assets identified that the establishment of new reserves for certain restricted monies would provide increased transparency over the utilisation and administration of those monies. Monies received by the City may not be expended in the year of receipt and held in reserve for use in future years as required to meet the purpose.

Community Development Contribution Reserve

Development contributions are received by the City through the planning process, primarily as conditions of either a subdivision approval or planning consent. The contributions are received, where justified as a consequence of the subdivision or development approved, to support increased demands on the provision of community infrastructure and facilities.

Contributions are received for the benefit of the district, precinct area and/or specific contribution areas and must be expended for the public purpose for which they were obtained. The contributions which the City collects are subject to the provisions of the City's Town planning Scheme and may also be subject to particular development contribution plans, and/or specific development contribution agreements. These plans or agreements could require the contributions to be used for specific infrastructure projects or amenities or require funds to be applied in particular ways.

It is a specific requirement of the Local Planning Scheme No. 21 that these funds are held in a reserve account. Whilst these funds are currently separately recorded in restricted assets, are utilised in accordance with the provisions and are credited interest on the balance of monies held, the establishment of a separate reserve account is required.

It is therefore proposed a new reserve is established and named the 'Community Development Contribution Reserve' for the purpose of holding development contributions received by the City for the provision of new or upgraded community infrastructure. Funds will be separately identified for district, precincts and specific contribution areas and may be applied only to applicable community infrastructure works within those areas in accordance with the purpose for which, and/or the agreements pursuant to which, they were obtained. Particular contributions may also be subject to more specific requirements in accordance with specific development contribution agreements, policies or plans and information in relation to this will of course be retained within the City's record systems to ensure compliance with these requirements.

Monies currently held as restricted assets in relation to community infrastructure and Commonage community infrastructure contributions will be transferred to the new reserve following adoption of the 2016/17 annual budget.

Busselton Area Drainage and Waterways Improvement Reserve

The City receives development contributions under the current Local Planning Policy – 6F Drainage Infill Contributions to support works associated with the upgrade of the City's storm water and drainage infrastructure.

The City has received development contributions in the past, under the former Council policies; Council Policy 182/3 Vasse Diversion Drain Contribution; Council Policy 183/3 Local Drainage Contributions; and Council Policy 184/3 Development Contributions Drainage (Main). Contributions received under the former Council Policy 182/3 Vasse Diversion Drain were to contribute towards the costs of improvement works to the Vasse diversion drain and/or the construction or alteration of major streams and drains, levees, compensating basins and other flood protection works.

The report to Council for the meeting on the 8 October 2014; 'Final Adoption of Stormwater Management and Drainage Infill Contributions' (Council resolution C1410/244) noted the intention for monies obtained under the former policies was to be spent on water quality and storm water management measures which would lead to improvements in storm water management for the identified Busselton area to which the current policy applies.

It is proposed that a new reserve is established and named the 'Busselton Area Drainage and Waterways Improvement Reserve' for the purpose of holding development contributions received by the City for the provision of drainage works and the management and improvement of waterways within the Busselton area including the lower Vasse River. Monies currently held as restricted assets in relation to Vasse diversion drain and other drainage and flood protection works, will be transferred to the new reserve in the 2016/17 financial year.

Joint Venture Aged Housing Reserve

The City operates aged housing facilities under Joint Venture agreements with the Western Australian State Government's Department of Housing.

Pursuant to the joint venture agreements, the City is required to keep and maintain proper and accurate records with respect to the joint venture and apply any surplus income after operational costs for the purpose of the project. Accordingly, the City currently holds aside the monies from the operation of these facilities in restricted assets primarily for future asset management costs. There has been sufficient funds to meet these costs up to now as monies have been set aside as restricted assets. It is considered more appropriate however to hold these monies in a specific reserve account for use in accordance with the joint venture agreement in meeting future asset management and other related costs.

It is proposed a new reserve is established and named the 'Joint Venture Aged Housing Reserve' for the purpose of holding funds to meet future expenses, including capital, maintenance, operational and administrative costs associated with the provision of community aged housing at Winderlup Villas and Harris Road pursuant to the relevant joint venture agreements with the Department of Housing. Monies currently held as restricted assets for this purpose will be transferred to the new reserve following adoption of the 2016/17 annual budget.

Public Art Reserve

The City receives development contributions under the current Local Planning Policy – 6B Percent for Art Provisions, where to satisfy a development condition, a cash contribution is made in lieu of the provision of public artworks.

The objectives of the percent for art provisions includes the promotion of civic, community and cultural identity; enhancing a sense of place through the reinforcement of European and indigenous history, cultural heritage and contemporary traditions; promotion of community reflection, inspiration, celebration and wellbeing; and improving visual amenity and functionality of the public domain.

A new reserve named the 'Public Art Reserve' is proposed for the purpose of holding restricted development contributions received by the City for the commissioning, purchase and enhancement of public art works.

Proposed Amendments to Existing Reserves

Discussion in relation to the City's reserve accounts identified potential amendments to existing accounts to assist in the clarity of the name and purpose or to ensure the reserve remains up to date with current and future needs.

Building Reserve amended to the Building Asset Renewal Reserve

The City has previously established the 'Building Reserve' for the following purpose:

Building requirements which need to be "saved" for but are not considered to be large project items requiring their own reserve fund or loan funding.

The existing reserve to be renamed the 'Building Asset Renewal Reserve' for the similar purpose of providing funding for future building requirements for assets that do not have their own reserve account or loan funding.

The proposed change will provide greater clarity as to the intention to provide funding for the renewal of the City's existing building assets. A further review will be undertaken in the coming year of monies held in the Reserve with a view to allocating and partitioning funds by reference to specific building assets or groups of buildings where they are above an identified value. This is proposed to help ensure that funds set aside for a particular future need in respect of a particular building asset are ultimately utilised for that purpose.

Beach Protection Reserve amended to the Climate Adaption Reserve

The City has previously established the 'Beach Protection Reserve' for the following purpose:

To cover repairs or preventative measures necessary to protect the beach or land based assets as well as specific capital projects designed to protect the shoreline, e.g. construction of a sea wall.

It is proposed the existing reserve be renamed the 'Climate Adaption Reserve' with the purpose remaining largely the same.

The City of Busselton has a diverse and renowned coastline providing a valuable asset and amenity to the community. It is proposed the wording of the reserve purpose is amended to ensure it remains current and reflects the potential impact of climate adaptation on the future management of our coastline.

Long Service Leave Reserve, Sick Pay Incentive Reserve and Professional Development Reserve amended to the Employee Entitlements Reserve

The City has previously established the 'Long Service Leave Reserve', the 'Sick Pay Incentive Reserve' and the "Professional Development Reserve" for the following respective purposes:

To provide funding to meet Council's future long service leave obligations.

To provide funding to meet Council's obligations under the City of Busselton's Enterprise Bargaining Agreement.

To provide funding to meet City's ongoing contractual professional development obligations.

It is proposed the existing reserves are consolidated and renamed the 'Employee Entitlements Reserve'. The employee entitlement related reserves have a similar purpose and exist to ensure there are sufficient funds to meet the future obligations. For simplification, the reserves are proposed to be consolidated. The new reserve account will continue to operate in the same manner as the three individual reserve accounts, with the amalgamated purpose remaining largely unchanged and being reflective of the 3 existing reserves.

Asset Depreciation Reserve and Road Asset Renewal Reserve amended to the Infrastructure Asset Renewal Reserve

The City has previously established the 'Asset Depreciation Reserve' and the 'Road Asset Renewal Reserve' for the following respective purposes:

To assist the City in funding capital expenditure on renewal, replacement and improvements of infrastructure assets as determined by Council, and as specifically identified in relevant asset management plans.

To meet the needs of the Long Term Financial Plan road asset management plan requirements.

It is proposed the existing reserves be consolidated and renamed the 'Infrastructure Asset Renewal Reserve' for the purpose of providing funding for capital expenditure on the renewal, replacement and improvement of roads and other infrastructure assets, as determined by Council and in accordance with the relevant asset management plans. Funds will be separately identified for the defined road asset renewal rate increase to ensure monies collected are utilised in accordance with the purpose for which they were obtained.

Infrastructure assets includes but is not limited to roads, bridges, footpaths, drainage, carparks, lighting and other infrastructure. To this effect, funds provide for roads management is retained both in the Asset Depreciation Reserve and the Road Asset Renewal Reserve. Therefore for simplification, it is proposed the reserves are consolidated.

It is noted that the Council implemented commencing in 2013/14, a 1% asset renewal rate increase to address the roads funding gap. It is intended that these monies are prioritised towards renewal based projects with a primary focus on maintaining the existing capacity and capability of the asset. The 1% asset renewal rate is subject to the Road Asset Renewal Policy (Council Policy 026). To ensure continued management in accordance with this policy including reconciliation of the annual transfer to the reserve account to the value of rates levied, funds within the reserve raised under the rate increase will continue to be separately identified.

It is noted that on adoption of the proposed change following the 2016/17 budget process, the Road Asset Renewal Policy (Council Policy 026) will need to be updated to reflect the amendment to the reserve arrangements. This will primarily require replacement of reference to the 'Road Asset Renewal Reserve' with reference to the 'Infrastructure Asset Renewal Reserve'.

Infrastructure Development Reserve renamed as the New Infrastructure Development Reserve

The City has previously established the 'Infrastructure Development Reserve' for the following purpose:

For the purpose of setting aside funds to facilitate the identification, design and development of new infrastructure and other capital projects.

The existing reserve may be renamed the 'New Infrastructure Development Reserve' to highlight in the naming of the reserve that the purpose relates to new infrastructure and capital projects, in contrast to the renewal of existing City assets. No change in the reserve purpose is required.

Other Matters

Whilst not giving rise to any changes to the reserve accounts, other potential transfers from restricted assets were identified for consideration by Council. These include:

- Restricted assets relating to cash received in lieu of parking will be reviewed for transfer to the City Car parking and Access Reserve as part of the 2016/17 annual budget.
- Restricted sundry assets related to waste will be reviewed for transfer to the Waste Management Facility and Plant Reserve as part of the 2016/17 annual budget.
- Restricted sundry assets related to unspent government grants also will be resolved by either acquitting the grant expenditure or, where appropriate, transferring the unspent restricted assets monies to the relevant City reserve account.

CONCLUSION

The City's current reserve accounts and restricted assets have been considered and potential amendments identified to ensure transparency, clarity and currency of purpose of reserve accounts. This includes both the establishment of new reserve accounts for certain monies currently recorded as restricted assets and amendments to existing reserve accounts.

It is proposed the amendments as outlined in this report will be incorporated into the 2016/17 annual budget for adoption by Council as part of this process. Proposed transfers of restricted asset monies to new reserve accounts will occur following budget adoption in the 2016/17 financial year.

OPTIONS

The purpose of this report is propose amendments to the City's reserve accounts arising from the restricted asset review and associated reserves review and also from Long Term Financial Plan discussions. The Council may opt to partly or fully endorse or reject the proposed reserve changes or to make further amendments to the reserve accounts.

TIMELINE FOR IMPLEMENTATION OF OFFICER RECOMMENDATION

Subject to endorsement, any amendments to the reserve accounts will be progressed as part of the 2016/17 annual budget scheduled for presentation to Council for adoption in July 2016.

Council Decision / Committee Recommendation and Officer Recommendation

C1605/123 Moved Councillor G Bleachmore, seconded Councillor P Carter

That the Council:

1. Endorses the proposed establishment of the following new reserves as part of the 2016/17 annual budget process:
 - Community Development Contribution Reserve;
 - Busselton Area Drainage and Waterways Improvement Reserve;
 - Joint Venture Aged Housing Reserve; and
 - Public Art Reserve.

2. Endorses the proposed amendments to existing reserves as follows as part of the 2016/17 annual budget process:

Existing Reserve	Proposed New Reserve
Building Reserve	Building Asset Renewal Reserve
Beach Protection Reserve	Climate Adaptation Reserve
Long Service Leave Reserve Sick Pay Incentive Reserve Professional Development Reserve	Employee Entitlements Reserve
Asset Depreciation Reserve Road Asset Renewal Reserve	Infrastructure Asset Renewal Reserve
Infrastructure Development Reserve	New Infrastructure Development Reserve

CARRIED 9/0

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11. PLANNING AND DEVELOPMENT SERVICES REPORT

11.1 AMENDMENT NO. 18 TO LOCAL PLANNING SCHEME NO. 21 - REZONE LOT 4 AND 318 LAYMAN ROAD, WONNERUP FROM 'AGRICULTURE' TO 'CONSERVATION' AND RESERVE FOR 'RECREATION' WITH ASSOCIATED STRUCTURE PLAN, CONSIDERATION FOR INITIATION

SUBJECT INDEX:	Town Planning Schemes and Amendments
STRATEGIC OBJECTIVE:	Growth is managed sustainably and our environment is protected and enhanced as we develop.
BUSINESS UNIT:	Strategic Planning and Development
ACTIVITY UNIT:	Strategic Planning and Development
REPORTING OFFICER:	Senior Strategic Planner - Helen Foulds Strategic Planner - Nick Edwards
AUTHORISING OFFICER:	Director, Planning and Development Services - Paul Needham
VOTING REQUIREMENT:	Simple Majority
ATTACHMENTS:	Attachment A Location of Subject Land Attachment B Aerial Photo of Site Plan Attachment C Proposed Planning Scheme Amendment Map Attachment D Draft Structure Plan

PRÉCIS

The Council is requested to consider proposed Amendment No. 18 to the *Local Planning Scheme No. 21* (LPS21) for advertising. The Amendment seeks to rezone Lot 4 and 318 Layman Road, Wonnerup (subject land) from 'Agriculture' to 'Conservation' and 'Reserve for Recreation'. In addition to the Amendment request, the proposal includes a draft Structure Plan showing the intended subdivision pattern which consists of six new lots and two reserves, consistent with the Busselton Wetlands Conservation Strategy (BWCS).

Officers recommend that Council adopts the proposed Amendment and Structure Plan (subject to minor modifications) for initiation and consultation, which will include referral to the EPA, relevant state government agencies and advertising. The Amendment is deemed to be a 'standard' amendment for the purposes of Part 5 of the *Planning and Development (Local Planning Schemes) Regulations 2015*.

BACKGROUND

The subject land is an irregularly-shaped parcel located 7km east of the Busselton City Centre comprising 142ha (approximately) surrounding the National Trust-owned Wonnerup House (Attachment A and B). The bulk of the property is contained in Lot 4 Layman Road. Lot 318, which is in the same ownership as Lot 4, is a redundant and closed road reserve traversing the land west to east which is intended to be incorporated into the proposed subdivision.

The subject land is bordered by rural residential lots to the northwest, Ramsar declared Vasse-Wonnerup Wetlands to the north/northeast, grazing land to the east and the Tuart Forest National Park is immediately south. Malbup Creek runs through the site northeast to southwest, linking the Vasse and Wonnerup estuaries. Layman Road bisects the subject land north to south. Membenuap Road borders the south eastern corner of the site for approximately 110 metres.

The site is mostly flat, cleared grazing land containing one outbuilding. Acid Sulphate Soils (ASS) are present, although not affecting the proposed developable areas which are also designated as bushfire prone.

The landowners seek to continue the existing agricultural activity on the land, whilst vesting the wetland area as conservation reserves to the responsible authorities and creating a number of developable lots.

The Scheme Amendment proposes to rezone Lot 4 and Lot 318 from 'Agriculture' to 'Conservation' and 'Reserve for Recreation', consistent with the outcomes of the 'Determination of Wetland Boundaries Report' (WBR), submitted in support of the proposal. The proposed Scheme Amendment Map is provided at Attachment C.

The draft Structure Plan (Attachment D) proposes the creation of two reserves and a six-lot clustered Rural Residential-type subdivision east of the Wonnerup House site to be accessed by a new road linking Layman and Membenup Roads. The proposed reserves are approximately 31.7ha and 1.6ha. The larger reserve is for environmental conservation purposes, protecting the Malbup Creek and a 30m riparian zone. It consists of 3 separate land units proposed to be vested in the Department of Parks and Wildlife (DPaW). The smaller reserve, to be allocated for recreation, is west of Layman Road opposite the proposed new road entrance and is proposed to be vested in the City of Busselton.

The remaining land is proposed for subdivision into six lots each containing building envelopes. Five lots range in area from 1.5 to 7ha and are clustered in the south-eastern corner. One lot of approximately 92.5ha will continue to support agriculture activity (currently cattle grazing) with a building envelope allocated for it in the same vicinity. Building envelopes have been proposed following the assessment of soil types and appropriate development areas identified within the WBR. The soils supporting grazing are mostly wet, saline flats. A pocket of drier, stable soil in the more elevated south east corner suits the development of the proposed smaller land holdings.

STATUTORY ENVIRONMENT

The active statutes affecting this application include:

- *Planning and Development Act 2005;*
- *Planning and Development (Local Planning Schemes) Regulations 2015;*
- *City of Busselton Local Planning Scheme No. 21:*

Planning and Development Act 2005

The *Planning and Development Act 2005* (P&D Act) outlines the relevant considerations when preparing and amending local planning schemes. The relevant provisions of the Act have been taken into account in preparing and processing this amendment.

Planning and Development (Local Planning Schemes) Regulations 2015

The *Planning and Development (Local Planning Schemes) Regulations 2015*, which came into operational effect on 19 October 2015, identifies three different levels of amendments – basic, standard and complex. The resolution of the local government is to specify the level of the amendment and provide an explanation justifying this choice. This Amendment is deemed to be a 'standard' amendment.

The new Regulations provide separate processes for the approval of scheme amendments and structure plans, adherence to which would advance the proposed Structure Plan ahead of the Amendment. However as the Structure Plan is reliant upon the change in zoning proposed in the Amendment and the nature of the proposal supports their assessment in parallel, the Structure Plan and Amendment are being progressed concurrently. Progression of the proposed Structure Plan will therefore assume the process and timeframes associated with the Amendment.

City of Busselton Local Planning Scheme No. 21.

The proposed Amendment follows the policies, objectives and provisions of the 'Conservation Zone', which permits subdivision at a ratio of one lot per 20 hectares, preferably where a clustered form can be achieved and positioned away from scenic, environmentally sensitive and flood-prone areas.

RELEVANT PLANS AND POLICIES

This site was previously identified in the *Environmental Protection Swan Coastal Plain Lakes Policy 1992* which was revoked on 20 November 2015. Other local policies now used to assess the application generally support the proposal. The policies affecting this proposal include:

- *State Planning Policy 2.5: Land Use Planning in Rural Areas;*
- *State Planning Policy 3.7: Planning in Bushfire Prone Areas* and associated Guidelines and Appendices;
- *Local Environmental Planning Strategy;*
- *Local Rural Planning Strategy;*
- *Busselton Wetlands Conservation Strategy; and*
- *Local Planning Policy (LPP) 6E; Development Contribution Policy – Road.*

State Planning Policy 2.5: Land Use Planning in Rural Areas

The application conforms to the 'Managing and improving environmental and landscape attributes' section of the policy, which requires that future ownership and land management will be considered prior to the zoning of land for conservation purposes.

State Planning Policy 3.7: Planning in Bushfire Prone Areas and associated Guidelines and Appendices;

A considerable proportion of the future residential site is within a bushfire prone area and affected by State Planning Policy 3.7. This policy requires a comprehensive assessment of the bushfire risk to accompany the development application, which has been submitted in a Bushfire Management Plan.

Local Environmental Planning Strategy

The Strategy sets recommendations and strategies for managing the wetlands and waterways, including factors that can influence the quality and functioning of these areas. The proposal conforms to the Strategy objectives by assessing the application against the Busselton Wetlands Conservation Strategy 2005 (BWCS). The proposal is considered to protect water quality and enhance conservation outcomes.

Local Rural Planning Strategy

The subject land is subject to the provisions of section 7.2 *Rural Wetlands* of the Local Rural Planning Strategy (LRPS). This section identifies major threats to the area as weeds, feral animals and nutrient export to the wetlands. This requires the preparation of a Nutrient Management Plan should nutrients be used in association with any agricultural practice on site. The strategy also states that development outside the guidance provided by the BWCS will not be supported.

Busselton Wetlands Conservation Strategy

The BWCS is the primary policy tool guiding management in the Busselton wetlands area with the vision being to achieve *'ecologically sustainable land use activities and wise management of the*

natural resources of the area to maintain and enhance conservation of the biodiversity, environmental and landscape values of the Busselton Wetlands area, both now and in the future.'

The importance of improving the management of water assets and, most especially, water quality in the Vasse-Wonnerup ecological system, is clearly identified in the BWCS. It is also strongly reflected in the current 'political will' being demonstrated across State and local governments that is driving fresh initiatives to address water quality problems – such as the 'Vasse Taskforce', presently chaired by the Minister for Water and charged with coordinating and overseeing the delivery of a range of projects and actions to improve water quality (inter alia) under the recent 'Vasse Geographie Strategy'.

The strategy identifies the subject land as a 'Rural and Wetland Amenity Area', containing high visual amenity values, particularly along Layman Road.

The proposal conforms to the requirements of the BWCS although ongoing discussion is required to monitor agricultural practices and land management to ensure that the nutrient balances, weed and vermin control does not present a risk to the Wonnerup Estuary or Tuart Forest.

LPP 6E; Development Contribution Policy - Road

The resulting increase in traffic resulting from this subdivision requires local roads servicing the subdivision to be upgraded to address the potential additional demand. The developer has identified the upgrading of Membenup Road from where it meets the subject land to Tuart Drive and the wider road network. This connection serves a dual function, to provide appropriate access to the subdivision and an alternative route in case of fire.

FINANCIAL IMPLICATIONS

There are no direct financial implications arising from the recommendations of this report.

Long-term Financial Plan Implications

Nil

STRATEGIC COMMUNITY OBJECTIVES

The Officer recommendation is consistent with community objective 5.2 of the City's Strategic Community Plan 2013, which is: *'Growth is managed sustainably and our environment is protected and enhanced as we develop'*.

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 identified 'downside' risks only, rather than 'upside' risks as well. The implementation of the Officer Recommendation will involve adopting the Amendment and proposed modified Structure Plan for advertising. In this regard, there are no significant risks identified.

CONSULTATION

There is no requirement under the *Planning and Development Act 2005* to advertise a proposed scheme amendment prior to it being initiated by the Council. Accordingly, no advertising has occurred to date.

Preliminary informal consultation with the Department of Planning (DoP) and the Department of Parks and Wildlife (DPaW) indicated that they were generally supportive of the proposed amendment and (in the case of the latter) were prepared to accept responsibility for the relevant Reserves.

Since the current proposal was first submitted well before the gazettal of the *Planning and Development (Local Planning Schemes) Regulations 2015*, DoP has been consulted regarding the submission of a dual Amendment request and a Structure Plan. The agreed approach to this application will be to process the Structure Plan and Amendment at the same time.

If the Council resolves to initiate the proposed Amendment and Structure Plan, the documentation will be referred to the Environmental Protection Authority (EPA) to consider the need for formal assessment under Part IV of the *Environmental Protection Act 1986*. If the EPA determines that formal assessment is unnecessary, it will be advertised for a period of 42 days in accordance with the Regulations and include referral to relevant state government agencies. In the event that the EPA determines that the proposal is to be formally assessed, it will be prepared by the proponent prior to consultation.

OFFICER COMMENT

The proposed Amendment and accompanying Structure Plan do not present any substantial issues or complications on account of:

- Compliance of the subdivision plan with the strategic and environmental intentions of the BWCS;
- Formal vesting of land for Conservation with the appropriate responsible Authorities;
- Suitable access being provided by the proposed road network; and
- Sufficient setback distances and cleared areas being available to allow access when addressing bushfire risk.

The most substantive issues are addressed under the following headings and discussed below:

1. Wetlands/Environment;
2. Bushfire Risk; and
3. Building Envelopes.

1. Wetlands/Environment

Some basic propositions of the BWCS, as relevant to this proposal include:

- 'General support' for the continuation of broadacre farming within designated 'Rural and Wetland Amenity Areas' (in the case of Lot 4, the majority of the landholding), in accordance with the Dept. of Agriculture's *Guidelines of Management of Farmland Adjacent to the Busselton Wetlands* (2002);
- General presumption against further subdivision of agricultural land for non-agricultural purposes, except in 'limited circumstances';
- Support for 'limited' rural-clustered subdivision where suitable land can be set aside for reserves for conservation, landscape and foreshore protection;
- For lots greater than 20 hectares, *as an incentive to maintain and enhance the conservation of the biodiversity, environmental and landscape values of wetlands in perpetuity*, the subdivision of 1 additional lot per 20 hectares (to a maximum of 5 additional lots) may be supported, dependent on the consideration of such factors as:
 - appropriate reservation and covenanting options to secure the maintenance of conservation and landscape values;

- subdivision being in clustered form outside the 'Rural and Wetland Amenity Area', where possible, and within the range of 1-2 hectares (or smaller, where circumstances are justified which would result in more desirable outcomes in the Busselton Wetlands);
- ceding of land free of cost as reserves for conservation, landscape and foreshore protection purposes;
- additional considerations and criteria, as outlined in 'General Strategies' (for Agricultural Land) of the BWCS.

Further to all of the above (and notwithstanding other matters identified in the BWCS) it is acknowledged that Lot 4 is generally fragmented and/or 'constrained' by Layman Road, Malbup Creek, Lot 318, the National Trust reserve for Wonnerup House, the floodway between the Wonnerup and Vasse estuaries, sensitive Quindalup Very Wet Saline Flats soils, reservation requirements and setbacks necessary from the National Park and heritage precinct.

It is further acknowledged that the current landowner has undertaken effective and responsible environmental and land management works on the property in respect to stock fencing, weed control, revegetation and tree-planting (along Layman Road). A small memorial to the current landowner's father, Bill Scott, is known to be situated just off Layman Road - opposite the entrance to Wonnerup House - representing a strong family connection to the subject land and the farming history of the area. It is understood that the National Trust is interested in enlarging its heritage precinct around Wonnerup House, and could be prepared to enter into conservation covenants with the owner of Lot 4 to protect and enhance adjoining environmental assets (such as the 'paperbark grotto'). Whilst the specific motivation of the landowner in seeking a subdivision incentive under the BWCS at the present time is not yet known, it is understood that Lot 4 is no longer an operational family farm; rather it is being leased out to other farming interests for (predominantly) the grazing of cattle.

In light of this background context, the proposal (identified on the proposed Structure Plan at Attachment D) is supported as it strikes an appropriate balance between the environmental health of the Vasse-Wonnerup wetland system and 'balanced' opportunities made available as a result to the subject landowner.

An Environmental Survey required by the BWCS has not been submitted as the developable site has already been significantly altered by long term grazing and clearing. It is assumed that any endemic species are located in the adjacent Ramsar Wetlands and Tuart Forest National Park rather than the cleared grazing land intended for ongoing pastoral use and clustered residential development. All relevant areas on the property that have significant environmental values are to be transferred to DPaW for conservation purposes, therefore a specific environmental survey is considered unnecessary.

Changing the zone to 'Conservation' will allow farming practices to be monitored to minimise impacts on nearby environmental values. Any agricultural practice using fertiliser and other nutrients will need to observe and meet local policy requirements. These practices include restricting farm access to 10m wide easements placed over existing farming tracks and preserving samphire colonies where possible. This is a gain for conservation outcomes as it focuses on achieving outcomes identified in the BWCS.

The BWCS supports improvements in wildlife corridors between the Tuart Forest National Park and the Wonnerup Estuary. It is recommended that only native (preferably local) flora is to be planted outside the proposed building envelopes. This is consistent with the provisions of the Conservation Zone, which supports development where it is unlikely to have a significant detrimental effect on the growth of native plant communities, the survival of native wildlife populations and the provision and quality of habitats for both indigenous and migratory species.

The northern border of the subject land is to be reserved and managed primarily for conservation, landscape and foreshore protection purposes. Fertiliser, weed or vermin control that involves chemical or other mechanisms that may impact on the wetlands is to be investigated and addressed in a 'Water and Nutrient Management Plan' or other management tool as determined before subdivision.

2. Bushfire risk

The portion of land proposed for residential development is largely within a declared Bushfire Prone Area. The Bushfire Management Plan (BMP) has found the developable area has a 'moderate' fire risk which can be mitigated with appropriate house design, vegetation management and site access. Established trees are primarily in isolated groups and the building envelopes identified achieve the required bushfire protection (BAL 19) without the need to clear trees. Dwellings will require specific BAL assessment prior to construction as they will be within 100m of vegetation that is identified as a fire risk.

The BMP will be implemented by conditions in the Structure Plan, including the placing of notifications on newly created titles. The BMP provides for building protection zones and minimum BAL ratings for the proposed building envelopes. Fire mitigation measures allow for the interception of a fast-moving fire, including separation distances between houses and vegetation, three metre wide firebreaks around the perimeter of the developable area and the requirement for landowners to have a tank capacity of a minimum 135,000L (with at least 40,000L of water set aside specifically for fire-fighting). Landowners will also be required to manage vegetation on their properties in accordance with the City's firebreak notice.

3. Building envelopes

Building envelopes are required by *Local Planning Scheme No. 21* to ensure development does not adversely impact wetlands, watercourses or estuaries. Due to the proximity of the Tuart Forest, some guidance on building envelope size can be provided by the Bushland Protection zone. This zone recommends a maximum building envelope of 1,500m², consistent with five of the six proposed lots. The larger building envelope in proposed lot 6 is 3,500m² and will also contain the plant and equipment needed to manage the existing agricultural operation.

Prior to public consultation of the proposal, the draft Structure Plan requires a modification to delete condition 9 'Development', requiring setbacks to accord with the Structure Plan. As discussed above, the future cluster lots will have development contained within building envelopes, as opposed to being controlled through development setbacks. The LPS21 specifies at clause 5.32.4 that all development in the 'Conservation' zone must be located within approved building envelopes as shown on a Structure Plan. As such, a specific condition is not required on the Structure Plan to indicate same. The Structure Plan therefore should be modified to remove condition 9 and renumber subsequent condition. Furthermore, any reference in the conditions to 'Development Guide Plan' must be altered to 'Structure Plan', reflecting contemporary terminology.

CONCLUSION

The proposed Amendment and SP provide for the subdivision of the subject land in accordance with the BWCS and will secure conservation of riparian areas adjacent to the Ramsar Wetlands and associated creek. Officers recommend that the Council adopt the proposal for the purpose of public consultation, which will include referral to the EPA and subsequent advertising and referral to relevant state government agencies.

OPTIONS

Should the Council not support the Officer Recommendation the Council could instead resolve –

1. To decline the request to initiate the proposed Amendment in its entirety (and provide a reason for such a decision). It should be noted that under the relevant legislation there is no right of appeal against a Council decision not to initiate an amendment.
2. To seek further information before making a decision.
3. To initiate the proposed Amendment subject to further modification(s) as required.

Officer assessment has not revealed any substantive issue or reasonable grounds that would support any of these options and it is considered that options 2 and 3 could be more appropriately considered following the receipt of advice from the relevant state government agencies.

TIMELINE FOR IMPLEMENTATION OF OFFICER RECOMMENDATION

The implementation of the Officer Recommendation would include advising the applicant of the Council resolution and referring the proposal to the Environmental Protection Authority, which will occur within one month of the resolution.

Council Decision and Officer Recommendation

C1605/124 Moved Councillor G Bleechmore, seconded Councillor P Carter

1. That the Council:
 - a) In pursuance of Part V of the *Planning and Development Act 2005*, adopts draft Amendment No. 18 to the City of Busselton Local Planning Scheme No. 21 for public consultation for the purpose of:
 - i. Rezoning Lots 4 and 318 Layman Road, Wonnerup from 'Agriculture' to 'Conservation' and 'Reserve for Recreation'; and
 - ii. Amending the Scheme map accordingly.
 - b) In accordance with regulation 35(2) of the *Planning and Development (Local Planning Schemes) Regulations 2015*, it is the opinion of the Council that the draft Amendment is a 'standard amendment', for the following reason(s):
 - i. The draft Amendment will have minimal impact on land in the Scheme area that is not the subject of the amendment; and
 - ii. The draft Amendment will have no significant environmental, social, economic or governance impacts on land in the Scheme area.
2. That, as the draft Amendment is consistent with Part V of the *Planning and Development Act 2005*, and Regulations made pursuant to that Act, that upon preparation of the necessary documentation the draft Amendment be referred to the Environmental Protection Authority (EPA). Upon receipt of a response from the EPA stating that the draft Amendment is not required to be subject to a formal environmental assessment, it be advertised for public consultation for a period of 42 days. In the event that the EPA determines that the proposed Amendment is to be subject to formal environmental assessment, this assessment is to be prepared by the proponent prior to consultation.

3. Pursuant to Part 4 of the Deemed Provisions (Schedule 2) of the *Planning and Development (Local Planning Schemes) Regulations 2015*, adopts the draft Structure Plan for Lots 4 and 318 Layman Road, Wonnerup for public consultation concurrent with draft Amendment No. 18, subject to the following modifications:
 - a) Delete condition 9 from the draft Structure Plan and renumber subsequent conditions; and
 - b) Correct any reference to 'Development Guide Plan' within the conditions of the Structure Plan to 'Structure Plan'.

CARRIED 9/0

EN BLOC

11.2 APPLICATION FOR PLANNING CONSENT FOR A USE NOT LISTED (PET CREMATORIUM) AT 247 WILDWOOD ROAD, CARBUNUP RIVER

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

PRÉCIS

The proposal has been placed before the Council due to the nature of the issues raised and level of community interest which were generated during the consultation on the proposal.

It is considered that, on balance, this development is consistent with the relevant planning framework and it is recommended for approval.

BACKGROUND

The Council is asked to consider a planning application seeking approval for a Use Not Listed (Pet Crematorium) at 247 Wildwood Road, Caribunup River ("the site"). A Location Plan and Development Plans are provided at Attachments A and B.

The site is zoned "Agriculture" and is 66.8Ha in area. The site is bound by Wildwood Road to the north and Lewis Road to the east. The area to the east of Lewis Road forms part of the preferred location of the Caribunup River Hamlet settlement expansion proposal (noting that the Council has recently resolved to support the identified location but not the commencement of further planning at this stage, pending consideration of broader strategic issues by the WAPC). The site itself has a cafe and wine cellar (Anniebrook Wine and Flower Emporium) operating on the premise. There is also a dwelling and number of outbuildings on the property. The proposal is to be operated out of an existing outbuilding which is located central to the site and is 315m from the nearest dwelling on an adjoining lot. The incinerator, which is proposed to be used as part of the Pet Crematorium, has a maximum capacity of 290kg with a cycle time from start up to cool down and ash removal of 6 hours before reloading.

STATUTORY ENVIRONMENT

The key statutory environment is set out in the City of Busselton *Local Planning Scheme No. 21* ('the Scheme'), as modified by the *Deemed provisions* set out in Schedule 2 of the *Planning and Development Regulations 2015*. The proposed Pet Crematorium does not fall under any use listed in the Scheme. The proposed development is therefore a 'use not listed' and may be approved at the discretion of the City, usually following a consultation process as outlined in clause 64 of the Deemed Provisions.

Agriculture Zone

The site is located in the 'Agriculture' zone. Objectives of this zone relevant to this application are as follows:

- (a) To conserve the productive potential of rural land.
- (d) To enable the development of land for other purposes where it can be demonstrated by the applicant that suitable land or buildings for the proposed purposes are not available elsewhere and that such purposes will not detrimentally affect the amenity of any existing or proposed nearby development.

Policies of the 'Agriculture' zone relevant to this application are:

- (a) To permit land included within the zone and shown by close investigation in consultation with the Department of Agriculture and Food not to be prime agricultural land to be utilised for other purposes not incompatible with adjacent uses.
- (f) To implement and adhere to the adopted recommendations and outcomes of the Local Rural Planning Strategy adopted by the local government and endorsed by the Commission.

Use not listed

Clause 4.4.2 of the Scheme allows the City to consider a development application for a land use not listed under the zoning table. In this instance it was considered that the use may be consistent with the objectives and policies of the zone and therefore advertising was undertaken in accordance with clause 64 of the Deemed Provisions.

"4.4.2. If a person proposes to carry out on land any use that is not specifically mentioned in the Zoning Table and cannot reasonably be determined as falling within the type, class or genus of activity of any other use category the local government may -

- (a) determine that the use is consistent with the objectives of the particular zone and is therefore permitted; or
- (b) determine that the use may be consistent with the objectives and policies of the particular zone and thereafter follow the advertising procedures of clause 10.4 in considering an application for planning approval; or
- (c) determine that the use is not consistent with the objectives of the particular zone and is therefore not permitted."

Note that clause 10.4 of the City's scheme is now superseded by the equivalent and very similar clause 67 of the Deemed Provisions.

Matters to be considered

Clause 67 outlines the key matters to be considered by local government when considering a development application. Those matters which are considered to be particularly relevant to this application are as follows:

- "(a) the aims and provisions of this Scheme and any other local planning scheme operating within the Scheme area;
- (b) the requirements of orderly and proper planning including any proposed local planning scheme or amendment to this Scheme that has been advertised under the *Planning and Development (Local Planning Schemes) Regulations 2015* or any other proposed planning instrument that the local government is seriously considering adopting or approving;
- (m) the compatibility of the development with its setting including the relationship of the development to development on adjoining land or on other land in the locality including, but not limited to, the likely effect of the height, bulk, scale, orientation and appearance of the development;
- (n) the amenity of the locality including the following —
 - (i) environmental impacts of the development;
 - (ii) the character of the locality;

- (iii) social impacts of the development;
- (y) any submissions received on the application;
- (za) the comments or submissions received from any authority consulted under clause 66;”

RELEVANT PLANS AND POLICIES

The key policy implications for consideration are set out in the following policy documents:

- *Land Use Planning in Rural Areas Statement of Planning Policy (SPP 2.5)*;
- *Local Rural Planning Strategy (LRPS)*;
- *Environmental Protection Authority Guidance for the Assessment of Environmental Factors (in accordance with the Environmental Protection Act 1986) – Separation distances between Industrial and Sensitive Land Uses No. 3 June 2005*;
- Carbunup River settlement expansion proposal.

SPP 2.5 primarily addresses the operation of the planning framework rather than individual land use matters. The overarching policy requirements that it lists includes:

- a) *land use change from rural to all other uses is to be planned and provided for in a planning strategy or scheme; and*
- b) *land identified as priority agricultural land in a planning strategy or scheme is to be retained for that purpose.*

The LRPS addresses other matters such as the economic and social well-being of the region. Under the LRPS the site is located with the Primary Rural Precinct.

The *Environmental Protection Authority Guidance for the Assessment of Environmental Factors (in accordance with the Environmental Protection Act 1986) – Separation distances between Industrial and Sensitive Land Uses No. 3 June 2005* specifies that a 200 – 300 metre separation distance between crematoriums and sensitive land uses should be achieved.

At its meeting held on 10 February 2016 the Council considered and resolved that the proposed location of the Carbunup Hamlet was generally consistent with *State Planning Policy 6.1 Leeuwin Naturaliste Ridge*. The Council, however, did not support the progression of the Carbunup River settlement expansion proposal to the scheme amendment and structure planning stages at this time. The Council recommended to the WAPC that it include reassessment and review of potential settlement expansion areas (as currently set out in Table 5 Settlement Hierarchy of *State Planning Policy 6.1 Leeuwin Naturaliste Ridge*) for Carbunup River and Metricup as an integral part of the mooted Leeuwin Naturaliste Sub-Regional Strategy.

It should be noted that the applicant is a City employee. The City’s code of conduct requires that Councillors and employees advise the CEO of their intention to lodge a planning application, and the CEO and Director of Planning & Development Services (unless one of them is themselves the applicant) must determine whether the application should be referred to an external town planner for assessment. The requirements of the code of conduct have been met with respect to this application.

FINANCIAL IMPLICATIONS

The recommendation of this report is a planning determination. It does not impose any direct financial implications upon the City.

STRATEGIC COMMUNITY OBJECTIVES

The recommendation in this report reflects Community Objective 5.2 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 connection.'

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. Risks are only identified in Council reports where the residual risk, once controls are identified, is 'medium' or greater. No such risks have been identified.

CONSULTATION

This proposal was referred to adjoining landowners for a period of 14 days ending on the 30 March 2016.

Seven submissions were received. The key issues raised in these submissions are as follows:

- Smell and odour emissions;
- Increased traffic;
- Potential for the spread of contagious diseases;
- Concerns regarding the manner in which the packaging which the animals are transport in will be disposed;
- The type of land use should not be situated within a high tourist area;
- Proximity of the pet crematorium to sensitive land uses including in the café on the property;
- The proposal is not in keeping with the rural zoning of the area and would be more suited within an industrial zoned area.

The application was referred to the Department of Health during the consultation period. The Department of Health had no objection to the proposed Pet Crematorium provided its operation is in accordance with any emission standards and the disposal of by-products does not result in a health hazard.

OFFICER COMMENT

The City has assessed the application having regard to the objectives and principles of the Agriculture Zone, State Policy and Matters to be Considered in the City's scheme and in particular the consideration of proper and orderly planning as required by the Scheme. The key issues raised in the submission period which are to be considered are:

- Suitability of location, including proximity to sensitive land uses;
- Smoke emissions; and
- Potential spread of disease.

Suitability of location, including proximity to sensitive land uses

The proposed development is to be operated from an existing outbuilding on the property which has substantial setbacks to adjoining properties. Further to this it is noted that the operation of the business will be of a relatively small scale and as such it is considered that the proposed land use will not have a perceivable impact upon the area and will not detract from the rural amenity of the locality.

The EPA *Guidance for the Assessment of Environmental Factors (in accordance with the Environmental Protection Act 1986) – Separation distances between Industrial and Sensitive Land Uses No. 3 June 2005* recommends a minimum separation distance to avoid or minimise the potential for land use conflict in relation to noise and air emissions, including gases, dust and odours. Under this document a separation distance of 200 – 300 metre between crematoriums and sensitive land uses is recommended. The document specifies that land uses which are considered to be potentially sensitive to emissions to include “residential developments, hospitals, hotels, motels, hostels, caravan parks, schools, nursing homes, child care facilities, shopping centres, playgrounds, and some public buildings.” The Pet Crematorium is proposed to be operated out of an existing outbuilding on the site which meets the recommended separation distances in relation to all dwellings on the adjoining lots. The Pet Crematorium is proposed to be located 110 metres from the dwelling and 175 metres from the café on the site. Should the Council consider approving the development it is recommended that an advice note be placed on the approval that the two businesses on the property should consider not operating at the same time as one another to reduce the two land uses from potentially conflicting with one another.

Smoke emissions

The application was referred to the Department of Health and the Department of Environment and Regulation (DER) during the consultation period. Department of Health did not raise any concerns with the development provided it was operated in accordance with any emission standards recommended by DER. DER advised that “pet crematoriums are specifically exempted from Category 59: *Biomedical waste incineration*, from being prescribed premises under Schedule 1 to the *Environmental Protection Regulations 1987*. As such, the use is not regulated under Division 3 Part V of the *Environmental Protection Act 1986*.” If DER considered that the emissions from this type of development were likely to have a significant risk it would not be exempt from a prescribed premises under the *Environmental Protection Regulations 1987*.

Under the *Environmental Protection (Unauthorized Discharges) Regulations 2004* subsidiary to the *Environmental Protection Act 1986 WA* a person must not cause or allow “dark smoke” to be discharged into the environment for more than 4 minutes in any hour. Under these regulations “dark smoke” is defined as “smoke that, if compared with a chart known as the Australian Miniature Smoke Chart (AS 3543:1989), would appear darker than shade 1 on that chart.” The chart referred to in this legislation is prescribed under the Australian Standard AS3543:2014 *Use of Standard Ringlemann and Australian Standard minute smoke charts* and is measured in “ringlemann.” There are five shades corresponding to Ringlemann ranging from 0 (white) to 5 (black), with each stage representing a 20% increase in obscuration of the background.

The applicant has submitted a Cremator Emission Survey completed by the New South Wales branch of Stephenson Environmental Management Australia, an independent consultancy firm specialising in testing air and odour management and control. The report was prepared in 2006 and determined that there was no visible smoke emissions from the crematorium and that the smoke emissions from the stack serving the cremator did not exceed Ringelman 0. Therefore it is considered reasonable to infer the device meets the requirements of the *Environmental Protection (Unauthorized Discharges) Regulations 2004*. It is, however, recommended that this be reinforced via a condition of approval.

Potential spread of disease

The applicant has previously advised that the deceased animals are cremated within the cloth bags which they are transported within. No plastic bags are proposed to be used and therefore will not be burnt or require disposal in alternative means. The Department of Health has no objection to the pet crematorium provided its operation is in accordance with any emission standard recommended by the Department of Environmental Regulation and the disposal of ash or by-products does not result in a public health hazard.

CONCLUSION

The proposed development is considered to be consistent with the Policy and Objectives of the "Agriculture" zone and therefore it is recommended that the application be approved.

OPTIONS

The Council could:

1. Approve the application subject to different conditions.
2. Refuse the proposal, setting out reasons for doing so.

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

C1605/125 Moved Councillor G Bleechmore, seconded Councillor P Carter

That the Council resolve:

1. That application DA16/0140 submitted for development at No. 247 Wildwood Road, Carbanup River is considered by the Council to be 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 for the proposal referred to in 1. above subject to the following conditions:

GENERAL CONDITIONS:

1. The development hereby approved shall be substantially commenced within two years of the date of this decision notice.
2. The development hereby approved shall be undertaken in accordance with the signed and stamped, Approved Development Plan(s) (enclosed), except as modified by the following conditions.
3. The development is hereby approved as a Pet Crematorium and shall be operated for the cremation of animals only.

PRIOR TO COMMENCEMENT OF ANY WORKS CONDITIONS:

4. The development hereby approved, or any works required to implement the, shall not commence until the following plans or details have been submitted to the City's Planning department and have been approved in writing:
 - 4.1. Floor plans indicating the proposed internal layout of the existing outbuilding.

ON-GOING CONDITIONS:

5. All aspect of the development, including any storage of goods, shall be contained within the outbuilding.
6. The works undertaken to satisfy Conditions 2, 3 and 4 and the following conditions shall be

subsequently maintained for the life of the development.

7. All animals' carcasses are to be received frozen and kept in a cool room prior to incineration.
8. No materials other than animal carcasses shall be burned in the incinerator.

Advice notes

1. If the applicant and/or owner are aggrieved by this decision, including any conditions of approval, there is a right to lodge a request for reconsideration. The application form and information on fees payable can be found on the City's website.
2. If the applicant and/or owner are aggrieved by this decision there may also be a right of review under the provisions of Part 14 of the *Planning and Development Act 2005*. A review must be lodged with the State Administrative Tribunal, and must be lodged within 28 days of the decision being made by the City of Busselton.
3. This Decision Notice grants planning consent to the development the subject of this application. It cannot be construed as granting planning consent for any other structure shown on the approved plans which was not specifically included in this application.
4. Please note it is the responsibility of the applicant / owner to ensure that, in relation to Condition 1, this Planning Consent remains current and does not lapse. The City of Busselton does not send reminder notices in this regard.
5. You are advised that the development hereby approved should not be operated at the same time as the operation of the café on the site.
6. You are advised that the operation of the incinerator shall be in accordance with the *Environmental Protection (Unauthorized Discharges) Regulations 2004* and should not exceed Ringlemann 1 or 20% opacity for more than 4 minutes out of any 1 hour.
7. The flue and incinerator is to be installed in accordance with AS/NZS 2918:2001 Domestic solid fuel burning appliances – Installation.
8. You are advised that the City's Health Department require:
 - a. Monitoring of the exhaust gases shall be undertaken immediately upon completion of the commissioning of the incinerators, six months after the commissioning and then on an annual basis for the period of the operation of the development to be reported back to the Local Government. Monitoring must measure smoke and solid particles during set-up, normal operation and shut down;
 - b. A simple recordkeeping requirement of some type to be kept at the site & available for inspection by the City for at least 2 years i.e. weight of carcass loaded, cycle time, chamber temperatures, types of carcasses, time, date, operators name, reasons for shut down, description of corrective measures.

CARRIED 9/0

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11.3 CONSIDERATION BY THE COUNCIL OF OFFER OF LAND TENURE EXCHANGE BY DEPARTMENT OF LANDS, OF LOT 480 GEOGRAPHE ROAD QUINDALUP AND LOT 501 ADELAIDE /WEST STREETS, BUSSELTON

SUBJECT INDEX:	Disposal and Acquisition of Land
STRATEGIC OBJECTIVE:	An organisation that is managed effectively and achieves positive outcomes for the community.
BUSINESS UNIT:	Strategic Planning and Development
ACTIVITY UNIT:	Strategic Planning and Development
REPORTING OFFICER:	Manager, Strategic Planning and Development - Matthew Riordan
AUTHORISING OFFICER:	Director, Planning and Development Services - Paul Needham
VOTING REQUIREMENT:	Simple Majority
ATTACHMENTS:	Attachment A Department of Lands Correspondence 1 March 2016

PRÉCIS

The Council is requested to consider supporting an offer by the Department of Lands (DoL) to transfer its freehold title to Lot 480, Geographe Bay Road, Quindalup (Lot 480) to the State in exchange for the conditional transfer to the City of freehold title to 'Winderlup Court' (being Lot 501 on Deposited Plan 76179) and portion of the larger site that includes both 'Winderlup Court' and the larger 'Winderlup Villa' at the corner of Adelaide and West Streets, Busselton.

BACKGROUND

The City acquired the freehold title of Lot 480 on 6 March 2014, via settlement of a claim for compensation for 'injurious affection' by the previous landowners. A summary of events related to this matter is provided for the benefit of Councillors in the Background section to follow.

By acquiring tenure of Lot 480 - designated as a 'Reserve for Recreation' in Local Planning Scheme No 21 (LPS21) - the City can now secure its desirable inclusion in the adjoining coastal reserve through transfer of ownership to the State. Whilst settlement of the compensation claim concerning Lot 480 was, for this reason, a positive outcome for the City and local community, significant costs were expended throughout that process. Following a series of discussions between the City and the DoL, the Department agreed to investigate ways and means of offsetting and defraying the costs expended by the City on behalf of ratepayers in the eventual acquisition of Lot 480.

The DoL has now formally responded to the City offering the conditional transfer, unencumbered, of the freehold title to Lot 501 Adelaide Street, Busselton ('Winderlup Court', which has an estimated unimproved value of approximately \$600,000, in exchange for the transfer of freehold title in Lot 480 to the State).

The Council is now requested to support this proposition, and resolve to so advise the DoL such that an appropriate State asset disposal process can then be initiated.

STATUTORY ENVIRONMENT

The transfer of Lot 480 from the City to the State is excluded from the requirements of section 3.58 of the Local Government Act 1995 (LGA) according to section 30.2c of the Local Government (Functions and General) Regulations 1996, viz:

Dispositions of property excluded from Act s. 3.58:

'A disposition of land is an exempt disposition if the land is disposed of to:

- i. *The Crown in right of the State or the Commonwealth; or*
- ii. *A department, agency, or instrumentality of the Crown in right of the State or the Commonwealth.'*

Based on the unimproved value of the State-owned land at Lot 501 Adelaide Street, Busselton (\$600,000), the proposed acquisition by the City will not constitute a 'major land transaction' as contemplated under section 3.59 of the LGA which has a current threshold for exemption of \$6 million. It will therefore be exempted from the requirements of section 3.59, including the preparation of a business plan, the conduct of public consultation etc.

Under current State asset disposal policies, the Hon. Minister may, however, be required to seek the approval of the Hon. Treasurer and the Cabinet. This would be determined in respect to whether the Minister can approve the transfer of the land under powers available in the Land Administration Act (LAA). These powers relate to the respective valuation of land being transferred compared to the value of land being, as in this case, returned to the State. Should the valuation of the land being transferred to the City be greater than that of Lot 480, then Cabinet approval will be required.

RELEVANT PLANS AND POLICIES

State Planning Policy No. 2.6 (SSP2.6): 'State Coastal Planning Policy' identifies that the WA coastal zone is a highly significant asset of the State in terms of its environmental, economic, social and cultural values. SSP2.6 sets out the merits and importance of coastal foreshore reserves being set aside in public ownership for ongoing preservation and protection.

Lot 480 is a relatively pristine parcel of beachfront land located in a popular tourist area along the Geographe Bay coastline. Although reserved under LPS21 It is the only coastal land in the vicinity that is not in the ownership of the Crown, for the use and enjoyment of future generations of locals and holiday-makers. It is therefore considered important that Lot 480 Geographe Bay Road is secured as a State land asset to be protected, used and enjoyed for future generations.

FINANCIAL IMPLICATIONS

Lot 480 is highly valued foreshore land most appropriately held as Crown land. By surrendering freehold over Lot 480 in exchange for Lot 501 the foreshore value of Lot 480 would be protected, but the City and community would have the potential to secure financial benefit from Lot 501 not possible with its current tenure.

STRATEGIC COMMUNITY OBJECTIVES

The recommendations contained in this report are consistent with several City of Busselton Strategic Community Objectives, including:

Caring and Inclusive Community: A welcoming, inclusive, healthy and capable community that provides accessible services for all residents.

Well planned, Vibrant and Active Places: A City of shared, vibrant and well planned places that provides for diverse activity and strengthen our social connections.

Robust Local Economy: A strong, innovative and diversified economy that attracts people to live, work, invest and visit.

Open and Collaborative Leadership: An organisation that is managed effectively and achieves positive outcome for the community.

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 identified 'downside' risks only, rather than upside risks as well. The implementation of the Officer Recommendation will involve the transferring to the State in fee simple of a landholding in the ownership of the City (Lot 480 Geographe Bay Road, Quindalup) in exchange for freehold title of Winderlup Court at Lot 501 Adelaide Street, Busselton. There are no significant risks identified.

CONSULTATION

Public consultation in regard to this matter of disposal and acquisition of land is not required, through exemptions provided in the Local Government Act 1995 and Local Government (Functions and General) Regulations 1996 (please refer to 'Statutory Environment').

OFFICER COMMENT

The DoL has provided an offer to the City of Busselton for compensation for the acquisition of Lot 480 Geographe Bay Road, Quindalup. This offer has been made following almost 24 months of liaison and discussion between the parties and involves the transfer, unencumbered, to the City of Lot 501 (Winderlup Court) Adelaide Street, Busselton subject to:

- The City agreeing to accept Lot 501 and agreeing it will make no further claim against the State in relation to the acquisition of Lot 480;
- Lot 480 being transferred by the City to the State for inclusion into the adjoining coastal reserve; and
- Approval of the Minister for Lands to the transaction.

The DoL has advised that the approval of the Hon. Minister will be sought on receipt of confirmation that the City wishes to proceed to obtain Lot 501. The proposal is considered to be positive as it preserves the foreshore value of Lot 480, which to some degree recompensing the City and community for the significant costs that were borne in acquiring that land.

CONCLUSION

It is recommended that the Council confirm acceptance of the offer provided by the DoL in its correspondence of 1 March 2016 in regard to the transfer of freehold ownership between Lots 480 and 501.

OPTIONS

Should the Council not support the Officer Recommendation, the Council could instead resolve to:

1. Not confirm acceptance of the offer made by the DoL in its correspondence of 1 March 2016 and instead seek additional or alternative offers of exchange of freehold title(s) as compensation for the acquisition of Lot 480 by the State; or
2. Not confirm acceptance of the offer made by the DoL in its correspondence of 1 March 2016 and instead advise the DoL that it does not wish to exchange freehold ownership of Lot 480 for State-owned land parcel but instead seeks appropriate financial or other forms of compensation.

Officer assessment has not established any justifiable grounds or reasons to support either of the two options provided above.

TIMELINE FOR IMPLEMENTATION OF OFFICER RECOMMENDATION

The implementation of the Officer Recommendation would occur through formal correspondence to the Department of Lands advising of the resolution of the Council within twenty-one days of that resolution.

Council Decision and Officer Recommendation

C1605/126 Moved Councillor G Bleechmore, seconded Councillor P Carter

That the Council resolve to formally advise the Department of Lands, in response to its correspondence dated 1 March 2016, that it:

1. Agrees to accept the transfer of freehold title in Lot 480 Geographe Bay Road, Quindalup to the State in exchange for the transfer of freehold title in Lot 501 Adelaide Street, Busselton ('Winderlup Court') to the City, subject to:
 - a) Lot 480 being included into the adjoining coastal reserve by the Department of Lands; and
 - b) The approval of the Hon. Minister for Lands to that transfer; and
2. Will make no further claim against the State in relation to the acquisition of Lot 480 Geographe Bay Road, Quindalup.

**CARRIED 9/0
EN BLOC**

12. ENGINEERING AND WORKS SERVICES REPORT

Nil

13. COMMUNITY AND COMMERCIAL SERVICES REPORT**13.1 BUSSELTON PERFORMING ARTS AND CONVENTION CENTRE - ALTERNATIVE SITE**

SUBJECT INDEX:	Busselton Performing Arts and Convention Centre
STRATEGIC OBJECTIVE:	A City where the community has access to quality cultural, recreation, leisure facilities and services.
BUSINESS UNIT:	Governance Services
ACTIVITY UNIT:	Cultural Services
REPORTING OFFICER:	Strategic Projects Officer - Tracey King
AUTHORISING OFFICER:	Director, Community and Commercial Services - Naomi Searle
VOTING REQUIREMENT:	Simple Majority
ATTACHMENTS:	Nil

PRÉCIS

Council is asked to reconfirm its commitment to the Busselton Cultural Precinct, Queen Street, as the preferred location of the proposed Busselton Performing Arts and Convention Centre (PACC). Council has previously endorsed preference of Lot 450 Queen Street, currently occupied by Department of Parks and Wildlife (DPaW), as the preferred development site, however recent communication has deemed it unlikely that the site would become available for development within the Council's desired timeframes.

Council is therefore requested to consider an alternative site within the Cultural Precinct, on City owned land at Lots 43 and 44 Queen Street in order for the Busselton Performing Arts and Convention Centre Working Group (BPACCWG) to proceed with planning and development of a business case that will meet given timeframes for the future development of a Performing Arts and Convention Centre in Busselton.

BACKGROUND

The City of Busselton has elevated the development of a dedicated Performing Arts and Convention Centre (PACC) to being a key local priority, and as such has included indicative funding in the Long Term Financial Plan (LTFP). In 2016/17 there is a budget allocation to develop a Business Case and from 2018/19, allocations for design and construction which would occur over a two year period.

The Busselton Performing Arts Working Group (BPACWG) was formed in 2014 to undertake further investigations to produce a solid business case and source funding opportunities that will lead to the design and development of the PACC as forecast.

Significant work has already been undertaken with regards to the formation of a performing arts venue for Busselton, including the Pegasus Report undertaken in 2008 and the joint Capes Regional Arts and Cultural Facilities Needs Assessment in 2012.

In 2011 Council resolved that Lot 450 Queen Street in the Cultural Precinct, currently occupied by DPaW, was the preferred location for the PACC. Subsequently, land swap negotiations with DPAW commenced. More recently, at the meeting held 23 July 2014, Council considered an alternative multi-function civic centre which could be incorporated into the design of the City's new administration building. Council considered feedback from comprehensive community consultation for this proposal and resolved (C1407/186) to progress the community's preference of a stand-alone

performing arts facility, to be developed within the Cultural Precinct and reconfirmed its commitment to lot 450 Queen Street as the preferred site.

Lot 450 is currently occupied by DPaW and as such, acquisition of the land would be subject to a land swap. Negotiations between DPaW and the City have been ongoing and whilst DPaW has expressed interest in the possibility of a future land swap, recent advice is that DPaW's current priorities do not fit within the City's established timeframes due to their current priority being their future relocation to Bunbury.

Lots 43 and 44 Queen Street is a City owned, vacant site which adjoins the Weld Theatre and ArtGeo Gallery. Since being gifted to the City by the State in 2010, Lots 43 and 44 have been advertised seeking expressions of interest for commercial development. To date, the City has received no formal expression of interest for the site.

Kerry Hill Architects has provided Council with concept drawings and cost estimates for the development of a quality PACC within the proposed budget for both sites. Concepts and cost estimates for both locations have been presented for Council information at briefing sessions.

STATUTORY ENVIRONMENT

Lots 43 and 44 Queen Street are Zoned "Business" which provides for a range of uses, which could include shops, cafes/restaurants/bars, offices, residential apartments, short-stay apartments and/or a hotel.

Ownership of Lots 43 and 44 Queen Street was transferred to the City of Busselton from the Crown in May 2010 with the following conditions imposed by the Minister for Lands-

- the Shire accepting the property under its existing zoning and in its current state and condition;
- the Shire agreeing that the State (in any entity) has no further liability or responsibility as to its upkeep, repair or remediation;
- the Shire on settlement of the property working with the Busselton Citizens Advice Bureau to assist that group to find an alternative location for its activities; and
- the Shire agreeing to use any funds generated from the future disposal of the property on works associated with the redevelopment of the Busselton foreshore.

Financial projections indicate the PACC will perform under an operational deficit; therefore it is highly unlikely that there will be any future surplus funds; including income derived through disposal of any part of the centre by way of any lease arrangements; to return towards the foreshore redevelopment, as per the Ministerial condition. Further, in accordance with the LTFP, the redevelopment of the Busselton Foreshore is forecast to be finalised by 2021/22; at the same time the PACC will become operational.

Development of the PACC is in keeping with making the foreshore more attractive for commercial investment and is key to linking the foreshore to the Central Business District. The proposal to identify another preferred site is still considered to be consistent with the decision of the Council in July 2014, whereby the concept of a proposed Performing Arts Centre located in the Cultural Precinct was elevated as a City of Busselton local priority project. While at that time Lot 450 Queen Street was identified as the preferred site, given the matters raised, it is not necessary to revoke the Council's previous decision.

RELEVANT PLANS AND POLICIES

The development of a PACC for Busselton has been identified in the City of Busselton Strategic Community Plan (2013, reviewed 2015) as a local priority project. South West Regional Blueprint

(February 2015) identifies the construction of a performing arts venue in the Busselton Cultural Precinct as a project of regional significance in support of burgeoning creative industries and events, to be developed in a timeframe of 1-3 years. This timeframe concurs with the City's LTFP which includes provisional funding to commence construction from 2017/2018 financial year onwards.

FINANCIAL IMPLICATIONS

A budget of up to \$100,000 is allocated for the development of a business case, community consultation and preliminary designs, to occur over the 2016/17 and 2017/18 financial years in addition to a total estimated budget of \$15.2 m to design and construct the PACC, with construction occurring across a further 2 years, between 2019/20 and 2020/21. It should be noted this estimate was developed in 2014 and has not been indexed and will need to be reviewed closer to construction commencing.

Based on the studies and research undertaken to date the City is expecting an operating deficit of around \$350,000 to \$500,000 per annum (in 2016 dollars) from the projected operational phase commencing 2021/22.

In preliminary negotiations DPaW has indicated that any potential future land swap may be considered, with a stipulation of being cost neutral to DPaW. Financial implications to the City would therefore include costs to provide DPaW with like-for-like accommodation facilities, relocation costs and fit out of the new premises. There would also be costs involved in the demolition and removal of the old DPaW building to provide a greenfield building site for the new PACC.

There has been no formal interest in commercial leases of Lots 43 and 44 Queen Street to date; therefore any potential income loss cannot be quantified. However, liaison will continue to occur with DPaW to eventually acquire Lot 450 which will allow similar economic benefits to be derived.

Long-term Financial Plan Implications

1. The LTFP contains an allocation of \$50,000 in 16/17 and 17/18 for the development of the business case, community consultation and design costs.
2. \$200,000 is allocated in 2018/19 for detailed design and planning, with funding identified through proceeds from land sales.
3. Construction costs of \$15m have been forecast across a further 2 years, between 2019/20 and 2020/21 comprised of: \$2m from land sales, \$4m from grants and the remaining \$9m to be loan funded.
4. It should be noted these construction costs are not indexed and were developed in 2014 and therefore a review of these costs will need to occur closer to construction.
5. Based on a borrowing rate of 6% rate increase of 0.95% in 19/20 and 0.60% in 2020/21 have also been forecast to fund the loan and recurrent net operating costs.
6. Ongoing operational costs, once quantified, will need to be incorporated into the future LTFP reviews.

STRATEGIC COMMUNITY OBJECTIVES

Development of a dedicated Performing Arts and Convention Centre will support the following objectives in the City of Busselton Strategic Community Plan 2013:

- 2.1 A City where the community has access to quality cultural, recreation and leisure facilities and services.
- 2.2 A City of shared, vibrant and well planned places that provide for diverse activity and strengthen our social connections.

RISK ASSESSMENT

The inability to secure Lot 450 Queen Street to enable the development of PACC has previously been identified as a high risk for this project. Consideration of Lots 43 and 44 as an alternate option to Lot 450 Queen Street is a control to mitigate the risk of the site not becoming available to the City.

CONSULTATION

A PACC was identified as a key priority in the development of the City's Community Strategic Plan. Consultation across all workshops highlighted a Cultural Centre (Arts Centre; Entertainment Centre; Performing Arts Convention Centre) for Busselton as the highest priority project ahead of higher education, Port Geographe groyne, redevelopment of the Busselton Foreshore and expansion of the airport.

At the biennial review of the Community Strategic Plan in February 2015, community interest in the project was still high. At a community stakeholder workshop participants identified they'd like to see more progress in achieving a PACC so that social and economic outcomes could be realised for the community.

The Busselton Performing Arts and Convention Centre Working Group (BPACSWG) was established in January 2015 to oversee development of a sound business case for the PACC. The working group is made up of members of Council, City Officers, highly regarded individuals in the field of performing arts and representatives of key stakeholder groups including Busselton Repertory, Weld Theatre and Cinefest Oz. The BPACSWG has engaged with representatives from other Performing Arts Centres including Albany, Kalgoorlie, Bunbury and Shire of Augusta -Margaret River to develop case studies from these centres to inform the business case for a PACC for Busselton.

Council has consulted extensively with regard to a preferred location for a PACC. Many different studies undertaken over the years determine that a PACC is feasible and both studies and feedback from the community concur that the best location for it is in the Busselton Cultural Precinct.

OFFICER COMMENT

Discussions with DPaW have revealed that whilst they would consider a land swap at some stage it is not a priority for them and their timeframes do not fit within the City's LTFP for the proposed development of the site.

Lots 43 and 44 Queen Street are owned by the City and are not constrained by other parties to commence development. Whilst this site has been advertised for private development for several years, little interest in commercial development has been achieved.

Kerry Hill Architects has produced alternative concept plans for Lots 43 and 44 Queen Street that show a quality PACC can be delivered for the same forecast budget of \$15m, and can fit within the building footprint, incorporating the existing Weld Theatre and ArtGeo Gallery. The concept plan was presented to the BPACSWG who indicated their support for the site.

The concepts for Lots 43 and 44 show that all the same functions as Lot 450 can be achieved, with the additional benefits being:

- The concept for this site is largely all on one level which allows for increased flexibility of the spaces and a whole 1st floor level to explore other features which could include commercial opportunities, residential development, function rooms with roof top areas that overlook the bay, Busselton Foreshore and Queen Street.
- Better docking and access at the rear for set delivery etc;
- Good street frontage providing more opportunities to activate the precinct;

- The concept of a laneway style wine bar/ coffee outlet maximises use of the space and offers something interesting and different to the CBD;
- The existing buildings of the Weld Theatre and ArtGeo Gallery can be fully incorporated into the development, allowing access to a 100 seat theatre (Weld), 250 person convention space with break out rooms and up to 450 seat theatre;
- Opportunity to incorporate the existing ArtGeo administration;
- Multiple access routes into the building from Queen Street, Duchess Street via the Weld, and importantly via Marine Terrace with direct frontage to the foreshore, hotel development sites and 100m to all of the foreshore parking, activating this area at night when the foreshore car parks will be relatively empty.

Consideration, however, would need to be given to the current constraint of the Woodturners shed over part of Lot 43 and 44 site, which would need to be relocated to an alternative location to accommodate the development of a PACC in this location.

Given that Lot 450 is the only site within the Cultural Precinct that is not owned by the City, it is recommended that negotiations to acquire the site continue with DPaW in the future, potentially via a land swap at the City's future Rendezvous Road Depot site precinct, to enable the Cultural Precinct to be fully contained within the one block, allowing ancillary and/or future commercial services to be progressed.

CONCLUSION

Development of a PACC is well supported by the community. It is included as local priority project within the City of Busselton Strategic Community Plan (2013, reviewed, 2015); accommodated within the City's LTFP with provisional allocations from 2016/17 onwards; and identified as a regional imperative to be actioned in 1-3 years in the South West Regional Blueprint, February 2015.

Negotiations for the City's acquisition of Lot 450 Queen Street from DPaW have been ongoing for a number of years. Recent communications have indicated that there will be no resolution likely in the short to medium term.

Consideration of Lots 43 and 44 as a location for the development of a PACC presents Council with an opportunity to ensure development of the PACC can occur without delay or uncertainty and meet projected / expected timeframes.

OPTIONS

Council may opt to not consider utilisation of Lots 43 and 44 Queen Street for development of a PACC.

TIMELINE FOR IMPLEMENTATION OF OFFICER RECOMMENDATION

Endorsement of Council for Lots 43 and 44 Queen Street to be utilised for developed of a PACC will allow the BPACCGWG to finalise the project scope and commence the market demand analysis and economic impact assessment required to inform the Business Case in order for the project to be ready for funding at the commencement of 2017.

Council Decision and Officer Recommendation

C1605/127

Moved Councillor G Bleachmore, seconded Councillor P Carter

That the Council:

1. Reconfirms its commitment for the development of a Performing Arts and Convention Centre

(PACC) within the Cultural Precinct;

2. Endorses Lots 43 and 44 Queen Street as the preferred site for the PACC; and
3. Endorses continued liaison with the Department of Parks and Wildlife for the acquisition of Lot 450 Queen Street for future needs and completion of the Cultural Precinct.

CARRIED 9/0

EN BLOC

14. FINANCE AND CORPORATE SERVICES REPORT

Nil

15. CHIEF EXECUTIVE OFFICER'S REPORT**15.1 COUNCILLORS' INFORMATION BULLETIN**

SUBJECT INDEX:	Councillors' Information
STRATEGIC OBJECTIVE:	Governance systems that deliver responsible, ethical and accountable decision-making.
BUSINESS UNIT:	Executive Services
ACTIVITY UNIT:	Executive Services
REPORTING OFFICER:	Reporting Officers - Various
AUTHORISING OFFICER:	Chief Executive Officer - Mike Archer
VOTING REQUIREMENT:	Simple Majority
ATTACHMENTS:	Attachment A Planning Applications Received 16 April - 30 April 2016
	Attachment B Planning Applications Determined 16 April - 30 April 2016
	Attachment C Busselton Jetty Reference Group Meeting Minutes - 18 March 2016
	Attachment D Meelup Regional Park Management Committee Informal Meeting Minutes - 22 March 2016
	Attachment E Executive Media Productions

PRÉCIS

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

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

INFORMATION BULLETIN**15.1.1 Planning and Development Statistics**

Attachment A is a report detailing all Planning Applications received by the City between 16 April, 2016 and 30 April, 2016. 54 formal applications were received during this period.

Attachment B is a report detailing all Planning Applications determined by the City between 16 April, 2016 and 30 April, 2016. A total of 44 applications (including subdivision referrals) were determined by the City during this period with 42 approved / supported and 2 refused / not supported.

15.1.2 Current Active Tenders

2015 TENDERS

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 at Rendezvous Road, Vasse. The project includes construction of a new multifunctional facility, comprising 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 an initial closing date for submissions of 29 January 2016, but, due to a number of technical queries from prospective tenderers, was extended to 26 February 2016. Ten tenders were received and the tender evaluation panel presented its report to Council on 14 April 2016. Council resolved to nominate Ertech Pty Ltd as the preferred tender and to delegate to the CEO the power to negotiate and award the contract. The contract was awarded to Ertech Pty Ltd on 26 April 2016 for the total contract sum of \$2,543,406.51 (excluding GST), based on their proposed Alternative 2 Tender methodology, using precast Lomwest C4M retaining walls. Works are planned to commence on site immediately and scheduled for completion by the end of August 2016.

2016 TENDERS

EOI 01/16 EXPRESSION OF INTEREST – DESIGN AND CONSTRUCTION OF AIRSIDE INFRASTRUCTURE AT BUSSELTON-MARGARET RIVER REGIONAL AIRPORT

Council resolved at its 23 March 2014 meeting to invite Expressions of Interest (EOI) for the design and construction of Airside Infrastructure at Busselton-Margaret River Regional Airport and to delegate to the CEO the power to decide which, if any, of those expressions of interest that are received, are from persons who he thinks to be capable of satisfactorily supplying the goods and services required for this purpose. The EOI was advertised in the West Australian on 26 March 2016 and 3 April 2016 and on the City's Website. EOIs closed on 26 April 2016. In total 14 submissions were received however one submission was rejected for non-compliance as it was submitted after the deadline. The evaluation panel expects to finalise and present the evaluation report to the CEO on 10 May 2016 with a recommendation of acceptable tenderers. It is anticipated that the tender pursuant to the EOI will be advertised on 26 May 2016 and close on 23 June 2016.

RFT03/16 BUSSELTON JETTY PAINTING

The City of Busselton invited tenders for the provision of painting services for the Busselton Jetty, including all handrails, the Interpretive Centre building and Under Water Observatory building. The successful supplier will be contracted to supply these painting services for a period of three years. The tender was advertised on 16 April 2016 with a closing date for submissions of 10 May 2016. It is anticipated the evaluation will be completed and a recommendation report presented to the CEO at the end of May 2016. The value of the contract is expected to exceed \$350,000 and therefore falls within the CEO's delegated authority. This is a variable price contract and will be based on the submitted tendered rates.

15.1.3 Busselton Jetty Reference Group

The minutes from the meeting of the Busselton Jetty Reference Group for the 18 March 2016 are included in Attachment C.

15.1.4 Meelup Regional Park Management Committee

The minutes from the informal committee meeting of the Meelup Regional Park Management Committee for the 22 March 2016 are included in Attachment D.

15.1.5 The Australian Local Government Year Book

Executive Media has provided a copy of The Australian Local Government Year Book and Future Water, the covering letter is available to view in Attachment E and the full editions are located in the Council in tray.

Council Decision and Officer Recommendation

C1605/128 Moved Councillor G Bleechmore, seconded Councillor P Carter

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

- 15.1.1 Planning and Development Statistics
- 15.1.2 Current Active Tenders
- 15.1.3 Busselton Jetty Reference Group
- 15.1.4 Meelup Regional Park Management Committee
- 15.1.5 The Australian Local Government Year Book

CARRIED 9/0

EN BLOC

ITEMS CONSIDERED BY SEPARATE RESOLUTION

At this juncture, in accordance with Clause 5.6 (3)(a) & (b) of the Standing Orders, those items requiring an Absolute Majority or in which Councillors had declared Financial, Proximity or Impartiality Interests were considered.

10.2 Finance Committee - 5/05/2016 - BUSSELTON SETTLEMENT ART PROJECT: REQUEST TO TRANSFER FUNDS FROM SUNDRY INCOME TO RESTRICTED ASSETS ACCOUNT AND FUTURE FUNDING OF REMAINING STATUES

SUBJECT INDEX:	Heritage
STRATEGIC OBJECTIVE:	A City of shared, vibrant and well planned places that provide for diverse activity and strengthen our social connections.
BUSINESS UNIT:	Community Services
ACTIVITY UNIT:	Community Services
REPORTING OFFICER:	Cultural Development Officer - Jacquie Happ
AUTHORISING OFFICER:	Director, Community and Commercial Services - Naomi Searle
VOTING REQUIREMENT:	Absolute Majority
ATTACHMENTS:	Nil

This item was considered by the Finance Committee at its meeting on 5 May 2016, the recommendations from which have been included in this report.

PRÉCIS

The purpose of this report is to seek Council's approval to transfer \$2,754.58 from the Cultural Planning Sundry Income Account to the Sundry Restricted Asset Account to contribute towards future sculptures in the Busselton Settlement Art Project (BSAP) and to clarify Council's future funding of the remaining three statues.

BACKGROUND

The (BSAP) is a public art initiative commemorating the successful establishment of Busselton as one of the first settlements outside Perth. The project consists of the commissioning of six (6) life-sized bronze sculptures (one per year subject to funding) at a total cost of approximately \$700,000 (ex GST). The project is overseen by a formal Committee of Council, the Busselton Settlement Art Project Steering Committee (BSAPSC).

The BSAPSC organises events to keep the project in the public realm by raising awareness and to raise funds. The BSAPSC's last fundraising event was held in November 2015 at Vasse Felix. The event featured a guest speaker and auction items, with income from the event totaling \$2,754.58. This report seeks to transfer the income to a restricted asset account to ensure the funds are put towards the commissioning of the next sculpture in the project.

STATUTORY ENVIRONMENT

Under Section 5.8 of the *Local Government Act 1995* (the Act), a local government, by absolute majority, may establish committees of three or more persons to assist the Council, and to exercise the powers and discharge the duties of the local government that can be delegated to committees. Authority can be delegated to formally constituted Committees of Council in accordance with Sections 5.16 and 5.17 of the Act.

Under Section 6.8 of the Act, expenditure that is not included in the annual budget requires a resolution in advance of the expenditure with Absolute Majority.

RELEVANT PLANS AND POLICIES

Social & Ageing Plan 2015 – 2025

It is a goal of the City's Social and Ageing Plan (2015-2025) that the City's culture is celebrated, valued and retained. The installation of the BSAP sculptures is in line with this goal.

City of Busselton's Ten Year Financial and Corporate Business Plans

The BSAP has been identified as a key project in the City's four year Corporate Business Plan and includes an allocation of \$50,000 per year in 2015/16 and a proposed allocation of \$85,000 (subject to budget adoption) in 2016/17.

The Local Planning Policy (6B) Percent for Art Provisions

The Percent for Art Provisions allows developers to provide a cash in lieu contribution in place of an artwork at the site of the development application. The policy enables funds which are in the Percent for Art Cash in Lieu – Public Art Restricted Funds account collected in the Busselton (East) precinct of the City of Busselton to be directed to the Settlement Art Project as a priority.

FINANCIAL IMPLICATIONS

The budget transfer will reduce Council's net current position by \$2,754.58 at the end of the 2015/16 financial year. However these funds were raised for the purpose of the BSAP so it is considered appropriate to transfer the funds to a restricted asset account to allow for this in the future.

Long-term Financial Plan Implications

From 2016/17 onwards, \$85,000 per statue for the remainder of the sculpture project has been included in the City's Long Term Financial Plan towards the commissioning of sculptures for the BSAP, however the balance funds are required to be raised in order to fund individual statues. The transfer of funds from the BSAPSC's fundraising activities in 2015/16 will assist in building funds for the commissioning of future statues. It is noted, however, that funding for only three further statues is required at \$85,000 per sculpture whilst the LTFP recently adopted allowed for four payments of \$85,000 which will be adjusted in the next review of the LTFP.

STRATEGIC COMMUNITY OBJECTIVES

This matter aligns with the City of Busselton Strategic Community Plan 2013 and principally with the following strategic goal:

Well Planned, Vibrant and Active Places

- 2.1 A City where the community has access to quality cultural, recreation and leisure facilities and services.
- 2.2 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 by the City's risk assessment framework. There are no identified risks associated with the officer recommendation.

CONSULTATION

The participating members of the BSAPSC have been included in the process of discussing and forming the recommendations in this report. Consultation has also been ongoing with the Bussell family and key stakeholders identified for future sculptures yet to be commissioned.

OFFICER COMMENT

Funds raised by the BSAPSC are a result of hard work in fundraising activities for the Busselton Settlement Art Project. Tickets for the event in November were sold on the basis that the profits would go towards the project. Officers therefore recommend that the income from the Sundries Income Account (330-10900-1750-0000) of \$2,754.58 be transferred to the Sundry Restricted Asset Account for the purposes of raising funding to commission the next sculpture for the BSAP. The BSAPSC is aiming to raise circa \$20,000 in 2016/17 to enable the commissioning of the Spanish Settler.

CONCLUSION

Although the transfer will reduce Council's net current position by \$2,754.58 at year end, the expectation from those who participated in the November fundraising event was that the funds raised would go towards the commissioning of the next sculpture. Significant fundraising is required for each sculpture and ongoing fundraising activities such as this will assist in reaching the funds required.

OPTIONS

The Council may choose not to transfer the funds that were raised by the BSAPSC and this will reduce the total funds available to complete the next sculpture. Donations and contributions are still needed to realise the fourth sculpture of Spanish Settler.

TIMELINE FOR IMPLEMENTATION OF OFFICER RECOMMENDATION

Should the Officer Recommendation be endorsed, Officers will transfer the funds from the Sundry Account to the Sundry Restricted Asset Account before the end of the 2015/16 Financial Year.

OFFICER RECOMMENDATION

ABSOLUTE MAJORITY DECISION OF COUNCIL REQUIRED

1. That the Council approves the transfer of \$2,754.58 from the Cultural Planning Sundry Income Account (330.10900.1750) to the Sundry Restricted Asset Account for the Busselton Settlement Art Project.
2. That the next review of the Long Term Financial Plan incorporates a minor amendment to reflect a City contribution of \$85,000 per statue for the remaining three statues.

Note: The Council supported the Committee Recommendation to transfer any remaining funds at the end of each financial year.

Council Decision / Committee Recommendation and Officer Recommendation**C1605/129**

Moved Councillor C Tarbotton, seconded Councillor G Bleechmore

ABSOLUTE MAJORITY DECISION OF COUNCIL REQUIRED

1. That the Council approves the transfer of \$2,754.58 from the Cultural Planning Sundry Income Account (330.10900.1750) to the Sundry Restricted Asset Account for the Busselton Settlement Art Project.
2. That the next review of the Long Term Financial Plan incorporates a minor amendment to reflect a City contribution of \$85,000 per statue, per annum for the remaining (3) three statues with the undrawn funds being transferred to the Infrastructure Development Reserve at the end of each of the (3) three financial years.

CARRIED 9/0**BY ABSOLUTE MAJORITY**

10.6 Settlement Art Project Steering Committee - 5/05/2016 - NOMINATION OF A NEW COMMITTEE MEMBER

SUBJECT INDEX:	Nomination of a New Committee Member
STRATEGIC OBJECTIVE:	A City where the community has access to quality cultural, recreation, leisure facilities and services.
BUSINESS UNIT:	Community Services
ACTIVITY UNIT:	Community Services
REPORTING OFFICER:	Cultural Development Officer - Jacquie Happ
AUTHORISING OFFICER:	Director, Community and Commercial Services - Naomi Searle
VOTING REQUIREMENT:	Absolute Majority
ATTACHMENTS:	Nil

This item was considered by the Settlement Art Project Steering Committee at its meeting on 5 May 2016, the recommendations from which have been included in this report.

PRÉCIS

The Council is requested to consider the appointment of a new member to the Busselton Settlement Art Project Steering Committee (BSAPSC) following the decision of Mr Frank Elliott to resign at the informal meeting of 8 October 2015. It is recommended that a new member be appointed to replace Mr Elliott.

BACKGROUND

The BSAPSC operates with eight (8) members. One member is a Councillor, one City of Busselton Officer and the remaining six (6) members are community representatives.

At an informal meeting of 8 October 2015, Mr Elliott announced that he would not re-nominate as a member of the Steering Committee for another term. Mr Elliott was thanked for his contribution to the project since its initial conception by Councillor Robert Bennett and former Steering Committee Chair, Mr David Reid. At an informal meeting held on 11 February 2016, the Committee Members nominated and indicated support for the appointment of Mr Brian Slee as a member of the BSAPSC.

STATUTORY ENVIRONMENT

The membership and deputy membership of Committees of Council must be determined by the Council in accordance with Section 5.10 and 5.11A of the *Local Government Act 1995*. In this regard, an Absolute Majority decision of the Council is required to appoint a person as a member or deputy member of a Committee.

RELEVANT PLANS AND POLICIES

Nil.

FINANCIAL IMPLICATIONS

Nil.

Long-term Financial Plan Implications

Nil.

STRATEGIC COMMUNITY OBJECTIVES

The Strategic Community Objective of “a City of shared, vibrant and well planned places that provide for diverse activity and strengthen social connection” is supported by this proposal to enhance public areas with significant works of art celebrating the history of Busselton. The Committee assists with the achievement of this objective.

RISK ASSESSMENT

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

CONSULTATION

The vacancy resulting from Mr Elliott’s decision to resign has been discussed at several meetings. During the meetings members have been asked to consider potential new members. At an informal meeting on 11 February 2016, Committee member, Ramona Johnson suggested Mr Brian Slee would be in a good addition to the Committee. Mr Slee was contacted and affirmed his interest in being a part of the Committee. All members present agreed that the nomination should be supported and referred to the Council for approval.

OFFICER COMMENT

It is considered that Mr Slee would be a valuable and suitable member of the BSAPSC as he has shown his support for the Settlement Art Project through his work at the Busselton Museum. He is the President of the Busselton Historical Society, has a strong interest in the history of Busselton and is a well-known community member. Mr Slee family has a long history having moved to Busselton in 1922 as Group Settlers. Mr Slee moved away but returned home 31 years ago to live with his family.

CONCLUSION

In order to continue the valuable contribution of the BSAPSC, it is recommended that Mr Brian Slee is appointed as a member of the Committee, following the resignation of Mr Elliott.

OPTIONS

The Council may choose to review the Committee’s operations and therefore not appoint new members at this time.

TIMELINE FOR IMPLEMENTATION OF OFFICER RECOMMENDATION

The recommendation would be effective immediately upon the resolution of Council.

Council Decision / Committee Recommendation and Officer Recommendation

C1605/130

Moved Councillor R Bennett, seconded Councillor J McCallum

ABSOLUTE MAJORITY DECISION OF COUNCIL REQUIRED

That the Council:

1. Appoints Mr Brian Slee as a member of the Busselton Settlement Art Project Steering Committee.

CARRIED 9/0

BY ABSOLUTE MAJORITY

16. MOTIONS OF WHICH PREVIOUS NOTICE HAS BEEN GIVEN

Nil

17. CONFIDENTIAL REPORTS

Nil

18. QUESTIONS FROM MEMBERS

Nil

19. PUBLIC QUESTION TIME

Nil

20. NEXT MEETING DATE

Wednesday, 8 June 2016

21. CLOSURE

The meeting closed at 5.37pm.

THESE MINUTES CONSISTING OF PAGES 1 TO 67 WERE CONFIRMED AS A TRUE AND CORRECT RECORD ON WEDNESDAY, 8 JUNE 2016.

DATE: _____ PRESIDING MEMBER: _____