

Ordinary Meeting of Council

Pannawonica



Minutes – Public Document

16 September 2015

Mayu Maya Centre/Barry Lange Centre

Pannawonica

1.00pm



The Shire of Ashburton 10 year Community Strategic Plan (2012-2022) provides focus, direction and represents the hopes and aspirations of the Shire.

Our Vision

The Shire of Ashburton will be a vibrant and prosperous place for work, leisure and living



Our Mission

Working together, enhancing lifestyle and economic vitality



Community Goals

- Vibrant and Active Communities
- Economic Prosperity
- Unique Heritage and Environment
- Distinctive and Well-services Places
- Inspiring Governance

Future Focus

The next four years will see a strong focus on:

1. Community inclusion and participation
2. Provision of infrastructure that enables economic strength
3. Economic strength
4. Organisation stability
5. Staying ahead of the game
6. Development of our governance



**SHIRE OF ASHBURTON
ORDINARY MEETING OF COUNCIL**

**MINUTES
(Public Document)**

**Mayu Maya Centre, Pannawonica
16 September 2015**

1.00 pm

MINUTES - ORDINARY MEETING OF COUNCIL 16 SEPTEMBER 2015

SHIRE OF ASHBURTON ORDINARY MEETING OF COUNCIL

Dear Councillor

Notice is hereby given that an Ordinary Meeting of Council of the Shire of Ashburton will be held on 16 September 2015 at Mayu Maya Centre, Pannawonica commencing at 1:00 pm.

The business to be transacted is shown in the Agenda.

Neil Hartley
CHIEF EXECUTIVE OFFICER

DISCLAIMER

The recommendations contained in the Agenda are subject to confirmation by Council. The Shire of Ashburton warns that anyone who has any application lodged with Council must obtain and should only rely on written confirmation of the outcomes of the application following the Council meeting, and any conditions attaching to the decision made by the Council in respect of the application. No responsibility whatsoever is implied or accepted by the Shire of Ashburton for any act, omission or statement or intimation occurring during a Council meeting.

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1. **DECLARATION OF OPENING**

The Shire President declared the meeting open at 1.03 pm.

2. **ANNOUNCEMENT OF VISITORS**

The Shire President welcomed members of the public to the gallery.

3. **ATTENDANCE**

3.1 **PRESENT**

Cr K White	Shire President, Onslow Ward
Cr L Rumble	Deputy Shire President, Paraburdoo Ward
Cr D Dias	Paraburdoo Ward
Cr L Thomas	Tableland Ward
Cr C Fernandez	Tom Price Ward
Cr A Bloem	Tom Price Ward
Cr D Wright	Pannawonica Ward
Mr M Ferialdi	Acting Chief Executive Officer
Ms L Reddell	Executive Manager, Development & Regulatory Services
Mr M Sully	Executive Manager, Community Development
Mr F Ludovico	Executive Manager, Corporate Services
Mrs J Fell	Economic and Land Development Manager
Mrs C Robson	Acting CEO & Councillor Support Officer

3.2 **APOLOGIES**

There were no apologies.

3.3 **APPROVED LEAVE OF ABSENCE**

Cr P Foster Tom Price Ward

4. **QUESTION TIME**

4.1 **RESPONSE TO PREVIOUS PUBLIC QUESTIONS TAKEN ON NOTICE**

At the Ordinary Meeting of Council held on 19 August 2015 no public questions were taken on notice.

4.2 **PUBLIC QUESTION TIME**

There were no questions from the public.

5. **APPLICATIONS FOR LEAVE OF ABSENCE**

There were no applications received for leave of absence.

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6. DECLARATION BY MEMBERS

6.1 DUE CONSIDERATION BY COUNCILLORS TO THE AGENDA

That Councillors White, Rumble, Dias, Wright, Fernandez, Bloem and Thomas have given due consideration to all matters contained in the Agenda presently before the meeting.

6.2 DECLARATIONS OF INTEREST

Councillors to Note

A member who has a Financial Interest in any matter to be discussed at a Council or Committee Meeting, that will be attended by the member, must disclose the nature of the interest:

- (a) In a written notice given to the Chief Executive Officer before the Meeting
or;
- (b) At the Meeting, immediately before the matter is discussed.

A member, who makes a disclosure in respect to an interest, must not:

- (c) Preside at the part of the Meeting, relating to the matter or;
- (d) Participate in, or be present during any discussion or decision-making procedure relative to the matter, unless to the extent that the disclosing member is allowed to do so under Section 5.68 or Section 5.69 of the Local Government Act 1995.

NOTES ON FINANCIAL INTEREST (FOR YOUR GUIDANCE)

The following notes are a basic guide for Councillors when they are considering whether they have a Financial Interest in a matter.

I intend to include these notes in each agenda for the time being so that Councillors may refresh their memory.

1. A Financial Interest requiring disclosure occurs when a Council decision might advantageously or detrimentally affect the Councillor or a person closely associated with the Councillor and is capable of being measure in money terms. There are exceptions in the Local Government Act 1995 but they should not be relied on without advice, unless the situation is very clear.
2. If a Councillor is a member of an Association (which is a Body Corporate) with not less than 10 members i.e. sporting, social, religious etc), and the Councillor is not a holder of office of profit or a guarantor, and has not leased land to or from the club, i.e., if the Councillor is an ordinary member of the Association, the Councillor has a common and not a financial interest in any matter to that Association.
3. If an interest is shared in common with a significant number of electors or ratepayers, then the obligation to disclose that interest does not arise. Each case needs to be considered.
4. If in doubt declare.
5. As stated in (b) above, if written notice disclosing the interest has not been given to the Chief Executive Officer before the meeting, then it

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MUST be given when the matter arises in the Agenda, and immediately before the matter is discussed.

6. Ordinarily the disclosing Councillor must leave the meeting room before discussion commences. The **only** exceptions are:
 - 6.1 Where the Councillor discloses the **extent** of the interest, and Council carries a motion under s.5.68(1)(b)(ii) or the Local Government Act; or
 - 6.2 Where the Minister allows the Councillor to participate under s.5.69(3) of the Local Government Act, with or without conditions.

7. **ANNOUNCEMENTS BY THE PRESIDING PERSON WITHOUT DISCUSSION**

The Shire President congratulated Councillors Linton Rumble, Lorraine Thomas and Peter Foster on being elected unopposed.

8. **PETITIONS / DEPUTATIONS / PRESENTATIONS**

8.1 **PETITIONS**

There were no petitions presented to Council.

8.2 **DEPUTATIONS**

There were no deputations presented to Council.

8.3 **PRESENTATIONS**

The Shire President presented Cr Dennis Wright with plaque for his dedicated service to Council between March 2011 to September 2015 and congratulated him on his retirement.

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9. CONFIRMATION OF MINUTES OF PREVIOUS MEETING

9.1 ORDINARY MEETING OF COUNCIL HELD ON 19 AUGUST 2015

Council Decision

MOVED: Cr A Bloem

SECONDED: Cr D Wright

That the Minutes of the Ordinary Meeting of Council held on 19 August 2015, as previously circulated on 25 August 2015, be confirmed as a true and accurate record.

CARRIED 7/0
Crs White, Rumble, Dias, Wright, Thomas, Bloem and Fernandez voted for the motion.

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10. AGENDA ITEMS ADOPTED "EN BLOC"

10.1 MOVE AGENDA ITEM TO 'EN BLOC'

MINUTE: 11997

The following information is provided to Councillors for guidance on the use of En Bloc voting as is permissible under the Shire of Ashburton Standing Orders Local Law 2012:

"Part 5 – Business of a meeting

Clause 5.6 Adoption by exception resolution:

- (1) In this clause 'adoption by exception resolution' means a resolution of the Council that has the effect of adopting, for a number of specifically identified reports, the officer recommendation as the Council resolution.*
- (2) Subject to subclause (3), the Local Government may pass an adoption by exception resolution.*
- (3) An adoption by exception resolution may not be used for a matter;*
 - (a) that requires a 75% majority or a special majority;*
 - (b) in which an interest has been disclosed;*
 - (c) that has been the subject of a petition or deputation;*
 - (d) that is a matter on which a Member wishes to make a statement; or*
 - (e) that is a matter on which a Member wishes to move a motion that is different to the recommendation."*

Council Decision

MOVED: Cr C Fernandez

SECONDED: Cr A Bloem

That Council adopts en bloc the following Officer recommendations contained in the Agenda for the Ordinary Meeting of Council 16 September 2015.

Item No.	Agenda Title
11.1	PROGRESS OF IMPLEMENTATION OF COUNCIL DECISIONS AUGUST 2015
11.2	USE OF COMMON SEAL AND ACTIONS PERFORMED UNDER DELEGATED AUTHORITY FOR THE MONTH OF AUGUST 2015
16.1	RFT 16/15 SUPPLY AND INSTALLATION OF MODULAR BUILDINGS FOR THE OCEAN VIEW CARAVAN PARK REDEVELOPMENT, ONSLOW RC24405

CARRIED EN BLOC 7/0

Crs White, Rumble, Dias, Wright, Thomas, Bloem and Fernandez voted for the motion.

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11. GOVERNANCE & EXECUTIVE SERVICE REPORTS

11.1 PROGRESS OF IMPLEMENTATION OF COUNCIL DECISIONS AUGUST 2015

MINUTE: 11997

FILE REFERENCE: GV04

AUTHOR'S NAME AND POSITION: Jasmin Forward
CEO & Councillor Support Officer

NAME OF APPLICANT/
RESPONDENT: Not Applicable

DATE REPORT WRITTEN: 1 September 2015

DISCLOSURE OF FINANCIAL INTEREST: The author has no financial interest in the proposal.

PREVIOUS MEETING REFERENCE: Agenda Item 10.1 (Minute: 11477) - Ordinary Meeting of Council 10 April 2013

Summary

The purpose of this agenda item is to report back to Council on the progress of the implementation of Council decisions.

Background

The purpose of this agenda item is to report back to Council on the progress of the implementation of Council decisions.

Comment

Wherever possible, Council decisions are implemented as soon as practicable after a Council meeting. However there are projects or circumstances that mean some decisions take longer to action than others.

This report presents a summary of the "Decision Status Reports" for Office of the CEO, Corporate Services, Infrastructure Services, Strategic & Economic Development, Community Development and Development & Regulatory Services.

ATTACHMENT 11.1

Consultation

Chief Executive Officer
Executive Management Team

Statutory Environment

Not Applicable

Financial Implications

Not Applicable

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Strategic Implications

Shire of Ashburton 10 Year Community Strategic Plan 2012-2022

Goal 05 – Inspiring Governance

Objective 04 – Exemplary Team and Work Environment

Risk Management

This item has been evaluated against the Shire of Ashburton's Risk Management Policy CORP5 Risk Matrix. The perceived level of risk is considered to be "Low" risk and can be managed by routine procedures, and is unlikely to need specific application of resources.

Policy Implications

Not Applicable

Voting Requirement

Simple Majority Required

Council Decision

MOVED: Cr C Fernandez

SECONDED: Cr A Bloem

That Council receives the "Decision Status Reports" as per ATTACHMENT 11.1.

CARRIED EN BLOC 7/0

Crs White, Rumble, Dias, Wright, Thomas, Bloem and Fernandez voted for the motion.

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11.2 USE OF COMMON SEAL AND ACTIONS PERFORMED UNDER DELEGATED AUTHORITY FOR THE MONTH OF AUGUST 2015

MINUTE: 11997

FILE REFERENCE: GV21

AUTHOR'S NAME AND POSITION: Janyce Smith
Executive Officer

Susan Babao
Administration Assistant Planning

NAME OF APPLICANT/RESPONDENT: Not Applicable

DATE REPORT WRITTEN: 1 September 2015

DISCLOSURE OF FINANCIAL INTEREST: The authors have no financial interest in the proposal.

PREVIOUS MEETING REFERENCE: Not Applicable

Summary

The purpose of this agenda item is to report to Council for information, Use of the Common Seal and actions performed under delegated authority requiring referral to Council, for the month of August 2015.

Background

Council has historically sought a monthly update of the more significant activities for the organisation relative to (1) Use of the Common Seal, and (2) actions performed under delegated authority requiring referral to Council as per the Shire of Ashburton Delegated Authority Register 2015.

Comment

A report on Use of the Common Seal and relevant actions performed under delegated authority has been prepared for Council.

ATTACHMENT 11.2

Consultation

Relevant officers as listed in the Attachment.

Statutory Environment

Local Government Act 1995

Clause 9.3 of the Shire of Ashburton Town Planning Scheme No. 7

Financial Implications

As outlined in Attachment 11.2.

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Strategic Implications

Shire of Ashburton 10 Year Community Strategic Plan 2012-2022

Goal 05 – Inspiring Governance

Objective 04 – Exemplary Team and Work Environment

Risk Management

This item has been evaluated against the Shire of Ashburton's Risk Management Policy CORP5 Risk Matrix. The perceived level of risk is considered to be "Low" in light of the report being for information purposes only and the risk can be managed by routine procedures, and is unlikely to need specific application of resources.

Policy Implications

ELM 13 – Affixing the Shire of Ashburton Common Seal

FIN12 – Purchasing and Tendering Policy

Voting Requirement

Simple Majority Required

Council Decision

MOVED: Cr C Fernandez

SECONDED: Cr A Bloem

That Council accept the report *"11.2 Use of Common Seal and Actions Performed Under Delegated Authority for the Month of August 2015"*.

CARRIED EN BLOC 7/0

Crs White, Rumble, Dias, Wright, Thomas, Bloem and Fernandez voted for the motion.

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11.3 ONSLOW STAFF HOUSING OPTIONS & RECOMMENDATIONS 2015-2016

MINUTE: 11999

FILE REFERENCE: ED28

AUTHOR'S NAME AND POSITION: Kim Parks
Manager, Organisational Development

NAME OF APPLICANT/RESPONDENT: Not Applicable

DATE REPORT WRITTEN: 14 September 2015

DISCLOSURE OF FINANCIAL INTEREST: The author has no financial interest in the proposal.

PREVIOUS MEETING REFERENCE: Agenda Item 11.4 (Minute No. 11946) – Ordinary Meeting of Council 20 May 2015
Agenda Item 19.2 (Minute No. 11872) – Ordinary Meeting of Council 15 October 2014
Agenda Item 16.2 (Minute No. 11831) – Ordinary Meeting of Council 16 July 2014
Agenda Item 16.3 (Minute No. 11805) – Ordinary Meeting of Council 21 May 2014
Agenda Item 12.1 (Minute No. 11172) – Ordinary Meeting of Council 18 April 2012

Summary

Private leases of staff housing in Onslow are costly and construction/acquisition of Shire-owned staff housing has previously been identified as a priority. The 2015/16 budget provides \$2.5m for this purpose, which includes assumed sale proceeds of lot 578 Hedditch Street at \$300,000.

The report considers the options available for increased Shire-owned staff housing in Onslow. This includes:

- Purchasing existing dwellings;
- Building on existing Shire-owned or managed land;
- Purchasing and building on new land in Barrada Estate.

Regardless of which option (or mix of options) is chosen to address this priority, the recognised need to replace leased housing with Shire owned accommodation is so acute that these initial steps should be taken whilst a long term strategy is developed. The purchase or construction of three to four properties is not significant within the bigger picture and can be easily "corrected" in subsequent years, and the most urgent priority is to replace costly private leases with Shire-owned accommodation. For the same reason (long term scope and urgency) the configuration of the first few properties is of low importance (eg. single vs couple vs family; garden/yard vs no garden/yard).

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Option 1 (purchasing existing dwellings) would seem to be the best-value option at this point in time because it provides the most immediate savings from costly existing private leases – savings which could in turn be used to purchase/construct further housing. For building on existing Shire owned or managed land, lots 578 Hedditch Street and 899 Watson Drive are seen as the most cost-effective options due to them being able to avoid the extra costs associated with the requirement for elevated dwellings in the Coastal Hazard Zone.

For these reasons it is recommended that the budgeted \$2.2m be used to purchase three existing dwellings of high quality as soon as possible, and that action be taken to prepare the Hedditch Street and Watson Drive lots for development and dwelling construction in the following financial year.

Background

This report provides:

- a) A summary of recent staff housing decisions, and
- b) Proposals for the acquisition and construction of additional staff housing in Onslow

a) Summary of recent staff housing decisions

Due to some of the unique variables associated with remoteness and small populations the Shire has sometimes had to recruit skills from outside of its boundaries, either providing local accommodation as part of the employment package, or adopting FIFO/Remote options if a residential arrangement has not been possible. In both cases accommodation additional to the Shire existing housing stock has been required

Transitory staff were mostly accommodated in the Nameless Valley or Onslow Airport Camps (NVC & OAC). In 2014 it was identified that continuing to maintain the Nameless Valley Camp was unviable, so it was closed and the remaining 10 staff normally housed within the NVC were transferred to the Tom Price Caravan Park. This occurred in January 2015 and was only intended as an interim measure. Over the ensuing six months, the number of staff in the Caravan Park decreased to zero, partly through natural attrition (x3 staff) and mostly through relocation into either shared housing arrangements or single-bed units (x7 staff). This resulted in a net decrease in costs of approximately \$500,000 per annum. Two FIFO staff were also relocated from the Willow Road Transit House into a shared house, freeing up two further rooms for genuine sporadic overnight stays by staff attending meetings, training, or similar work obligations (the Shire was otherwise having to pay for rooms at Windawarri Lodge or the Tom Price Hotel).

With the mining downturn, Rio Tinto have made available to the Shire additional houses in Tom Price to the point where the stock required to house staff in all but the worst case scenario is now adequate (i.e. if all entitled positions took up the local housing option, the Shire would need approximately 52 houses, while the total stock of Shire-owned or leased properties is 22 and 22 respectively). Some entitled staff in Tom Price have not needed the housing that has otherwise been made available for them (eg. they already have housing provided through their partner's employment, or are currently employed on a FIFO basis, etc). In these cases the vacant properties have been periodically let to unentitled staff on a cost-recovery basis, which also meant the Shire has been able to retain staff who otherwise would have had to leave Town (and therefore also the Shire's employment).

In the case of Onslow, the Shire currently has 17 houses (nine of which it owns) plus four leased temporary worker units (totaling 23). If the Onslow Airport Camp is closed and all entitled positions took up the residential option, this total number would increase to 25, plus a further two, to accommodate the pool staff, once the Onslow Pool becomes operational. A second transit house would also be required.

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Without the same benefit of the economical accommodation options provided by Rio Tinto in Tom Price, the Shire has been forced to privately lease houses for its staff in Onslow, currently totaling approximately \$450,000 per annum in rent. While plans for a joint development with the Department of Housing are progressing, there will not be any further movement in this project until 2017. This joint development was originally provided for via a \$1.5m loan, plus proceeds from the sale of the Shire's vacant Hedditch Street Lot. The Long Term Financial Plan (LTFP) provides \$2m for housing in 2017/18, so at its ordinary meeting on 20 May 2015, Council resolved to reserve the \$2m from the LTFP for the Department of Housing joint development and reallocate the \$1.5m loan (plus proceeds of Hedditch Street sale) to immediate acquisition/construction of staff housing elsewhere in Onslow. This was to be in addition to the \$2m originally provided for 2015/16 in the LTFP.

During the 2015/16 budgeting process, the \$2m from the LTFP was reduced to \$0.7m, meaning the Shire now has a total of \$1.5m plus \$0.7m plus Hedditch-sale-proceeds to use in addressing the staff housing issue in this financial year. A working group consisting of key staff from Strategic and Economic Development, Infrastructure Services, Development and Regulatory Services, Corporate Services and Organisational Development was formed to investigate and recommend options to Council.

b) Proposals for the acquisition and construction of additional staff housing in Onslow

The scope and cost of replacing leased housing with Shire-owned accommodation is so large that it warrants significant investigation and development of a well-informed long term strategy. That strategy needs to be developed alongside further revisions of the LTFP and other strategies and is well beyond the scope of this single report. A long term strategy is however not necessary to make reasonable decisions at this early stage because the purchase or construction of three to four properties is not significant within the bigger picture and can be easily "corrected" in subsequent years.

For example, a long term housing strategy will consider not only long term asset management strategies, local economies, and other factors that might influence the number and location of staff the Shire might have from time to time, but also the likely make-up of those staff (eg. single vs couples vs family). However, even if the Shire decreased to staffing levels of past decades, most of the existing Shire-owned properties are overdue for renewal or replacement, so the acquisition of only three or four properties would not even address immediate (or past) needs, let alone future needs and would also be offset by immediate savings in private leases. Likewise, the mix/type of dwelling to be constructed/purchased is also not critical at this point because the variety of staff types currently residing in privately-leased properties in Onslow covers the whole range (i.e. the Shire will have staff it can immediately relocate into these new dwellings because there are currently singles, couples, and families – all accommodated in privately-leased properties).

Option 1: Purchase existing dwellings

There is currently a reasonable supply and variety of established housing for sale in Onslow, and the market is currently relatively depressed compared to recent years, so it is a good time to purchase property. Examples of existing three and four bedroom homes on the market suggest the going price is between \$600,000-\$700,000. Given the Shire has some flexibility at this point as to the configuration of accommodation that can be acquired, it is suggested that the priority is for dwellings that are relatively new or extensively renovated – so they don't require further expenditure in the immediate future. The deciding factor should be quality/condition for price, rather than number of bedrooms or lot/yard size.

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There is an argument that there is value in acquiring lots that are large enough to be subdivided, and while there are obvious advantages to this, the Shire already has numerous existing lots it can build on and/or subdivide, so dwelling quality should not be sacrificed for additional lot/yard size at this point in the housing acquisition program.

Advantages

The greatest advantage of option 1 is that it provides an immediate saving from the operational budget. For example, if three houses were purchased at \$600,000ea (totaling \$1.8m) this would represent an immediate reduction in the operational budget of approximately \$200,000 per annum – which when added to the remaining \$400,000 could provide enough additional funding for a fourth property.

Disadvantages

The greatest disadvantage of buying established properties is that the buyer only has the choice of what is actually on the market and risks buying a property that will require additional maintenance/expenditure in the short term. This can however be mitigated to a large extent by buying newer properties and having them inspected by qualified professionals before purchase.

Option 2: Build on existing Shire-owned/managed lots

The Shire is fortunate to have at its disposal seven large vacant lots of which some are subdividable. Five of these are on Third Avenue (Lots 360, 361, 394, 396 & 397 – the last three of which are reserves) and are 1012m² each. The other two are lot 578 Hedditch Street (789m²) and Lot 899 Watson Drive (2088m²) – the latter being a drainage reserve managed by the Shire of Ashburton. The Third Avenue lots are within the Onslow Coastal Hazard Area. The Hedditch Street Lot is also within the Onslow Coastal Hazard Area but the lot is more elevated and would only require some additional fill to allow construction of a conventional dwelling. The Watson Drive Lot is not located within the Coastal Hazard Area but its current purpose is for drainage. The Department Of Lands has indicated it would consider changing the Watson Drive Lot's purpose to "staff housing".

Advantages

The advantage of option 2 is that it avoids some of the costs of purchasing land with or without existing dwellings and makes use of the Shire's existing assets. Building new houses also allows the Shire to construct houses to its exact configuration needs, although at this early stage (as outlined above) configuration is not an important consideration.

Disadvantages

Constructing accommodation on the Third Avenue lots would entail significant additional costs because the dwellings would be required to be elevated ("on stilts") and cyclone rated. This would cost more to build than buying land with existing houses (some estimates are as high as \$1m per house). This means only the Hedditch Street and Watson Drive lots would escape the additional constructions costs. This option also requires time for approvals, tenders, and actual construction meaning the Shire continues to pay rent from its operational budget while construction is occurring.

Option 3: Build on new land releases via house & land package deals

The Barrada Estate development is another option. Single dwelling lots between 400m² and 600m² are listed between \$195,000-\$285,000. The estate is positioned outside the Coastal Hazard Area and house and some house and land packages were initially offered however there are currently none listed. The Shire could choose to wait for new packages to become available or purchase one or more lots at a grouped price and then tender for "pipeline" construction on those lots.

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Advantages

The estate is new and attractive, with lots being among the most affordable in Onslow. Constructing the dwellings allows the Shire to build to its own specific needs and lots are immediately available.

Disadvantages

Some would say Barrada Estate is “out of Town” but this is not considered a big issue because, in the long term, it would be good to have a variety of houses and locations in town. The main drawbacks of purchasing in Barrada Estate are that there are currently no house and land packages available (which is often where the best value can be found) and this option also requires time for approvals, tenders, and actual construction which results with the Shire having to continue to pay rent from its operational budget while approvals and construction are occurring.

Comment

The recent downturn in the resources sector has provided some “breathing space” for the Shire regarding the development and funding of more long term solutions to staff accommodation shortages within its Towns. While it is clear construction of additional staff housing is needed in both Onslow and Tom Price, the provision of cost-effective accommodation leases from Rio Tinto in Tom Price have meant that, for a brief period of perhaps 2-3 years, attention can be focused on staff accommodation development in Onslow, where rents are still 3-4 times higher than what the Shire pays in Tom Price.

The table below shows the Shire’s existing housing stock in Onslow. Most of the Shire-owned properties are dated and due for major refurbishments. Ideally, in the long term, the Shire will have a variety of house configurations to suit different needs (eg. Single vs couple vs family; garden/yard vs no garden/yard). However, the highest priority at this early stage is to move away from costly private leases and into quality Shire-owned dwellings. As there are so many houses that either need to be acquired or renovated the need to provide a variety of house configurations is not yet as critical as the need to acquire housing stock, (eg. If the three or four dwellings purchased/constructed within the next 12 months are all of one type of configuration, this can be “balanced” with other configurations in the following years. This will also allow time to develop a well-informed long term housing strategy that can guide future decisions.

HOUSE#	STREET	RENT P/W	LEASED FROM	DESCRIPTION
3	Discovery Pk	\$450pw	Dept of Housing (**see notes below)	2 x 2
6	Discovery Pk	\$450pw	Dept of Housing	2 x 2
9	Discovery Pk	\$450pw	Dept of Housing	2 x 2
12	Discovery Pk	\$450pw	Dept of Housing	2 x 2
307	First Ave	N/A	(Beach House)	3 x 1+1
335	First Ave	N/A		3 x 1
6B	Hedditch St	\$1400pw		
18B	Hope Ave	\$1400pw	Private Lease	4 x 2

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2/8	Maunsell Cnr	\$1,299pw	Private Lease	2 x 1
5B	Maunsell Cnr	\$1,495pw	Private Lease	4 x 2
10b	Payne Wy	\$1,196pw	Private Lease	3 x 1
1/9	Second Ave	N/A		3 x 2
2/9	Second Ave	N/A		3 x 2
3/9	Second Ave	N/A		3 x 2
325	Third Ave	N/A	(Transit House)	4 x 3
583	Third Ave	N/A		3 x 1
584	Third Ave	N/A		3 x 1
585	Third Ave	N/A		3 x 1
944	First St	\$425pw (income)	(Leased by the Shire to private tenants)	3 x 1

****NB:** Discovery Park units are only available to tenants who meet the following criteria:

- Have a combined gross household income within the income limit of \$120,000 (this includes wages, salary and investment income but excludes superannuation, salary packaging and employer rental subsidy);
- Be an Australian Citizen or otherwise eligible to work in Australia;
- Not own residential property within 50km of Onslow Town. This applies to all members of the household;
- Not be eligible for other employee housing programs. This applies to all members of the household;
- Have an arrangement in place to pay any existing debt with the Housing Authority;
- Be willing to provide full disclosure of household members;
- Be employed by Shire of Ashburton;
- Must be employed as a full time employee on minimum 40 hrs/week, and;
- Must have consistent attendance and performance.

The main reason for focusing on Onslow housing is the excessive private leasing costs and overdue renovation needs. With house configuration of new acquisitions being a lower priority at this early stage, it would seem the most prudent, best value option would be to purchase existing Dwellings of good quality and, because of the current economic environment in Onslow, the sooner this is done the more cost savings can be realised. These operational saving can in turn be added to existing budget allocations to go towards purchase/construction of more dwellings in due course.

In the way of building on existing Shire land, lots 578 Hedditch Street and 899 Watson Drive can be developed without the additional costs associated with the Coastal Hazard Zone and so should be prioritised for development before the other Shire-owned lots. It is therefore recommended that the previous decision to sell lot 578 Hedditch Street be reconsidered and reserved for future staff housing development.

Consultation

Chief Executive Officer

Executive Manager – Strategic & Economic Development

Executive Manager – Community Development

Executive Manager – Development & Regulatory Services

Executive Manager – Corporate Services

Executive Manager – Infrastructure Services

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Manager - Organisational Development
Manager - Economic & Land Development
Asset Management Coordinator
Housing Officer
External Accommodation Providers

Statutory Environment

Local Government Act 1995 s3.54 and s3.55 apply to this proposal.
Local Government Act 1995 s3.58 is exempt from this proposal under the Local Government Functions and Regulations 1996, s30. (c)(ii).
LAA 1997

Financial Implications

Capital expenditure for this proposal would be drawn from loan funds of \$1.5m held for the purposes of staff housing plus the \$0.7m from reserve, both of which are accounted for in the 2015/16 budget. The remaining \$0.3m in that account represents anticipated proceeds from the sale of lot 578 Hedditch, which is now recommended to be retained for future staff housing construction development.

Strategic Implications

Shire of Ashburton 10 Year Community Strategic Plan 2012-2022
Goal 02 – Enduring Partnerships
Objective 02 – Enduring partnerships with Industry and Government
Goal 04 – Distinctive and Well Serviced Places

Objective 03 – Well planned towns
Goal 05 – Inspiring Governance
Objective 03 – Exemplary team and work environment

Risk Management

Adoption of this item has been evaluated against the Shire of Ashburton's Risk Management Policy CORP5 Risk Matrix. The perceived level of risk is considered to be "Medium" risk and will be managed by specific monitoring and response procedures. Staff housing is a priority in Onslow. The current downturn in the mining industry, particularly in relation to iron ore, has relieved pressure and costs in the Tom Price housing sector. While there is currently an oversupply of private housing in Onslow, rents are still high and it is not sustainable for the Shire to continue to pay premium rentals for accommodating members of the permanent Onslow workforce. To ensure risk in the area of staff housing does not escalate, it is important that the Shire increases its own housing stock in Onslow which is considered the more volatile of the two locations.

Policy Implications

There were no policy implications identified.

Voting Requirement

Absolute Majority Required

Recommendation

That Council:

1. Authorise the Chief Executive Officer to purchase existing houses of reasonable-to-high quality within Onslow to a maximum combined expenditure of \$2.2m, for the purpose of immediate staff housing relief;

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2. Quarantines any operational savings from decreased expenditure on staff housing leases in the 2015/16 year for further purchase or construction of staff housing;
3. Authorise initial enquiries into possible dwelling construction on lots 578 Hedditch Street and 899 Watson Drive; and
4. Request the Minister for Lands to;
 - a) Revoke the current Management Order for Reserve 42094;
 - b) Change the purpose of Reserve 42094 from "Drainage" to "Staff Housing";
 - c) Issue a Management Order to the Shire of Ashburton for the purpose of "Staff Housing" for Reserve 42094 with power to lease.

Council Decision

MOVED: Cr D Wright

SECONDED: Cr A Bloem

That Council:

1. Authorise the Chief Executive Officer to investigate the construction or purchase of new or existing housing within Onslow to a maximum combined expenditure of \$2.2M for the purpose of staff housing relief;
2. Authorise the Chief Executive Officer, with the written approval of the Shire President, to enter into a contract of sale for the acquisition of any appropriate dwellings, to a maximum combined expenditure of \$2.2M;
3. Authorise investigations into the cost of dwelling construction on Shire land in Onslow for consideration in next year's budget;
4. Quarantines any operational savings from decreased expenditure on staff housing leases in the 2015/2016 year (if any) for further purchase or construction of dwellings;
5. Request the Minister for Lands to;
 - a) Revoke the current Management Order for Reserve 42094;
 - b) Change the purpose of Reserve 42094 from "Drainage" to "Staff Housing"; and
 - c) Issue a Management Order to the Shire of Ashburton for the purpose of "Staff Housing" for Reserve 42094 with power to lease.

CARRIED BY ABSOLUTE MAJORITY 7/0

Crs White, Rumble, Dias, Wright, Thomas, Bloem and Fernandez voted for the motion.

Reason for Change of Recommendation:

To allow more flexibility for staff in seeking appropriate housing options in Onslow; The alternative recommendation removed all references to a specific properties to provide this flexibility as well as including the potential to construct new dwellings, as opposed to purchasing existing houses.

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12. COMMUNITY DEVELOPMENT REPORTS

12.1 ACCEPTANCE OF COMMUNITY LEASED RESERVE INFRASTRUCTURE WITHOUT CERTIFICATE OF BUILDING COMPLIANCE

MINUTE: 12000

FILE REFERENCE: GV20

AUTHOR'S NAME AND POSITION: Mabel Gough
Temporary Project Officer

NAME OF APPLICANT/RESPONDENT: Not Applicable

DATE REPORT WRITTEN: 3 August 2015

DISCLOSURE OF FINANCIAL INTEREST: The author has no financial interest in the proposal.

PREVIOUS MEETING REFERENCE: Agenda Item 12.1 (Minute No. 11968) – Ordinary Meeting of Council 17 June 2015
Agenda Item 12.1 (Minute No. 11901) – Ordinary Meeting of Council 28 January 2015
Agenda Item 12.2 (Minute No. 11890) – Ordinary Meeting of Council 10 December 2014

Summary

At the January 2015 Ordinary Meeting of Council, Council requested a report be prepared, proposing a comprehensive Implementation Plan to address non-compliance issues relevant to Policy REC05, in regards to facilities constructed and maintained by community groups.

The Plan was to deliver proposed solutions, timelines and costs to rectify the non-compliances, as Council did not wish to expose the Shire to litigation should, for example, somebody be injured or fall ill as a result of utilising a facility on a reserve leased to a community group by the Shire. For community groups to comply with the current safety and legislative requirements a Certificate of Building Compliance is required for each building. Given the age and nature of the buildings it is unlikely that many of the buildings would be given retrospective Building Approvals without major renovations which would need to include disability access provisions.

Advice received from Local Government Insurance Services (see below) regarding the Shire's exposure to litigation if the appropriate approvals were not issued suggests that there could be some repercussions for the Shire, however, if the Shire has taken appropriate steps to make safe the facilities and structures there would be a mitigation defence.

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“The question of whether the Shire would be negligent is not so much determined by the compliance of those buildings being made safe, in terms of whether they have the appropriate planning and building approvals in place, (although this may be some evidence that the Shire has failed in its duty of care to those accessing the Shire leased reserve), as it is by the work done to make them safe in the first place and the evidence that this has in fact been done”.

The Implementation Plan proposed requires community groups to undertake works to meet the minimum Planning and Health requirements, obtain an Electrical Safety Certificate and to “make safe” the facilities and structures that are situated on their respective lease allotments as opposed to requiring complete Building Compliance. This will assist to reduce the financial and social impact that would otherwise be realised by the Clubs if complete compliance was to be imposed. Many of the Clubs would not be able to meet the financial burden that full compliance would cause and would therefore cease to operate. However in most cases a lesser impost would enable most Clubs to continue without undue health and safety risks to users.

It is proposed that Council accept the current facilities on leased reserves without a Certificate of Building Compliance, on the condition that all the facilities and structures are made safe by completing all of the works as identified by the Shire in the Implementation Plan. Accepting facilities without a Certificate of Building Compliance could potentially expose the Shire to litigation, in the event an incident or accident transpires, however, if the works identified in the Implementation Plan are carried out it is believed that the risk of any incident or accident associated with the structures would be low. A copy of the Implementation Plan is attached to this report.

Background

Policy REC05 Community Lease and Licence Agreements of Shire Assets (Facilities, Buildings and Land) and its supporting documents were reviewed and endorsed in the December 2014 Council meeting. The approved documents require that assets (facilities, structures and surrounds within a Lease boundary) constructed by community groups comply with the relevant safety and legislative requirements.

Inspections were undertaken by Shire Officers on community leased reserves to ascertain various safety, compliance and legislative concerns in line with Policy REC05. The inspections identified numerous unauthorised and non-compliant structures (such as ablutions, kitchens, stables and bars) and unauthorised land developments. To address the latent safety and legislative compliance issues on Shire community leased reserves a report was presented at the January 2015 Ordinary Meeting of Council meeting to outline the first stages of how these non-compliance matters could be suitably corrected by the Clubs over time, using the Shire’s risk assessment protocols as the principal guiding influence.

The primary reason for the inspections of the lease reserves and the report was to ensure the Shire is maintaining its good community governance responsibilities. If facilities located on leased reserves and constructed without planning and building approval, continue to be knowingly permitted with the Shire’s knowledge and an injury, illness or death occurs, the Shire of Ashburton may be found negligent and suffer legal repercussions, but also, it is important to protect the Lessees (community groups) and the members/public users of the areas in question.

Council resolution of 28 January 2015 sought a further report outlining a comprehensive Implementation Plan to address the noncompliance issues that the community groups would need to comply with in regards to the relevant legislation, and proposed solutions, timelines and estimated costs to rectify these safety and non-compliance matters. The

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Implementation Plan proposed was to address the various safety, compliance and legislative issues in respect to the *Planning and Development Act 2005*, the *Building Act 2011*, the *Food Act 2008*, the *Health Act 1911* and Shire of Ashburton Local Laws.

To comply with these Acts, the Lease Agreements and Policy REC05, the Lessee's (community groups) would need to obtain retrospective planning and building approval for unauthorised infrastructure and land developments or demolish and remove the structures from their Club's leased reserve. Given the age and nature of the buildings it is unlikely that many of the buildings would receive retrospective building approval without major renovations which would include disability access provisions.

Comment

A large proportion of the structures inspected on Club leased reserves require extensive works to obtain a Certificate of Building Compliance in order to attain retrospective building approval. Many of the Clubs would not be able to meet the financial burden that full compliance would cause and to insist that community groups obtain full compliance could potentially result in the Clubs "closing their doors" and ceasing to operate.

To reduce the financial and social impact and to provide an alternative option for Clubs to retain their infrastructure and continue operating with the current facilities, it is proposed that Council agrees to allow existing infrastructure to remain on site and in use without a Certificate of Building Compliance, subject to the community groups 'making safe' all of the infrastructure on the sites. "Making safe" would refer to the structural integrity of all structures, electrical compliance and health necessities as identified for each Club in the Implementation Plan. The Plan provides amongst other things for retrospective planning approval as well as a structural, electrical and health assessment of all structures, suggestions as to solutions to matters identified, a schedule of estimated compliance costs and a prioritisation of works to be completed based on risk assessment protocols (including the risk to the Shire, Clubs, and members/general public).

ATTACHMENT 12.1

The Implementation Plan requires that community group lessees seek retrospective planning approval for the existing development on the sites. This requirement serves to provide compliance with the *Planning and Development Act 2005* and provides a starting point from which to assess any subsequent applications by Clubs for new development on the Club lots/reserves. It is acknowledged that there will be limited or no floor plans or elevations available for many of the structures given most have not been constructed in accordance with the Planning or Building requirements and their age, and as such it is recommended that photographs of the structures be deemed acceptable, when considered in reference to the site plans that have already been commissioned by the Shire. It is recommended that all Clubs be required to submit an application for retrospective planning approval within six months of the Council resolution.

The Implementation Plan also provides specific detail in regards to works required to ensure the buildings are safe and comply with minimum Health Act requirements. The Plan will assist with delivering responses on potential funding applications received for assistance to remedy the non-conforming areas, deliver valuable data to assist Council in assessing and allocating grant funds and identifies specific areas of the Club's facilities which the Shire deems unsafe and requiring rectification.

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Whilst most structures can be 'made safe' some have been deemed too hazardous and beyond rectification. In these circumstances where the Shire has considered the use of a particular structure unsafe, it is proposed that the Clubs be directed to discontinue using the structure until major works have been undertaken or remove the structure from the site. In these situations Clubs will be without those structures until such time that they are able to source finances to either renovate or replace them.

Notwithstanding the risks of non-compliant facilities to the Shire and to the Clubs, discussions with a number of club representatives have identified that some are unable to correct the safety and health matters identified in the Implementation Plan in the short term, due to the large amount of work and finances required. The Plan provides a suitable time line for Club's to obtain funding to address the matters highlighted. Clubs will be provided with varying time lines to complete the works identified. These timelines have been suggested to ensure that the Clubs and the Shire do not continue to utilise and approve the utilisation of the facilities in the long-term knowing that a potential accident or incident could occur. The health and safety risks have been considered whilst determining the rectification timelines.

Failure to comply with the requirements in the Plan will be a breach of the conditions of the Club lease agreements and could potentially be the cause of lease agreements being terminated. Terminating lease agreements is the last resort, however to protect users of the facilities from injury and the Shire and the Clubs from potential litigation should building works not be undertaken, lease termination may be required. Terminating a lease would mean that the Club would be forced to vacate the site until such time that the site is made safe and a new lease agreement established.

The Implementation Plan is programmed over several years. Even though some risk will be evident during this time, if the priority upgrade program is endorsed, this will provide the Shire with a defensible risk mitigation strategy, whilst also providing community groups with the time to seek out Shire funding, general fundraising, and other external funding opportunities (e.g. Sport and Recreation, Royalties for Regions, and Lotteries WA) so that the necessary structural, electrical and health works can be undertaken. It will be important for Council to allocate sufficient resources through its budget process to provide a reasonable and meaningful incentive contribution for these unsafe/non-compliance matters to be addressed by the respective community groups, as this will ensure those groups will have every opportunity to address these matters.

Whilst the Implementation Plan will address the requirement for retrospective planning approvals, "unsafe" structural matters, minimum Health Act and Food Act requirements, and noncompliance in respect to electrical certification, the Plan will not provide that these assets owned by the community groups need immediately comply with every aspect of the Building and Disabilities Acts.

It is proposed that Council accepts the "current status" knowing that the structures and facilities do not have the requisite planning, building or health approvals, subject to the Clubs complying to the proposed Implementation Plan and that any future developments require planning and building approval prior to construction. If Council accepts the current status of the existing structures and facilities, on the basis that the works identified are to be carried out in accordance with the proposed Implementation Plan, Council needs to be aware that it is taking a risk if something, even if unlikely, does happen.

Without the buildings being certified, and the Shire knowingly approves the buildings to remain on site and in use, the Shire could potentially be negligent in the event of an incident or accident if the incident or accident was in fact caused by an unsafe structure. If however,

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work has been done to make structures safe it can be argued that the Shire has mitigated any failure of its duty of care even if the appropriate approvals have not been issued. If Council is prepared to support the Clubs by virtue of not requiring retrospective building approval, it must also acknowledge the potential reputational risks associated with contravening State legislation (*Building Act 2011*).

The Implementation Plan has been developed to allow community facilities which would not under normal circumstance receive retrospective building approval to remain in use. Whilst there are still costs and in some circumstances substantial outlays to continue to utilise the facilities, the Plan provides for Clubs to continue to operate without the formal planning and retrospective building approvals being in place.

Various options to address the compliance matters have been explored as detailed below. The Implementation Plan suggests to progress with Option 2 funded by various funding bodies, the Shire and the Clubs.

Options to Address Infrastructure Works Required	Advantages	Disadvantages
Option 1 - Certificate of Building Compliance Required	Every building complies with the <i>Planning and Development Act 2005</i> , the <i>Building Act 2011</i> , the <i>Food Act 2008</i> , the <i>Health Act 1911</i> and Shire of Ashburton Local Laws, protecting the Shire, the Clubs, Club members and patrons from potential litigation.	Buildings require extensive works to obtain a Certificate of Building Compliance, therefore Club infrastructure would be deemed unusable until compliance achieved leaving Clubs without essential infrastructure to operate events.
		Clubs disband as unable to finance the works required
	Greatly reduces the potential of the Shire or Club being found negligent should an accident or incident occur as all infrastructure would comply with the relevant Acts.	Disbandment of Clubs leave the community/town without valued sport and recreation activities such as bmx, rodeos, speedway, motorcross, golf, horse & pony events, campdrafts and shoot outs.
		Works to complete Building Compliance will take an extensive length of time to complete due to the level of works required.
Shire obtains a comprehensive	Severe criticism towards the Shire as will be deemed unreasonable.	
	Sourcing funds required to undertake compliance works will take several months to years to obtain meaning Clubs will be without infrastructure until such a time that the Club has source suitable funds to undertake works.	
	Clubs will not be able to source	

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	list of building plans for facilities on leased reserves.	funds in the given timeframe to meet compliance resulting in lease terminations.
Option 2 - Certificate of Building Compliance Not Required	Allows Clubs to keep their current buildings without Building Certification.	Buildings do not comply with the <i>Planning and Development Act 2005</i> , the <i>Building Act 2011</i> , the <i>Food Act 2008</i> , the <i>Health Act 1911</i> and Shire of Ashburton Local Laws; placing the Shire and the Clubs at risk of litigation should an incident or accident occur as a direct result of not obtaining a Certificate of Building Compliance.
	Reduces the amount of work required on the infrastructure thus reducing the time required to meet work completion deadlines.	Shire does not have building plans for infrastructure on community leased reserves.
	Reduces the financial costs of obtaining safe buildings thus providing options for Clubs to remain in operation.	Works to “make safe”, adhere to electrical safety and minimum Health Act requirements may still take longer than desirable to complete.
	Reduced disapproval towards the Shire (whether appropriate or not) as leniency provided to allow Club's to retain their infrastructure that can be made safe.	Some Clubs may still not have the money to undertake works as their infrastructure was deemed unsafe beyond rectification and requires complete replacement.
Options to Fund Infrastructure Works	Advantages	Disadvantages
100% funded by <i>Club</i>	No financial outlays to the Shire of Ashburton.	Clubs unable to finance.
	Option for Clubs to demonstrate they can be sustainable without assistance.	Shire would receive significant community disapproval for not financially assisting Clubs with works as the Shire has not managed the reserves well in the past (which may have served to minimise non-compliance) but is requesting works be undertaken.
100% funded by <i>Shire of Ashburton</i>	Works have a better chance of being completed within the given time frame.	Shire potentially does not have the finances to fund all projects.
	Certainty of works being completed greatly reduces the risk of an incident of accident.	No Club ownership or responsibility of assets.
	Shire support to Clubs seen as a great assistance, making for happy Clubs.	Shire could potentially gain more assets in which to maintain.
100 % funded by other funding bodies such as <i>Royalties for</i>	No capital outlay for Shire of Ashburton.	Unlikely that funding bodies will contribute to works without financial input from Clubs.

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<i>Regions, Lotteries West, Rio Tinto</i>	No capital outlay for Clubs.	Club to commit valuable time in writing and submitting funding applications, with some Clubs not having the skills to write grant applications.
	Clubs would learn new skills in regards to writing funding applications.	Obtaining funding from other funding bodies can take months or years to acquire, thus increasing the time in which works to infrastructure would be completed.
Costs shared between <i>Club, Shire of Ashburton & Other Funding Bodies</i>	Costs of works shared between various stake holders.	Increased level of work for Clubs to liaise with several different funding bodies.
	Higher chance of Clubs obtaining full funding to complete works.	Other funding bodies have particular guidelines which stipulate when money can be allocated to the project which may conflict with timelines set out in the Implementation Plan.
	Clubs take on ownership for their areas of responsibility.	

Consultation

Chief Executive Officer
 Executive Manager - Development & Regulatory Services
 Executive Manager - Community Development
 Executive Manager - Infrastructure Services
 General Manager
 Principal Town Planner
 Facilities Manager
 Manager Environmental Health and Ranger Services
 Principal Environmental Health Officer
 Compliance Officer
 Temporary Project Officer
 Local Government Insurance Services
 Force Power Pty Ltd
 ERA Contractors
 Tom Price Sporting Shooters Association Incorporated – Bob Walshaw
 Onslow Motorcross & Enduro Club Incorporated – Justin Casey
 Tom Price Camp Draft Association Incorporated – Doug Diver
 Mountain View Sporting Club Incorporated – Rikki Sturzaker
 Tom Price Horse & Pony Club Incorporated – Leon Brislane
 Onslow Rodeo Association Incorporated – Shane Stratford
 Crushers Sporting Club Incorporated – Eric King
 Tom Price Motorcycle Club – Ross Chadwick
 Tom Price Speedway – Tanya Manfield
 Tom Price BMX Club – Phillip Kerrison
 Impala Kart Club – Dwayne Gordon

Statutory Environment

Food Act 2008
 Health Act 2011
 Building Act 2011
 Food Regulations 2009
 Building Regulations 2012

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Disability Services Act 1993
 Environmental Protection Act 1987
 Planning and Development Act 2005
 Health (Public Buildings) Regulations 1992
 Australian New Zealand Food Standards Code
 Shire of Ashburton Town Planning Scheme No. 7
 Local Government (Miscellaneous Provisions) Act 1960
 Health (Treatment of Sewage and Disposal of Effluent and Liquid Waste) Regulations 1974

Financial Implications

It is suggested that Council allocate sufficient resources through its annual budget process to provide a reasonable and meaningful incentive contribution for building safety, electrical works, retrospective Planning approvals and the minimum Health Act requirements to be addressed by the Clubs. The grant funding provision will highlight Council's commitment to assisting Clubs maintain safe and compliant public places and ensure community groups have every reasonable opportunity to address any unsafe activities, thus protecting their own Club and its members, but also their visitors and guests to Club events.

The figures below provide Council with an indication of the costs involved should Council consider including a budget allocation to assist Clubs with their compliance matters to an acceptable risk level but not to the level required to achieve a Certificate of Building Compliance. It is expected that Clubs will also seek additional support from other funding bodies to assist them in addressing compliance issues. A preliminary estimated cost to obtain retrospective planning approval, achieve safe, structural buildings and meet electrical and minimal health compliance is thought to be in the order of:

Club Name	Planning Application \$	Structural Works \$	Electrical Compliance \$	Health Compliance \$	Total \$
Tom Price Sporting Shooters Association	450	9,100	10,500	500	20,550
Onslow Motorcross & Enduro Club	450	153,800	50,000	120,000	324,250
Tom Price Horse & Pony Club	450	13,000	11,000	0	24,450
Onslow Rodeo Association (Grounds)	450	6,800	6,000	0	13,250
Onslow Rodeo Association (Stables)	450	11,500	11,000	0	22,950
Crushers Sporting Club	450	840,000	90,000	0	930,450
Tom Price Camp Draft Association	450	2,500	11,500	500	14,950

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Tom Price Motorcycle Club	450	8,250	26,000	0	34,700
Tom Price Speedway	450	202,200	26,000	0	228,650
Tom Price BMX Club	450	4,600	11,000	0	16,050
Impala Kart Club	450	600	26,000	4,000	31,050
Mountain View Sporting Club	450	1,000	6,500	0	7,950
TOTAL	5,400	\$1,253,350	\$285,500	\$125,000	\$1,669,250

The Implementation Plan will provide an avenue to reduce the overall costs by eliminating the need to obtain a Certificate of Building Compliance. Below are suggested costs only, to be used as an indication on the expenses community groups on leased reserves would likely incur should complete Building Compliance be required (as opposed to Clubs being requested to “make safe” and abide by minimum Health Act requirements only).

Requirement	Certificate of Building Compliance Required	Certificate of Building Compliance NOT Required
Planning Application	20,000	5,400
Dilapidation/Structural Integrity Report	240,000	0
Electrical Certification	500,000	285,500
Building/Structural/Facility Works	5,000,000	1,253,350
Health Related Works	500,000	125,000
Certificate of Building Compliance	10,000	0
Demolition Permit (if required)	24,000	Included in Building/Structural/Facility Works
Demolition Works (if required)	120,000	Included in Building/Structural/Facility Works
Building Application	20,000	0
Plumbers	40,000	Included in Building/Structural/Facility Works
Application to Construct or Install an Apparatus for the Treatment of Sewage	2,000	0
Inspection by Environmental Health Officer	Officer time	Officer time
Inspection by Community Development & Development and Regulatory Services Team	Officer time	Officer time
TOTAL	\$6,476,000	\$1,669,250
Difference (Financial Benefit)	\$4,806,750	

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The 2015/16 annual financial budget account 111223 "Donation to Community Groups – Compliance" includes \$160,000 to assist Club's address lease compliance matters. \$300,000 was initially requested however due to the Shire's current financial capacity this figure was reduced to \$160,000. The original budget figure of \$300,000 was requested to fund unfinished 2014/15 waste removal works, as well as infrastructure works identified in the Implementation Plan to be commenced throughout 2015/16.

Due to waste removal on leased reserves occurring at the same time as the 2014/15 End of Financial Year and a number of Clubs requiring more time to address waste disposal the already approved in-kind donations and waste works will not be completed and costs wont all be applied to account 111223 until the end of September 2015 (or thereabouts). Taking such costs into considerations leaves \$79,188.12 to be allocated to lease works funded by the Shire and Club donations for the 2015/16 financial year. The remaining funds are required to cover further waste removal grant applications, planning applications, electrical audits and grant applications to assist with infrastructure work for the twelve Clubs leasing a Shire reserve.

A number of Clubs have additional waste matters to address not included in the 2014/15 Community Lease Funding round. Some Clubs also did not apply for waste funding and are yet to address their areas of responsibility in regards to waste removal. It is expected that these Clubs to avoid repercussions from not attending to the matter will apply for waste removal funding this financial year and address the matter as soon as they can. With the Implementation Plan roll out, Clubs will also have Planning applications and infrastructure and electrical works to complete throughout 2015/16 with some works expected to be a couple to several thousand dollars to undertake as suggested in the table above.

It is proposed that the Shire assist the Clubs with completing the Planning Applications, providing an in-kind donation by waiving application fees, to be funded from account 111223 and estimated at \$5,400. In doing this the Shire will show its commitment to assisting Clubs with lease compliance.

It is also suggested that the Shire organise electrical audit inspections on leased reserves to ascertain electrical works required for Clubs to obtain an Electrical Safety Certificate, to be funded from account 111223 and estimated at \$12,000. In doing this a consistent approach will be applied and consistent standards across the Shire will be achieved.

It is suggested that Council endeavor to allocate funds for the demolition and disposal of Crushers Sporting Club (\$80,000). This project could be added to the "Priority Capex Items in the original Draft 2015/16 Budget ("Appendix A") where other projects that were unfunded as part of the 2015/16 Budget are listed. The Club is existent with one member whom is the only current member, who has an aspiration to resurrect the premises and the Club. Whilst this is admirable, given the Committee is non-existent and the buildings are in a state of dilapidation (have been unoccupied and unutilised for 5 years), it is suggested that the structures on this site be demolished and the Club be provided with 12 months to establish a committee and apply for funding to replace the demolished buildings. Should the Club be unable to reestablish a committee and show evidence of funding submissions to reconstruct the facility, it is suggested that the option to lease the reserve be revoked.

Estimated expenses already allocated and envisaged expenses to account 111223 – "Donation to Community Groups – Compliance" with a current budget amount of \$160,000 as follows:

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Works Already Allocated to the 2015/16 Annual Financial Year Budget	Expense/Costs \$
2015/16 Budget	160,000.00
Onslow Rodeo Association (in-kind truck tyre disposal)	-19,065.50
Tom Price Speedway (in-kind tyre disposal)	-124.00
Tom Price Speedway (in-kind – 10m3 of waste)	-634.00
Tom Price Speedway (in-kind general waste disposal)	-5,334.00
Tom Price Sporting Shooters Association (in-kind tyre disposal)	-600.00
Tom Price Sporting Shooters Association (in-kind general waste disposal)	-2,550.00
Tom Price Horse & Pony Club (in-kind general waste disposal)	-1,066.44
Tom Price BMX (arsenic tower pole disposal)	-22,034.18
Tom Price BMX (in-kind disposal of 476 tyres)	-5,530.00
Tom Price Motorcycle Club (in-kind disposal of general waste and tyres)	-3,650.00
Tom Price Campdraft Association (in-kind general waste disposal)	-10,200.00
Tom Price Campdraft Water Removal (waste from pre normalisation)	-10,000.00
Funds Remaining	79,188.12
Additional Budget Allocations for the 2015/16 Annual Financial Year Budget	
In-kind Electrical Audit Inspections	-12,000.00
In-Kind Planning Application Fees	-5,400.00
Compliance Donations (2 rounds available to Clubs in 2015/16) – assistance towards further waste removal for those Club’s which did not apply for the last round in 2014/15 and for those Club’s which have additional waste to remove plus assistance towards infrastructure works as indicated in the Implementation Plan.	-61,788.12
Funds Remaining 2015/16 EOFY	0.00

It is suggested that Council endeavor to allocate grant funds (\$200,000 per year if possible) within the 2016/17, 2017/18, 2018/19 and 2019/20 annual financial budgets to accommodate the proposal for grants to be considered to assist Clubs to undertake structural works, obtain an Electrical Safety Certificate and address the minimum Planning and Health Act requirements to their respective areas of responsibility.

Strategic Implications

Shire of Ashburton 10 Year Community Strategic Plan 2012-2022

Goal 01 – Vibrant and Active Communities

Objective 02 – Active People, Clubs and Associations

Shire of Ashburton 10 Year Community Strategic Plan 2012-2022

Goal 04 – Distinctive and Well Serviced Places

Objective 03 – Well Planned Towns

Risk Management

The opinion received from Local Government Insurance Services (below) suggested that the Implementation Plan proposes that the Shire takes on a level of risk, in that whilst numerous community leasehold facilities will be required to be ‘made safe’, they will not be certified or have all the correct documentation in place (e.g. building approvals). In these circumstances if the Shire of Ashburton allows the buildings to stay (but made safe) without building approval, the Shire may still be negligent if an incident or accident occurs. Negligence would depend on the circumstances of the incident and whether it can be ascertained that the Shire owed a duty of care to the injured person, by taking (or failing to take) any necessary action and the Shire was declared to have breached its duty of care, and that in doing this it caused some sort of damage or injury.

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“The question of whether the Shire would be negligent is not so much determined by the compliance of those buildings being made safe, in terms of whether they have the appropriate planning and building approvals in place, (although this may be some evidence that the Shire has failed in its duty of care to those accessing the Shire leased reserve), as it is by the work done to make them safe in the first place and the evidence that this has in fact been done. Any work that is done to make the relevant facilities safe should therefore be accurately recorded so that the Shire has adequate records of the actions taken”.

If these non-compliant structures have been constructed, without the Shire’s knowledge at the time, but now form an important community benefit, it may be somewhat disproportionate to deprive long term users of use or to have them demolished. This is somewhat of a “balancing act” for the Shire in that it does not want to have the structures removed or reconstructed whilst the appropriate or retrospective approvals are put in place, as this would obviously deprive the users of the infrastructure from using the facility for some period of time. Ultimately this is a decision for Council to weigh-up, taking into account all the risks and benefits to the community.

Adoption of this item has been evaluated against the Shire of Ashburton’s Risk Management Policy CORP5 Risk Matrix. The perceived level of risk is considered to be “High Risk: Senior Management attention needed.” If death or disability was the result of an unsafe structure, which had been allowed to remain without appropriate safety interventions being in place, the consequences of not requiring a Certificate of Building Compliance for Club facilities/buildings would be extreme and the financial implications would be high. Additionally it would be likely the Shire would suffer significant public criticism. Whilst the consequences of death or disability are extreme, the likelihood of such an event occurring is considered low.

To date there has been no recorded accidents or incidents on any of the leased reserves in respect to Building Compliance, therefore it is considered unlikely that an extreme life threatening event will occur in the future given the same circumstances. As the likelihood of such an incident or accident is considered unlikely it is suggested that Clubs be permitted to retain their current infrastructure on the proviso that all of the structures be made structurally safe, an Electrical Safety Certificate is obtained and the minimum Planning and Health Act requirements are addressed as per the Implementation Plan.

The current status of unapproved structures and land developments on Shire community lease and licence premises is leaving the Shire exposed to litigation should someone become ill, be injured or is killed, as a result of an unapproved structure or facility. To reduce this risk to the Shire the Implementation Plan is linked to a five year budget allocation. Whilst the upgrades or re-establishment of facilities and removal of non-compliant buildings will not ensure each facility complies with the relevant Acts and Regulations it will improve the safety of these facilities thus providing a level of mitigation in reducing the risk of negligence to the Shire and the Clubs.

If Council is prepared to support the Clubs by virtue of not requiring retrospective building approval, it must also acknowledge the potential reputational risks associated with contravening State legislation (*Building Act 2011*).

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Policy Implications

REC05 Community Lease and Licence Agreements of Shire Assets (Facilities, Buildings and Land)

REC08 Community Donations, Grants and Funding Policy

LPP19 Unauthorised Existing Development

CORP5 Risk Management Policy

Voting Requirement

Absolute Majority Required

Council Decision

MOVED: Cr A Bloem

SECONDED: Cr L Rumble

That Council:

- 1. Approve the Implementation Plan (as per ATTACHMENT 12.1) acknowledging that Council is agreeing to allow structures and facilities to remain in use and on leased Club reserves without a Certificate of Building Compliance;**
- 2. Approve the “roll out” of the Implementation Plan with Clubs on leased reserves;**
- 3. Approve the Shire to assist with Planning Applications, waiving applications fees, allocating this expense as an in-kind donation from account 111223 and estimated at \$5,400;**
- 4. Approve the Shire to organise electrical audit inspections on leased reserves to ascertain electrical works required for Clubs to obtain an Electrical Safety Certificate from account 111223 and estimated at \$12,000;**
- 5. Add to the “Priority Capex Items in the original Draft 2015/16 Budget (“Appendix A”)” the demolition and disposal of Crushers Sporting Club structures (\$80,000); and**
- 6. Endeavour to allocate grant funds within the 2016/17, 2017/18, 2018/19 and 2019/20 annual financial budgets (an additional \$200,000 per budget) to accommodate the proposal for grants to be considered to assist Clubs to undertake structural works, electrical works and address the minimum Health Act requirements to their respective areas of responsibility.**

CARRIED BY ABSOLUTE MAJORITY 7/0

Crs White, Rumble, Dias, Wright, Thomas, Bloem and Fernandez voted for the motion.

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12.2 INCLUSION OF THE 20% DISCOUNT FOR LOCAL SWIM CLUBS INTO THE 2015/2016 SCHEDULE OF FEES & CHARGES AT THE VIC HAYTON MEMORIAL SWIMMING POOL & QUENTIN BROAD MEMORIAL SWIMMING POOL RC39857

MINUTE: 12001

FILE REFERENCE: RC39857

AUTHOR'S NAME AND POSITION: Chantelle Bryce
Facilities Manager

NAME OF APPLICANT/RESPONDENT: Not Applicable

DATE REPORT WRITTEN: 2 September 2015

DISCLOSURE OF FINANCIAL INTEREST: The author has no financial interest in the proposal.

PREVIOUS MEETING REFERENCE: Not Applicable

Summary

The Shire of Ashburton has previously offered a 20% discount to Tom Price and Paraburdoo Amateur Swimming Clubs on Pool Passes. The schedule of Fees & Charges for the 2015/2016 annual financial year has been adopted without the inclusion of this discount.

To continue Council's commitment to assist Clubs by providing affordable pool entry it is proposed that the discount on pool passes be included in the 2015/16 Schedule of Fees and Charges.

Background

The 20% discount on multi entry, monthly and season passes for members of the Tom Price Amateur Swimming Club and Paraburdoo Swimming Club were included in the 2014/15 annual fees and charges to accommodate requests by the Swim Clubs to reduce costs associated with utilising the town pools.

A review of the adopted 2015/16 Schedule of Fees and Charges by Shire Officers identified that the discount was omitted. To continue Council's commitment to assist the Swim Clubs financially it is proposed that the discount be reinstated in the 2015/16 Fees and Charges.

Comment

It is proposed that the 20% discount be applied to all Multi Entry Passes, Monthly Passes and Season Passes as indicated in the table below at both the Vic Hayton Memorial Swimming Pool and the Quentin Broad Memorial Swimming Pool for members of the swimming clubs only. For a 'family' to receive a 20% discount all members of the family must be a member of the swimming club.

ATTACHMENT 12.2

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Consultation

Executive Manager – Community Development
Finance Manager – Corporate Services
Facilities Manager
Vic Hayton Memorial Swimming Pool Manager
Quentin Broad Memorial Swimming Pool Manager

Statutory Environment

Local Government Act (1995) 6.16, 6.17 and 6.19

Financial Implications

The proposed fees and charges will have minimal impact on the 2015/16 annual financial budget as operating income for this financial year was based on the 2014/15 end of year budget which included a 20% discount on passes for swim club members.

Strategic Implications

Shire of Ashburton 10 Year Community Strategic Plan 2012-2022
Goal 1 – Active and Vibrant Communities
Objective 2 – Active People, Clubs and Associations

Risk Management

Adoption of this item has been evaluated against the Shire of Ashburton's Risk Management Policy CORP5 Risk Matrix. The perceived level of risk is considered to be "Low" risk and can be managed by routine procedures, and is unlikely to need specific application of resources.

Policy Implications

There are no policy implications on this matter.

Voting Requirement

Absolute Majority Required

Council Decision

MOVED: Cr C Fernandez

SECONDED: Cr L Thomas

That Council:

- 1. Adopts the 20% discount to all Multi Entry Passes, Monthly Passes and Season Passes at both the Vic Hayton Memorial Swimming Pool and the Quentin Broad Memorial Swimming Pool for members of the swimming clubs only as indicated ATTACHMENT 12.2;**
- 2. Amends the 2015/2016 Fees & Charges to reflect this change; and**
- 3. Advertises the amended Fees & Charges for a period of 7 days in accordance with Section 6.19 of the Local Government Act 1995.**

CARRIED BY ABSOLUTE MAJORITY 7/0

Crs White, Rumble, Dias, Wright, Thomas, Bloem and Fernandez voted for the motion.

MINUTES - ORDINARY MEETING OF COUNCIL 16 SEPTEMBER 2015

13. CORPORATE SERVICES REPORTS

13.1 RECEIPT OF FINANCIALS AND SCHEDULE OF ACCOUNTS FOR MONTH OF JULY & AUGUST 2015

MINUTE: 12002

FILE REFERENCE: FM03

AUTHOR'S NAME AND POSITION: Leah M John
Finance Manager

NAME OF APPLICANT/
RESPONDENT: Not Applicable

DATE REPORT WRITTEN: 3 September 2015

DISCLOSURE OF FINANCIAL INTEREST: The author has no financial interest in the proposal.

PREVIOUS MEETING REFERENCE: Not Applicable

Summary

In accordance with Regulation 34 of the Local Government (Financial Management) Regulations, the Shire is to prepare a monthly Statement of Financial Activity for consideration by Council.

Background

Regulation 34 of the Local Government (Financial Management) Regulations requires the Shire to prepare a monthly statement of Financial Activity for consideration by Council.

Comment

As at the date of writing the agenda, below items have yet to be finalised for 2014/15 financial yearend which have a flow on effect on the financial data for 2015/16 year;

Depreciation on fixed assets have been reported at zero value as Fair Value Reporting for Infrastructure Assets is progressing along with yearend capitalisation for new assets acquired last financial year. Administration costs and staff housing costs have not been allocated out to reporting programs till allocations for 2014/15 year is finalised.

This report presents a summary of the financial activity for the following month:

July 2015

- Statements of Financial Activity and associated statements for the Month of July 2015.

ATTACHMENT 13.1A

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August 2015

- Schedule of Accounts and Credit Cards paid under delegated authority for the Month of August 2015.

ATTACHMENT 13.1B

Consultation

Executive Manager - Corporate Service
Executive Management Team
Finance Manager
Finance Coordinator
Finance Officers
Consultant Accountant

Statutory Environment

Section 6.4 Local Government Act 1995, Part 6 – Financial Management, and regulation 34 Local Government (Financial Management) Regulation 1996.

Financial Implications

Financial implications and performance to budget are reported to Council on a monthly basis.

Strategic Implications

Shire of Ashburton 10 year Community Strategic Plan 2012-2022
Goal 5 - Inspiring Governance
Objective 4 - Exemplary Team and Work Environment

Risk Management

This item has been evaluated against the Shire of Ashburton's Risk Management Policy CORP5 Risk Matrix. The perceived level of risk is considered to be "Low" risk and can be managed by routine procedures, and is unlikely to need specific application of resources.

Policy Implications

There are no policy implications in this matter.

Voting Requirement

Simple Majority Required

Recommendation

That Council:

1. Accepts the Financial Reports for July 2015 **ATTACHMENT 13.3A**; and
2. Notes the Schedule of Accounts and Credit Cards paid in August 2015 as approved by the Chief Executive Officer in accordance with delegation DA03-1 Payments from Municipal Fund and Trust Funds as per **ATTACHMENT 13.3B**.

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Council Decision

MOVED: Cr D Wright

SECONDED: Cr A Bloem

That Council:

- 1. Accepts the Financial Reports for July 2015 ATTACHMENT 13.1A; and**
- 2. Notes the Schedule of Accounts and Credit Cards paid in August 2015 as approved by the Chief Executive Officer in accordance with delegation DA03-1 Payments from Municipal Fund and Trust Funds as per ATTACHMENT 13.1B.**

CARRIED 6/1

Crs White, Rumble, Dias, Wright, Thomas and Bloem voted for the motion.

Cr Fernandez voted against the motion.

Reason for Change of Recommendation:

Typographical error corrected – ATTACHMENT 13.3A and ATTACHMENT 13.3B to read ATTACHMENT 13.1A and ATTACHMENT 13.1B.

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13.2 BUDGET AMENDMENT / VARIATION 2015/16

MINUTE: 12003

FILE REFERENCE: FM14.15.16

AUTHOR'S NAME AND POSITION: Leah M John
Finance Manager

NAME OF APPLICANT/RESPONDENT: Not Applicable

DATE REPORT WRITTEN: 4 September 2015

DISCLOSURE OF FINANCIAL INTEREST: The author has no financial interest in the proposal.

PREVIOUS MEETING REFERENCE: Not Applicable

Summary

The 2015/2016 budget was officially adopted by Council on 19 August 2015 and throughout the year variations occur. It is the purpose of this report to bring these to the attention of Council.

Background

The 2015/2016 budget was officially adopted by Council on 19 August 2015 and throughout the year variations occur. It is the purpose of this report to bring these to the attention of Council.

It is proposed to amend the 2015/2016 budget to reflect various adjustments to the General Ledger with an overall effect to the budget as detailed below. Due to the nature of these variations, they fall outside the annual budget review.

Comment

It is recommended that the required budget variations to the Current Budget for 2015/2016 as outlined below be approved:

1. Infrastructure: Depots				
GL/Job Number	General Ledger Description	Current Budget	Variation Amount	Revised Budget
B415	Tom Price Depot Building Maintenance	\$36,000	(\$6,500)	\$29,500
B417	Onslow Depot Building Maintenance	\$13,670	\$6,500	\$20,170

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Reason:

From the LGIS OSH Audit Report, it was identified that the Onslow depot fence was in very poor condition and posed a high safety risk. This particular item was ranked as unacceptable, with the lowest compliance ranking of 3. Based on a report by former Environmental Health Officer, Aden Brocker, an internal advice breach notice was provided concerning the failed wash bay triple interceptor trap and the environmental hazard it posed. It is necessary to completely restore this facility to operating condition to avoid prosecution from the DER in the event of a spillage being detected.

This proposed budget transfer between depot building maintenance accounts is within the total program and has no net effect on the overall program budget.

2. Administration

GL/Job Number	General Ledger Description	Current Budget	Variation Amount	Revised Budget
New code	Key purchases	\$0	\$500	\$500
O010	Administration Building Tom Price	\$47,300	(\$500)	\$46,800

Reason:

A new code will be set up specifically for key purchases to make it easier to track expenditure.

Consultation

Executive Manager – Corporate Services
 Executive Manager – Community Development
 Executive Manager – Infrastructure Services
 Finance Manager
 Budget and Grants Finance Officer

Statutory Environment

The Local Government Act 1995 Part 6 Division 4 section 6.8 (1) requires the local government not to incur expenditure from its municipal fund for an additional purpose except where the expenditure –

(b) is authorised in advance by resolution*

“additional purpose” means a purpose for which no expenditure estimate is included in the local government’s annual budget.

*requires an absolute majority of Council

Financial Implications

The proposed budget amendments will not impact on the current budget position.

Strategic Implications

Shire of Ashburton 10 Year Community Strategic Plan 2012-2022
 Goal 5 - Inspiring Governance
 Objective 4 - Exemplary Team and Work Environment

Risk Management

Adoption of this item has been evaluated against the Shire of Ashburton’s Risk Management Policy CORP5 Risk Matrix. The perceived level of risk is considered to be “Low Risk: Managed by routine procedures, unlikely to need specific application of resources”.

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Policy Implications

There are no specific policy implications relative to this issue.

Voting Requirement

Absolute Majority Required

Council Decision

MOVED: Cr C Fernandez

SECONDED: Cr A Bloem

That Council approves the required budget variations to the Current Budget for 2015/2016 as outlined below:

**1. Infrastructure:
Depots**

GL/Job Number	General Ledger Description	Current Budget	Variation Amount	Revised Budget
B415	Tom Price Depot Building Maintenance	\$36,000	(\$6,500)	\$29,500
B417	Onslow Depot Building Maintenance	\$13,670	\$6,500	\$20,170

Reason:

From the LGIS OSH Audit Report, it was identified that the Onslow depot fence was in very poor condition and posed a high safety risk. This particular item was ranked as unacceptable, with the lowest compliance ranking of 3. Based on a report by former Environmental Health Officer, Aden Brocker, an internal advice breach notice was provided concerning the failed wash bay triple interceptor trap and the environmental hazard it posed. It is necessary to completely restore this facility to operating condition to avoid prosecution from the DER in the event of a spillage being detected.

This proposed budget transfer between depot building maintenance accounts is within the total program and has no net effect on the overall program budget.

2. Administration

GL/Job Number	General Ledger Description	Current Budget	Variation Amount	Revised Budget
New code	Key purchases	\$0	\$500	\$500
O010	Administration Building Tom Price	\$47,300	(\$500)	\$46,800

Reason:

A new code will be set up specifically for key purchases to make it easier to track expenditure.

CARRIED BY ABSOLUTE MAJORITY 7/0
Crs White, Rumble, Dias, Wright, Thomas, Bloem and Fernandez voted for the motion.

MINUTES - ORDINARY MEETING OF COUNCIL 16 SEPTEMBER 2015

13.3 REVIEW OF FIN12 PURCHASING AND TENDER POLICY

MINUTE: 12004

FILE REFERENCE:

GV20
AS.TE.01.13
FI.AC.04.00
FIN12

AUTHOR'S NAME AND POSITION:

Emma Heys
Procurement Manager

NAME OF APPLICANT/RESPONDENT:

Not Applicable

DATE REPORT WRITTEN:

3 September 2015

DISCLOSURE OF FINANCIAL INTEREST:

The author has no financial interest in the proposal.

PREVIOUS MEETING REFERENCE:

Agenda Item 13.1 (Minute No. 11875) – Ordinary Meeting of Council 19 November 2014
Agenda Item 12.1 (Minute No. 11605) – Ordinary Meeting of Council 21 August 2013
Agenda Item 11.5 (Minute No. 11546) - Ordinary Meeting of Council 5 June 2013
Agenda Item 17.1 (Minute No. 11533) - Ordinary Meeting of Council 8 May 2013
Agenda Item 17.1 (Minute No. 11510) - Ordinary Meeting of Council 10 April 2013
Agenda Item 17.2 (Minute No. 11472) - Ordinary Meeting of Council 13 March 2013
Agenda Item 17.2 (Minute No. 11446) - Ordinary Meeting of Council 13 February 2013

Summary

At the Ordinary Meeting of Council held on 19 November 2014 Council adopted the reviewed FIN12 Purchasing and Tender Policy which reflected recommended changes as outlined by the Governance and Policy Officer.

A combination of impending amendments to the Local Government (Functions and General) Regulations 1996, a focus on increasing the engagement of local businesses at the supplier level and feedback from staff over the last twelve months has highlighted some inflexibilities and inconsistencies within purchasing areas.

Changes to the policy are now recommended to reflect the impending amendments, provide staff a better model within which to procure on the Shires behalf and to increase opportunities for local businesses to engage with Shire on a supplier level.

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Background

FIN12 Purchasing and Tender Policy was reviewed by Council at the Ordinary Meeting of Council held on the 19 November 2014. Changes relating to the Probity Compliance Audit 2012 and feedback received from staff were recommended to Council and adopted.

However impending changes to the Local Government (Functions and General) Regulations 1996, Council's focus on increasing local business engagement at the supplier level and feedback received from staff have resulted in a further review of FIN12.

The Council has employed a dedicated Procurement Officer to drive the strategic direction of the procurement for the Shire. Including a revision of FIN12, the Procurement Officer has also developed a procurement procedure for internal distribution to assist Shire Officers to remain compliant and achieve value for money at all levels of procurement.

The Procurement Officer has developed a guide for distribution to local businesses across the Shire to drive Council's focus on increasing local business engagement at the supplier level within the Shire.

Comment

The Department of Local Government and Communities undertook a review of a range of provisions in the Function and General Regulations in 2014. In May 2015 the draft amendments were release for comment to local governments across the State. The proposed amendments are expected to be published in the Government Gazette in the coming months.

The draft amended Function and General Regulations are attached.

ATTACHMENT 13.3A

In anticipation of these amendments, FIN12 has been reviewed and a range of changes are being recommended. Of significant importance are:

- The threshold requirement to call public tenders has increased from contract value of \$100,000 to \$150,000 and covers a specified period of time, namely 3 years or less;
- A previous employee is no longer exempt from the public tender process;
- Person/s and/or Organisations registered on the Aboriginal Business Directory WA are now exempt from the public tender process (with limitations);
- Organisations registered as an Australian Disability Enterprise are now exempt from the public tender process;
- The inclusion of Panel of Preferred Supplier Tenders (with limitations);

Panel of Preferred Supplier Tenders

Advice previously received from the Department of Local Government and Communities stated that Panel type tenders were prohibited under the Act and existing Functions and General Regulations.

Feedback from the industry has indicated that the inability to call panel type tenders has disadvantaged some local governments and restricted their ability to seek value for money in their contracts.

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The Department has now amended the Functions and General Regulations to allow the use of panel type tenders, albeit with limitations. As required under the Function and General Regulations, the Shire's Procurement Policy must make provision in respect of the requirements of publically calling a panel tender. The revised FIN12 includes provision for the requirements of panel tenders.

Local Engagement

The Shire is committed to driving Council's focus to increase the engagement of local businesses when procuring goods or services. To assist in the development of opportunities for local businesses FIN12 has been amended to include provisions and guidelines for 'Local Content'.

In addition to the Shire's responsibility to act at all times in a transparent and accountable manner, the provisions for Local Content include;

- Provide information and assistance to local businesses on how to register on the Shire's eTendering and eQuotation portals (or any other approved avenue);
- Provide local businesses equal opportunity to participate under the same terms, standards and conditions and businesses outside of the Shire; noting FIN04 Buy Local – Regional Price Preference Policy also supports this focus,
- Identify, promote and support opportunities for the participation of local businesses, without compromise to safety, project risks or competitiveness.

A document has been developed for distribution to the public that guides local businesses in how to do business with the Shire. This will be distributed as part of workshops to be held with local businesses and local Chambers of Commerce in the coming months.

Purchasing Thresholds

The purchasing thresholds in FIN12 have been amended in response to feedback received from the Executive Management Team and members of staff and to accommodate the increase in the tender threshold from the impending amendments to the Function and General Regulations.

The reporting requirements have also been amended to reflect the change in purchasing thresholds. The lower end of expenditure has increase from \$1,999 to \$2,499 to streamline simple purchasing requirements and free up administration resources to focus on the strategic expenditure at the higher levels.

All "request for quotations" at the higher expenditure level of \$10,000 to \$149,999 are now required to be issued through the Shire's eQuotation portal, TenderLink. This provision also supports the Council's focus to increase local business engagement by providing the wider community more opportunities to do business with the Shire.

As the policy deals with all levels of procurement which includes the many other aspects of doing business with the Shire, and to encompass the variety of proposed changes to FIN12 as well as reflecting the true nature of procurement in the Shire, it is recommended that Council adopt the proposed changes and change the name of the policy to FIN12 Procurement Policy.

The proposed new FIN12 Procurement Policy is attached for Council consideration.

ATTACHMENT 13.3B

In Conjunction with this review FIN14 Shire of Ashburton Tender Assessment Policy was also examined and no amendments are proposed to this policy.

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Consultation

Chief Executive Officer
General Manager

Executive Manager – Development & Regulatory Services
Executive Manager – Corporate Services
Executive Manager – Strategic & Economic Development
Executive Manager – Community Development
Executive Manager – Infrastructure Services

Governance and Policy Consultant – Leanne Lind
Western Australian Local Government Association
Department of Local Government and Communities

Statutory Environment

Part 4 of the Local Government (Functions and General) Regulations 1996.

Financial Implications

Establishing a procurement framework for the Shire of Ashburton will achieve value for money and continuous improvement in the provision of services for the community.

Strategic Implications

Shire of Ashburton 10 Year Community Strategic Plan 2012-2022
Goal 2 – Enduring Partnerships
Objective 01 – Strong Local Economies
Objective 02 – Enduring Partnerships with Industry and Government

Goal 5 – Inspiring Governance
Objective 03 – Exemplary Team and Work Environment

Risk Management

This item has been evaluated against the Shire of Ashburton's Risk Management Policy CORP5 Risk Matrix. The perceived level of risk is considered to be "High". The high level of risk is being driven by the high compliance requirements. It is considered that the likelihood of a risk event occurring will be "Unlikely" but it will be managed by specific monitoring and response procedures, overseen by the Manager of Procurement.

Policy Implications

The proposed amendments to Fin 12 will achieve a high standard of probity, transparency, accountability and risk management and provide equal opportunity to local suppliers.

Voting Requirement

Simple Majority Required

Council Decision

MOVED: Cr A Bloem

SECONDED: Cr D Dias

That Council adopt the recommended changes to FIN12 Purchasing and Tendering Policy and rename it FIN12 Procurement Policy (as per ATTACHMENT 13.3B).

CARRIED 6/1

**Crs White, Rumble, Dias, Wright, Thomas and Bloem voted for the motion.
Cr Fernandez voted against the motion.**

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14. DEVELOPMENT AND REGULATORY SERVICES REPORTS

14.1 PROPOSED AMENDMENT TO THE SHIRE OF ASHBURTON TOWN PLANNING SCHEME NO. 7 TO REZONE LOT 111 TOM PRICE - PARABURDOO ROAD FROM 'RURAL' TO 'SPECIAL USE'

MINUTE: 12005

FILE REFERENCE: LP10.7.28

AUTHOR'S NAME AND POSITION: Andrew Patterson
Principal Town Planner

NAME OF APPLICANT/RESPONDENT: TPG Town Planning and Urban Design on behalf of Eastern Guruma Pty Ltd

DATE REPORT WRITTEN: 24 August 2015

DISCLOSURE OF FINANCIAL INTEREST: The author has no financial interest in the proposal.

PREVIOUS MEETING REFERENCE: Agenda Item 14.1 (Minute No.11911) – Ordinary Meeting of Council 18 February 2015

Summary

At its Ordinary Meeting on 18 February 2015, Council initiated Amendment 28 to the Shire of Ashburton Town Planning Scheme No. 7 (TPS7) to rezone Lot 111 Tom Price Paraburdoo Road from 'Rural' to 'Special Use' zone. Lot 111 on Deposited Plan 194119 is located at the corner of Tom Price – Paraburdoo Road and Karijini Drive and had previously been developed as the Royal Flying Doctor landing strip.

Lot 111 is comprised in Certificate of Land Title 3089/532 and is unallocated Crown land.

Council made this resolution in response to a request to rezone the land from TPG Town Planning and Urban Design (TPG), on behalf of Eastern Guruma Pty Ltd (Eastern Guruma) who hold a Deed of Option to develop Lot 111. This Deed permits Eastern Guruma to lease the land for:

“construction and operation of the development for a mixed use business development site, in accordance with approved site development plan.”

This Deed allows Eastern Guruma to progress planning and development of the land and will ultimately allow secure tenure, either through freehold title or Crown lease.

In accordance with relevant legislation, Amendment 28 was assessed by the Environmental Protection Authority and subsequently advertised for public comment. This report considers the submissions received and recommends that Council resolve to adopt Amendment 28 for final approval.

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Background

Lot 111 comprises 34.976 hectares and was previously used as the Royal Flying Doctor airstrip. The land has no valid planning approvals and is currently used as an informal road train assembly and camping area. Anecdotal evidence suggests the land is also used as an airstrip for radio controlled model aircraft.

Eastern Guruma intend to develop the site with a range of commercial, tourist, and accommodation facilities, exploiting the site's location at the turnoff to Karijini National Park as well as the site's natural landscape features.

When Council initiated Amendment 28, it was proposed to insert the following table into TPS7 Appendix 3:

No.	Description of Land	Special Use	Conditions
3	Lot 111 Tom Price – Paraburdoo Road, Tom Price	Bakery Commercial Laundry Exhibition, display and outdoor sales facility (nursery) Holiday Accommodation Industry – extractive (bottled water) Reception Centre (amphitheater) Restaurant Storage facility/depot/laydown area Training Centre Transient workforce accommodation Visitor centre Warehouse (food and beverage distribution) Workshop (housing maintenance and construction)	The use of the land shall generally be in accordance with a Local Government approved masterplan that addresses but not be limited to land use, urban design, carparking, landscaping and integration within the site.

The land uses listed in the 'Special Use' column relate to the proposed development of the site as described in the Development Concept Plan (**ATTACHMENT 14.1A**) and outlined in the Amendment Report.

ATTACHMENT 14.1A

Supporting this request for an amendment to TPS7, the applicant has included an indicative plan describing the development intent that includes:

- Area for retention of native vegetation with the potential for tourist accommodation;
- A visitor centre;
- Residential camping area;
- Retention of a natural amphitheater; and
- Commercial areas.

Following the Environmental Protection Authority's assessment and approval to advertise Amendment 28, the amendment was advertised by:

- Publication of a notice in the Pilbara News on the following dates:
 - 13 May 2015
 - 15 July 2015

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- Sign located on site
- Written request for submission from the following agencies:
 - Main Roads Western Australia
 - Department of Environmental Regulation
 - Department of Land
 - Department of Planning
 - Tourism WA
 - Department of Mines and Petroleum
 - Department of Water
- Documentation placed on Shire website
- Notice placed in all Shire office noticeboards
- Email notification to all elected members

In response to this advertising, the Shire has received 11 submissions that are summarised below:

Schedule of Submissions			
Author	Summary	Shire comment	Recommendation
Pilbara Inland Chamber of Commerce and Industry	Requests consideration of potential impacts of transient workforce and tourism accommodation on existing businesses in Tom Price and Paraburdoo	The proposed TWA is intended for use by workers at the site only. Commercial considerations and potential commercial competition is not a valid planning consideration.	That 'Transient Workforce Accommodation to be removed from the list of permitted uses.
Department of Environmental Regulation	No objection to amendment and note that any clearing of native vegetation requires a clearing permit	Clearing of native vegetation will be addressed through the planning approval process.	No change to the Amendment.
Department of Mines and Petroleum	No objection to the amendment and advises that any change in tenure to the land effected by the Department of Lands will require clearance under the <i>Mining Act 1978</i>	Advice noted	No change to the Amendment.
Department of Lands	No objection to amendment but advises that Transient Workforce Accommodation will not be supported where located less than 50 km from an established townsite	As the Department of Lands issues the Deed of Option and will grant any further tenure for the land, their objection to the construction of Transient Workforce Accommodation on Lot 111 effectively makes this element	Workforce Accommodation to be removed from the list of permitted uses.

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		of the proposal impossible for the developer to consider.	
Department of Water	No objection to the Amendment	No comment	No change to the Amendment.
Robert Stump	<p>Objects to amendment and makes following statements:</p> <ul style="list-style-type: none"> - Creates a mini town between Tom Price and Paraburdoo and will be economically detrimental to both towns - Development would increase servicing costs to the Shire with no corresponding rate base increase - The development should be located in Tom Price where there is adequate land - Tourism and worker accommodation is currently in oversupply 	<ul style="list-style-type: none"> - As noted above, economic factors are not considered valid planning considerations; - No analysis of any future servicing costs to the Shire is available, however limited additional costs are anticipated; - The primary purpose in selecting this location is access to high quality subterranean water source that is not available in Tom Price - As noted above, it is recommended that TWA be removed from the permissible uses for Lot 111 	Workforce Accommodation to be removed from the list of permitted uses.
Belinda Main (Mister and Sister)	Objects to the inclusion of Transient Workforce Accommodation in the permissible uses for the land.	As noted above, it is recommended that TWA be removed from the permissible uses for Lot 111	Workforce Accommodation to be removed from the list of permitted uses.
Main Roads Western Australia	<p>Objects to proposal as:</p> <ul style="list-style-type: none"> - Proposed access is located too close to intersection of Karijini Drive and Tom Price – Paraburdoo Road; - Any access needs to be located perpendicular to Paraburdoo – Tom 	The Development Concept Plan included in the Amendment Report as an indicative plan only and should not be considered a comprehensive or	No change to the Amendment.

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	<p>Price Road</p> <p>Also notes that:</p> <ul style="list-style-type: none"> - The developer will be responsible for the construction/improvement of a MRWA approved access to Paraburdoo – Tom Price Road; and - Any development is not to impact drainage on and for Karijini Drive and Paraburdoo – Tom Price Roads 	<p>definitive proposal.</p> <p>Should the land be developed in the future, the concerns raised by MRWA will be addressed in close consultation with this agency.</p>	
Tom Price Tourist Park	<p>Supports the Amendment but requests removal of ‘Holiday Accommodation’ and ‘Transient Workforce Accommodation’ from the permissible uses on the following grounds:</p> <ul style="list-style-type: none"> - Increasing number of vacant sites and houses in Tom Price; - Tom Price Tourist Park is an established facility with high level amenity; - New tourist accommodation may draw tourists away from Tom Price; - The Park has room to expand; - Park residents will make use of the town’s commercial services and facilities; - Duplication of services and facilities would adversely affect existing business in Tom Price. 	<p>As noted above, commercial considerations are not within the scope of a planning assessment.</p>	<p>No change to the Amendment based on submission.</p> <p>Workforce Accommodation to be removed from the list of permitted uses.</p>
Tourism Western Australia	<p>No objection to the Amendment and offer the following comments:</p> <ul style="list-style-type: none"> - Visitor centre and catering facility should be associated with tourist accommodation - Transient Workforce Accommodation should be strictly limited in operation and not draw business from tourist accommodation providers; 	<p>Tourism WA comments are noted and will be considered in any future application for planning approval.</p>	<p>No change to the Amendment.</p>

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The applicant was advised of the submission from the Department of Lands regarding the Department's objection to the development of Transient Workforce Accommodation on the land. In response, TPG has advised the Shire via email on 22 July 2015 that Eastern Guruma are prepared to remove the Transient Workforce Accommodation from the list of approved uses for the land. This modification is reflected in the Officer's recommendation.

Shire of Ashburton Tourism Destination Development Strategy (Adopted by Council 16 March 2011)

The Shire's tourism goals established in this strategy are to:

- Increase tourism products,
- Improve quality and value,
- Enhance infrastructure that support tourism,
- Improve visitor servicing in particular delivery of visitor information (website, information bays, brochures)
- Create new experiences that will attract visitors and encourage existing to stay longer,
- Create a positive image of aboriginal tourism in the region.

The strategy further details various goals and sets measures for the success in meeting these goals. Relevant to this proposed amendment are:

Goal - To increase the number of local visitor industry jobs.

Measure; Growth in tourism and hospitality employment within the Shire.

Goal - To increase the level of visitor industry investment within the Shire.

Measure; Growth in tourism and hospitality investment.

In addition to these goals, the Strategy makes a number of recommendations relevant to this proposal including:

Recommendation 21: for the Shire to support local tourism industry marketing initiatives and to actively cooperate and network with complementary and neighbouring tourism industry. Leaders within the local tourism industry to become actively involved in a number of tourism industry groups and associations and the Shire to be an active driver of networking amongst the various Pilbara and neighbouring region.

Recommendation 39: the Shire to investigate the development of unique visitor experiences focusing upon;

- ...

- *Indigenous culture based visitor experiences.*

-

This proposed Scheme Amendment is therefore considered to meet the Shire's stated tourism strategy by directly contributing to a number of specific goals and recommendations from the tourism strategy and has the general support from Tourism Western Australia.

Accommodation

This proposed Scheme amendment will facilitate a development concept that now only includes tourist accommodation. The rationale behind the tourist accommodation would provide an alternative location for tourists travelling through the region, particularly through Karajini National Park.

To ensure that land uses are considered in greater detail than as stated uses in the 'Special Use' column in Appendix 3, the phrase 'land use' is added to the 'Conditions' column such that it reads,

The use of the land shall generally be in accordance with a Local Government

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*approved masterplan that addresses but not be limited to **land use**, urban design, carparking, landscaping and integration within the site (**bold** text added for emphasis).*

This will ensure that, where considered necessary, land uses approved for Lot 111 are refined to a level of detail acceptable to the developer and the Local Government.

Comment

Lot 111 is a strategically located site with the potential to provide a new tourist destination that provides a link between a number of other tourist destinations and towns in addition to providing additional employment opportunities for services that are currently outsourced from the region.

It is acknowledged that there is the potential for a commercial impact on existing tourist accommodation within the Tom Price and Paraburdoo town sites, however this is not considered a planning consideration and is rather a function of the free market forces.

The proposed development meets the adopted strategic goals, and if implemented in accordance with the submitted plans and supporting report will add a valuable asset to the Shire.

As noted in the main body of the report, a further planning layer will be required to ensure development and use of the land remains in accordance with the agreed outcomes and there is an existing statutory and policy framework in place to ensure this control.

Given the prominent location on roads leading to Tom Price, Paraburdoo, and Karijini National Park the site's development will require careful consideration of its visual presence and interface with the adjoining roads. This visual amenity and the consideration of detailed land use controls need not be addressed specifically through this amendment process and are more appropriately resolved with a more detailed planning instrument such as a masterplan.

As noted in the Background section of this report, the proponent has advised, on behalf of Eastern Guruma, that Transient Workforce accommodation is no longer requested as a permissible land use, and may be removed from the amendment text.

ATTACHMENT 14.1B

Consultation

Executive Manager – Strategic & Economic Development
Manager - Environmental Health and Ranger Services
Development Control Group

Statutory Environment

Planning and Development Act 2005
Town Planning Regulations 1967
Shire of Ashburton Town Planning Scheme No. 7

Financial Implications

While one submission has raised the issue of potential costs to the Shire of Ashburton should Lot 111 be rezoned and developed generally in accordance with the concept plan, internal referrals have not identified this as a matter for comment.

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Should it become apparent that the Shire would assume a greater financial burden than would be covered by any rates or other charges applied to the land, this is more appropriately considered and assessed during a subsequent application for planning approval.

Strategic Implications

Shire of Ashburton 10 Year Community Strategic Plan 2012-2022

Goal 01 – Vibrant and Active Communities

Objective 02 – Active People, Clubs and Associations

Shire of Ashburton 10 Year Community Plan 2012-2022

Goal 04 – Distinctive and Well Serviced Places

Objective 03 – Well Planned Towns

Risk Management

Adoption of this item has been evaluated against the Shire of Ashburton's Risk Management Policy CORP5 Risk Matrix. The perceived level of risk is considered to be "Low" risk and can be managed by routine procedures, and is unlikely to need specific application of resources.

Policy Implications

Local Planning Policy 13 – Transient Workforce Accommodation

Local Planning Policy 20 – Social Impact Assessment

Voting Requirement

Simple Majority Required

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Council Decision

MOVED: Cr L Rumble

SECONDED: Cr D Wright

That Council:

1. Pursuant to Section 75 of the Planning and Development Act 2005 ('Act'), and having considered the submissions lodged during the advertising period, adopt Scheme Amendment No. 28 to the Shire of Ashburton Local Planning Scheme No. 7 ("Scheme") with modification by;
 - i. Rezoning Lot 111 Tom Price – Paraburdoo Road from 'Rural' to 'Special Use' zone;
 - ii. Inserting the following provisions into Appendix 3 to the Scheme;

No.	Description of Land	Special Use	Conditions
3	Lot 111 Tom Price – Paraburdoo Road, Tom Price	Bakery Commercial Laundry Exhibition, display and outdoor sales facility (nursery) Holiday Accommodation Industry – extractive (bottled water) Reception Centre (amphitheater) Restaurant Storage facility/depot/laydown area Training Centre Visitor centre Warehouse (food and beverage distribution) Workshop (housing maintenance and construction)	The use of the land shall generally be in accordance with a Local Government approved masterplan that addresses but not be limited to land use, urban design, carparking, landscaping and integration within the site

- iii. Amending the Scheme Maps accordingly;
2. Endorses the Schedule of Submissions relating to Amendment 28 and prepared in response to the public consultation; and
3. Authorises the Shire President and Chief Executive Officer to execute the relevant documents and affix the Common Seal of the Shire of Ashburton to such documents.

LOST 3/4

Crs White, Rumble, Wright, and voted for the motion.
Crs Dias, Bloem, Fernandez and Thomas voted against the motion.

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Reasons for refusal of Officers Recommendation:

1. The land is needed for an air strip for the Royal Flying Doctor Service;
2. The proposal will have a negative impact on businesses in Tom Price;
3. There is no appropriate access to the site;
4. The site is subject to threat from bushfire attack.

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15. INFRASTRUCTURE SERVICES REPORTS

There were no Infrastructure Services Reports for this month.

16. STRATEGIC AND ECONOMIC DEVELOPMENT REPORTS

16.1 RFT 16/15 SUPPLY AND INSTALLATION OF MODULAR BUILDINGS FOR THE OCEAN VIEW CARAVAN PARK REDEVELOPMENT, ONSLOW RC24405

MINUTE: 11997

FILE REFERENCE: RC24405 / CM16.15

AUTHOR'S NAME AND POSITION: Anika Serer
Executive Manager, Strategic and Economic Development

NAME OF APPLICANT/RESPONDENT: Not Applicable

DATE REPORT WRITTEN: 4 September 2015

DISCLOSURE OF FINANCIAL INTEREST: The author has no financial interest in the proposal.

PREVIOUS MEETING REFERENCE: Agenda Item 16.4 (Minute 11958) – Ordinary Meeting of Council 20 May 2015
Agenda Item 11.3 (Minute 11924) – Ordinary Meeting of Council 18 March 2015
Agenda Item 11.3 (Minute 11839) – Ordinary Meeting of Council 20 August 2014
Agenda Item 11.3 (Minute 11824) – Ordinary Meeting of Council 16 July 2014
Agenda Item 11.3 (Minute 11812) – Ordinary Meeting of Council 18 June 2014
Agenda Item 11.3 (Minute 11794) – Ordinary Meeting of Council 21 May 2014
Agenda Item 16.1 (Minute 11784) – Ordinary Meeting of Council 16 April 2014
Agenda Item 16.2 (Minute 11775) – Ordinary Meeting of Council 19 March 2014
Agenda Item 13.5 (Minute 11664) – Ordinary Meeting of Council 16 October 2013
Agenda Item 18.3 (Minute 11297) – Ordinary Meeting of Council 19 September 2012
Agenda Item 17.3 (Minute 11267) – Ordinary Meeting of Council 15 August 2012

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Summary

A Request for Tender for the Supply and Installation of Modular Buildings for the Ocean View Caravan Park Redevelopment, Onslow (RFT 16/15) was advertised from 25 July 2015 until 18 August 2015. Four compliant, and one non-compliant, submissions were received in response to the RFT. The evaluation panel has now completed its assessment of the submissions, and recommends award of Murray River North Pty Ltd.

Background

Ocean View Caravan Park is located on a Crown Reserve vested in the Shire of Ashburton for its care, control and management. The property is more properly described as Lot 3001 on Plan 48469, Reserve 24405, Onslow.

In September 2012 the Shire of Ashburton resumed full control and management of the Ocean View Caravan Park following the expiration of the previous lease between the Council and the former operator.

Following the Council assuming management responsibility, it was concluded that the caravan park required substantial works in order to meet statutory obligations and compliance requirements for caravan parks, to provide both a higher quality of accommodation options and a variety of accommodation options to better meet the needs of a diverse range of caravan park users as well as to upgrade essential services and facilities that have been unable to meet peak load demands.

A committee was formed by Councillors White, Fernandez, Eyre and Thomas to undertake the responsibilities outlined in Council's resolution. Investigation into the availability of funding from Royalties for Regions Infrastructure Fund found that local government operated parks were not eligible, which was reported to Council at the Ordinary Meeting held on 18 June 2014.

On 4 September 2014 a workshop was conducted for the project management consultant, Committee members, utility providers, relevant officers and the caravan park managers to review the condition of the existing park, consider the outcomes of previous consultations with park residents, statutory requirements, and prepare the brief for a revised master plan, including the managers residence, which considers staging the required works.

MI Engineers were engaged in January 2015 through a public tender process, to undertake the design and staging of the Master Plan based on the brief produced by the workshop. The concept Master Plan, staging and estimated project cost were endorsed by Council at the Ordinary Meeting held on 20 May 2015.

ATTACHMENT 16.1A ATTACHMENT 16.1B

Upon completion of the detailed design, Anika Serer and Steve Moran from HQ Management developed a procurement plan to deliver the first stage of the park redevelopment which includes a two stage tender process being:

- 1) Procure a modular building supplier to manufacture, transport, place and install the modular buildings; and
- 2) Procure a civil works contractor to undertake the site preparation, demolition, electrical and civil works for the site.

These works will complete Stage 1 of the redevelopment, focusing on the western end of the park.

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Once the civil works contractor is approved and contracted, the modular building supplier will be novated across to the care of the civil works contractor to ensure the works are adequately coordinated and the responsibility for all the works rest with a single contractor. This approach avoids any delay of the commencement of the manufacture of the modular buildings and will allow the civil works contractor to commence the site works in readiness for the supply and installation of the modular buildings.

The Request for Tender for the modular building supply and installation was advertised from 25 July 2015, and closed on 18 August 2015. Five Tender submissions were received and assessed by the Evaluation Panel with the results provided under confidential attachment.

CONFIDENTIAL ATTACHMENT 16.1

Comment

The works proposed under this Tender will complete the supply and installation of the modular buildings. The works exclude the site preparation, demolition, electrical and civil works which is currently being tendered, closing 2nd October 2015.

The Tenders were initially assessed against the compliance, qualitative and pricing criteria specified in the tender.

The proposed programme in the Tender seeks the completion of the project by Mid to Late April 2016:

STAGE 1	TENDER PROCESS	DATE
A	Issue Tender Documents	25 July 2015
B	Tender Close	18 August 2015
C	Tender approval by Council and Award to Contractor	25 September 2015
STAGE 2	DESIGN, DOCUMENTATION & APPROVALS	
A	Contractor's issue of draft design documentation for Principal's review	9 October 2015
B	Principal's review and comment on draft design documentation (2 weeks)	23 October 2015
C	Contractor's issue of Final design and documentation for Principal's review	6 November 2015
D	Principal's review and comment on final design documentation (1 week)	13 November 2015
E	Final design and documentation sign-off by Principal (1 week)	20 November 2015
F	Shop Drawings Complete	27 November 2015
G	Shop Drawing Certification	8 December 2015
H	Building Licence Application	30 November 2015
I	Anticipated Building Licence Approvals	18 December 2015
J	Contractor to commence procurement, mobilisation to site	01 December 2015
STAGE 3	MANUFACTURE	
A	Commence Manufacture	Late November 2015
B	Manufacturing Complete	Early – Mid March 2016
STAGE 4	SITE CONSTRUCTION COMMENCEMENT	Early – Mid March 2016
STAGE 5	COMPLETION & HANDOVER	Mid to Late April 2016
STAGE 6	DEFECT LIABILITY PERIOD	Mid to Late April 2017

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Murray River North's submission is compliant with the Specification contained in the RFT, within the allocated budget for the project, and the organisation has demonstrated strong experience in projects of a similar nature. The organisation was also the only Tenderer that provided building designs that were shown to be suited for the masterplan through the provision of a siting plan. For example, McGrath Modular and CSS offered cabin designs that would not actually fit on the designated cabin sites.

ATTACHMENT 16.1C

The proposed construction programme identifies completion in early April 2016, however this was predicated on the Tender being awarded no later than 31st August 2015 which allows no time for Council approval. It is therefore expected that the completion date will be later in the month.

Consultation

Councillor White
Chief Executive Officer
Executive Manager Development and Regulatory Services
Principal Town Planner
HQ Management
MI Engineers
Horizon Power
Water Corporation
Managers, Ocean View Caravan Park

Statutory Environment

The Ocean View Caravan Park is subject to the provisions of the Caravan and Camping Grounds Act 1995 and the Caravan and Camping Ground Regulations 1997. The detailed design produced by MI Engineers and building concept designs comply with these requirements.

Financial Implications

The proposed Master Plan for the redevelopment of the Ocean View Caravan Park will require approximately \$4.2 m to complete Stage 1.

This tender award will only account for a \$1,521,452 portion of the approved \$4.2m leaving \$2,678,548m for the site works component, consultant fees and contingency.

Strategic Implications

Shire of Ashburton 10 Year Community Strategic Plan 2012-2022
Goal 02 – Enduring Partnerships
Objective 03 – Well Managed Tourism

Risk Management

The proposal has been evaluated against the Shire of Ashburton's Risk Management Policy CORP5 Risk Matrix. The perceived level of risk is considered to be "High" risk due to the proposed budget, current non-compliance of the facility and potential impact on third parties (inconvenience to residents and park occupants). The project will be monitored by senior management and consultants to manage this risk.

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Policy Implications

AMP1 – Asset Management Policy

FIN12 – Purchasing and Tender

FIN04 – Buy Local – Regional Price Preference Policy

These policies will be considered throughout the project.

Voting Requirement

Simple Majority Required

Council Decision

MOVED: Cr C Fernandez

SECONDED: Cr A Bloem

That Council:

1. **Accepts the Lump Sum Tender of \$1,521,452 (GST exclusive) from Murray River North for RFT 16/15 - Supply and Installation of Modular Buildings for the Ocean View Caravan Park Redevelopment, Onslow in accordance with its Tender submission;**
2. **Authorises the Chief Executive Officer to negotiate the final terms and execute the Contract documentation; and**
3. **Authorises the Chief Executive Officer to manage the Contract, including variations to the design specifications and contract value, providing this does not exceed the project budget or reduce the overall scope.**

CARRIED EN BLOC 7/0

Crs White, Rumble, Dias, Wright, Thomas, Bloem and Fernandez voted for the motion.

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16.2 PROPOSAL FROM ONSLOW MARINE SUPPORT BASE FOR THE ACQUISITION OF LOT 9500 ONSLOW ROAD, ONSLOW

MINUTE: 12006

FILE REFERENCE: ONS.0016

AUTHOR'S NAME AND POSITION: Janelle Fell
Economic and Land Development Manager

NAME OF APPLICANT/RESPONDENT: Andrew Natta
Onslow Marine Support Base Pty Ltd

DATE REPORT WRITTEN: 8 September 2015

DISCLOSURE OF FINANCIAL INTEREST: The author has no financial interest in the proposal.

PREVIOUS MEETING REFERENCE: Agenda Item 13.1 (Minute No. 11693) – Ordinary Meeting of Council 20 November 2013
Agenda Item 13.4 (Minute No. 11737) – Ordinary Meeting of Council 22 January 2014
Agenda Item 16.1 (Minute No. 11829) – Ordinary Meeting of Council 16 July 2014
Agenda Item 16.3 (Minute No. 11884) – Ordinary Meeting of Council 19 November 2014
Agenda Item 16.3 (Minute No. 11954) – Ordinary Meeting of Council 20 May 2015
Agenda Item 19.2 (Minute No. 11985) – Ordinary Meeting of Council 15 July 2015
Agenda Item 19.2 (Minute No. 11993) – Ordinary Meeting of Council 19 August 2015

Summary

A proposal for the acquisition of the Englobo Mixed Business use lot (9500) adjacent to the Onslow Airport was received from Onslow Marine Support Base Pty Ltd (OMSB) and initially considered by Council on 15 July 2015.

A revised proposal was then presented to Council on 19 August 2015 whereby Council:

1. Supported, for the purpose of progressing to public advertising (pursuant to Section 3.58 of the Local Government Act) only, the proposal by Onslow Marine Support Base Pty Ltd (as per Attachment 19.2) for the acquisition of Lot 9500 Onslow Road, Onslow; and
2. Required Onslow Marine Support Base Pty Ltd to provide prior to the conclusion of the Section 3.58 public advertising period, a detailed proposal of development/business case that provided Council with a suitable level of confidence that the land will be developed to Onslow's benefit.

Local public advertising of the proposal resulted in one submission being received generally supporting the proposal.

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Negotiations have resulted in a proposal which indicates that it will benefit the Onslow community through economic diversification and land tenure opportunities.

Council's consideration and approval of the revised proposal is sought to proceed to the next stage; contract negotiations.

Background

Lot 16 Onslow Road, Onslow, is owned freehold by the Shire of Ashburton and comprises 529.0494 hectares 2.5 kilometres south of Onslow town centre. A two lot freehold subdivision application (No. 149939) was conditionally approved by Western Australian Planning Commission in July 2014 to excise 34.35 hectares, depicted as Lot 9500 on Deposited Plan 405414. Clearances have been provided by Horizon Power, Water Corporation and the Shire of Ashburton's Planning department. Shire Officers are awaiting Section 70A Notifications from Water Corporation prior to lodging the documents for application of new Certificates of Title.

Lot 9500 is currently zoned "Public Purposes - Airport". Amendment 15 to the Shire of Ashburton Town Planning Scheme No. 7 was lodged to Western Australian Planning Commission in March 2015. This amendment will rezone the proposed subdivision to "Mixed Business", permitting a wider range of commercial, light and service industries, and storage uses.

In 2008, the State Government announced the establishment of the Ashburton North Strategic Industrial Area (ANSIA) 11 kilometres southwest of Onslow. The ANSIA comprises a Port area (Ashburton North Port) and associated 8,000 hectares of Strategic Industrial Area, potentially accommodating two LNG processing facilities, two domestic gas processing facilities and multiple downstream processing industries. The Strategic Industrial Area includes two sites for construction worker accommodation and two sites for general industry.

A direct result of the ANSIA is the continued expansion of the resources sector in the Onslow region, impacting directly on the availability of serviced industrial land for contractors and local businesses.

Industrial land development in Onslow was identified as one of the four key priorities for economic strength and development in the Shire of Ashburton's Living Life – Making it Happen – 2013 – 2017 Corporate Business Plan. Service contracts and subsidiary works underpinning the ANSIA have further stimulated commercial growth, strengthening the local economy, however industrial land shortages has resulted in subletting and co-location of businesses in the Beadon Creek Industrial Area.

Investigations were undertaken into facilitating the development and disposal of surplus freehold owned land by the Shire of Ashburton to meet demand for serviced industrial land to foster economic growth of the region. Consequently, Council was presented with a concept design for the proposed excision and 80 lot subdivision of Lot 16 Onslow Road, Onslow, at the October 2012 Ordinary Meeting of Council. Council supported the subdivision application to Western Australian Planning Commission, with approval granted in April 2015, along with requesting the Chief Executive Officer to prepare a Business Plan outlining the development costs, profit and method of disposal for Council's review and possible endorsement.

Council was presented with three development options as outlined in a Feasibility Report from Colliers International and draft Business Plan: sell "as is"; development and sale by the Shire; or, development and sale in partnership with an experienced developer. Public comment was sought on the preferred options for the proposed development with eight

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submissions received, all supporting development and sale by the Shire of Ashburton.

Following a Council workshop, the preferred option endorsed at the January 2014 Ordinary Meeting of Council was to sell through the tender process the excised portion "as is" with appropriate sale conditions, including the prompt development and provision of utilities and services, as this option carried the least risk to the Shire.

A subsequent Major Land Transaction Plan was advertised in April 2014 to satisfy s3.59 of the *Local Government Act 1995* proposing the disposal of portion of Lot 16, with no submissions received. The Request for Tender for Sale of Land and associated Contract of Sale for the disposal of portion of Lot 16, Onslow Road, Onslow, was endorsed at the Ordinary Meeting of Council on 16 July 2014, and advertised for a six week period, closing 22 October 2014. One submission was received, however was assessed as non-compliant. Council requested the Chief Executive Officer enter into discussions with LandCorp, seeking assistance with the development and release of the Mixed Business lots endeavoring to secure a suitable development model.

The Shire of Ashburton and LandCorp executed a Memorandum of Understanding in January 2015 to investigate the most feasible method of developing a Mixed Business development of the lot. LandCorp reviewed available information and determined further investigation was required to identify a financially viable alternative. At the May 2015 Ordinary Meeting of Council, Council supported additional investigations by LandCorp, along with investigations and applications for funding opportunities. To meet the immediate demand for industrial land, leasing of unserviced lots was recommended while preserving surrounding land for future development.

In June 2015 representatives from Onslow Marine Support Base met with Shire Officers where they expressed an interest in acquiring the full site to be excised, Lot 9500, for support of the Front Edge Facility at Beadon Creek. The development concept proposed on 1 July 2015 pledged to redesign the Shire of Ashburton WAPC subdivision plan to match user demand, establishing a business and employment precinct. This 'Commercial in Confidence' acquisition proposal was presented to at the 15 July 2015 Ordinary Meeting of Council whereby the proposal was declined in order to negotiate a more appropriate offer.

Further negotiations resulted in a proposal which offers further potential benefit to the Onslow community, as follows:

LAND PURCHASE REVISED PROPOSAL - 7 AUGUST 2015

OMSB's purchase proposal is set out below.

	KEY TERMS
Seller:	<i>Shire of Ashburton</i>
Buyer:	<i>Special Purpose Venture to be established by the Buyer, notionally OMSB Land Pty Ltd or other.</i>
Parties:	<i>Collectively the Seller and the Buyer.</i>
Land:	<i>Lot 9500 on Deposited Plan 405414, being a portion of Lot 16 on 161140 Onslow Road, Onslow, WA.</i>
Price:	<i>\$4.00/sqm of final gross undeveloped land area acquired. The Price excludes GST, which will be paid by the Buyer if applicable.</i>

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The definition of gross undeveloped land area is the total land area less the road and road reserve area already constructed and developed to service the Airport facility, referred to as the Airport Road. An easement will be created over this land to the benefit of the Shire and therefore the land is to be excluded from the Price.

For example OMSB's estimated gross Land areas based on the following calculation;

<i>Gross area of Lot 9500 =</i>	<i>343,500sqm</i>
<i>Airport Road easement area = (approximately)</i>	<i>23,500sqm</i>
<i>Gross undeveloped land area = (approximately)</i>	<i>320,000sqm</i>

*Under this above calculation the Price would be determined as:
\$4.00 x 320,000 = \$1,280,000 excluding GST.*

Deposit: *10% payable on execution of the Contract. Deposit is refundable in the event the Special Conditions are not satisfied.*

Settlement: *30 days following satisfaction of the Issue of Title Condition.*

Finance: *This proposal is not subject to finance.*

Contract: *Form of contract to be mutually agreed between the parties using reasonable endeavours to complete the Contract negotiations during the Due Diligence period or as soon as reasonably possible thereafter.*

Development Commencement: *The Buyer will use best endeavours to substantially commence the development of the Land within 12 months of the date of Settlement.*

Substantial commencement to be defined as the commencement of earthworks on portion of the Land to prepare the Land for development.

SPECIAL CONDITIONS

Due Diligence: *The Seller providing the Buyer with an exclusive 90 day period in which to undertake its due diligence investigations.*

The Buyer must notify the Seller in writing before the expiry of the Due Diligence period that it has satisfied its investigations, otherwise the Due Diligence will automatically be deemed not satisfied upon expiry of the due diligence period.

In the event the Buyer provides written notice of satisfaction of the Due Diligence period, then the due diligence will extend until such a time as reasonably required for the Contract to be finalised and executed by the Parties.

Zoning: *The Seller formally procures the rezoning of the Land to "Mixed Business".*

Subdivision Plan: *The Seller achieving and / or confirming that all necessary consents to the Subdivision Plan set out in Application 149939 have been procured.*

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Subdivision Consent: *Formal WAPC approval being granted for the Subdivision Plan with conditions that are acceptable to the Buyer acting reasonably.*

Issue of Title: *Issue of the Lot 9500 Certificate of Title, as required, to give effect to the Land and in accordance with the Subdivision Plan with caveats and easements acceptable to the Buyer acting reasonably.*

Easement: *The easement providing a right of carriageway being created over the portion of the Land referred to as the Airport Road, which provides access and services to the Airport facility. The extent of the easement area to be surveyed and mutually agreed by the Parties acting reasonably.*

The easement is to include a provision for sharing of the cost to repair and maintain the roadway between the parties who have the benefit of the easement (Shire) and the burden of the easement (Buyer).

Land to be Unencumbered: *The Land being provided at Settlement to the Buyer is to be unencumbered except for easements, caveats, liens, licenses or leases that the Seller has informed the Buyer of, and that the Buyer has consented to, during the Due Diligence period.*

Development Application and Approval: *The Buyer obtaining formal consent, with conditions acceptable to the Buyer at its reasonable discretion, to a development application the Buyer prepares for the development of the Land into multiple leasehold allotments.*

In addition the Buyer will be afforded absolute discretion in relation to acceptance of any development conditions relating specifically to any conditions that relate to the provision of power, water, sewer and drainage.

The Buyer will be responsible for all of the costs associated with the preparation and submission of the development application.

The Seller agrees to provide the Buyer all relevant land owner consents, as reasonably required by the Buyer, in order to submit the development application.

This condition is only valid if the Buyer has prepared and submitted the development application to the relevant authorities before the expiry of the Due Diligence period.

Penalty Interest: *In the event Settlement is delayed as a result of the Buyer, then the Seller will be entitled to charge penalty interest on the Price calculated on the applicable CPI rate determined on a daily basis. This does not apply where Settlement is delayed as a result of the Seller.*

OTHER CONDITIONS

Non-Compete: *The Seller agrees that it will not offer or allow any of the balance of lot 16 to be leased or sold or allowed to be developed for any uses that would otherwise be suitable uses able to be accommodated on portion of the Buyers Land, for a period expiring on the earlier of:*

- a) *The date at which there is less than 50% of the Land available*

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- for either lease or for sale; or*
b) 5 years from Settlement.

Council considered the revised proposal at the Ordinary Meeting of Council on 19 August 2015 and resolved to:

1. Support, for the purpose of progressing to public advertising (pursuant to Section 3.58 of the Local Government Act) only, the proposal by Onslow Marine Support Base Pty Ltd (as per *confidential* Attachment) for the acquisition of Lot 9500 Onslow Road, Onslow; and
2. Require Onslow Marine Support Base Pty Ltd to provide prior to the conclusion of the Section 3.58 public advertising period, a detailed proposal of development/business case that provides Council with a suitable level of confidence that the land will be developed to Onslow's benefit.

Comment

Advertising in accordance with s3.58 of the Local Government Act 1995 via local means (library, local newspaper, Shire offices and website) commenced on 20 August 2015, closing on 8 September 2015. One submission was received requiring Council consideration in accordance with Section 3.58 of the Local Government Act 1995:

- (3) A local government can dispose of property other than under subsection (2) if, before agreeing to dispose of the property —*
- (a) it gives local public notice of the proposed disposition —*
 - (iii) inviting submissions to be made to the local government before a date to be specified in the notice, being a date not less than 2 weeks after the notice is first given; and*
 - (b) it considers any submissions made to it before the date specified in the notice and, if its decision is made by the council or a committee, the decision and the reasons for it are recorded in the minutes of the meeting at which the decision was made.*

The submission queries the opportunity for freehold sales, pricing controls and development delivery timeframes to discourage land banking.

ATTACHMENT 16.2A

Onslow Marine Support Base has submitted a Business Case in support of the proposal, as requested by Council, and an overview of the Marina Facility Project being undertaken in Beadon Creek, Onslow, which will support the proposed development of the subject land.

ATTACHMENT 16.2B ATTACHMENT 16.2C

The degree of uncertainty within global markets is having a marked effect on the Western Australian economy and the forecast demand requirement. By pursuing the sale and development of the portion of Lot 16 Onslow Road, Onslow, Council can further support the capacity building and sustainability by providing opportunities for new and varied businesses and the economic viability of the Onslow community. Employment options for current residents will be expanded, along with creating new jobs through the release of Mixed Business lots.

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A SWOT analysis based on OMSB's proposal has been prepared below to assist in the decision making process. The strengths and opportunities associated with the proposal outnumber and theoretically compensate for the associated weaknesses and threats.

Strengths	Weaknesses	Opportunities	Threats
Mitigate financial risks to Shire of Ashburton Attract long term investment Desirable location Aligns with 10 year Community Strategic Plan Aligns with Corporate Business Plan Additional income from rates Income generation through sale	Development extent unknown until demand identified Development timeframe unknown No buy back provision Non-compete clause	Economic stimuli for locals Economic stimuli for new businesses Economic stimuli for existing business Improved commercial/industrial standard Industrial development Supported business and community groups	'Land-bank' potential Minimal to no development Installation of utilities infrastructure not verified

OMSB have offered \$4 (GST exclusive) per square metre. An updated indicative assessment was conducted on the unimproved Englobo lot on 18 August 2015. The assessed rate per square metre is \$7.50 (GST exclusive). OMSB's offer per square metre has been assessed by Shire Officers as rational when considering the market, required fill, development costs and associated risks.

The restrictions imposed in the September 2014 Request for Tender documents resulted in no submissions. While OMSB have not provided tangible development strategies, analysis of user demand and a suitably amended development plan, as proposed, has firm potential to deliver Mixed Business lots to the benefit of the Onslow community. Onslow Marine Support Base Pty Ltd's proposal requires the attraction and long term retention of businesses associated with the Beadon Creek Marina Facility, requiring a vested interest to fulfill the proposed development for business continuity.

Upon issue of Certificate of Title indicative rates for lot 9500 can be presumed from a similar assessment of 35.65 hectares within the Shire of Ashburton. This lot may have similar land use accommodating approximately 20 sub-lots with structures and water and power services which generates approximately \$800,000 per annum in revenue. A conservative estimate of the rate assessment for Lot 9500 may be in excess of \$200,000 per annum. Rates are assessed on a valuation provided by the Valuer General and is based on improvements to the land. The value of lot 9500 would be amended as and when Shire planning approves any improvements on the lot.

Design Guidelines will be imposed and regulated when Development Applications are submitted to the Shire's Planning Department, with settlement conditional by OMSB upon it achieving approvals during the Due Diligence period.

Businesses who contacted Shire Administration post tender expressing an interest in acquiring land were instructed to contact OMSB regarding their requirements. Three of the four proponents did so, which OMSB has made provision for in their proposal, proposing to have no less than 6 hectares of land available for lease within six months.

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The non-compete clause requires the Shire of Ashburton to abstain from releasing any portion of the remainder of Lot 16 (being Stage 3) for sale or development within a five year period. This was requested in order to allow OMSB a reasonable period of time to develop the land prior to the release of additional land. In the event OMSB's development is not carried out in the five year timeframe, the Shire of Ashburton can progress development of the adjoining parcel of proposed industrial land, if justified through demand analysis. In the event OMSB has less than 50% of the land available for sale or lease, the Shire may proceed at any time with the development for sale or lease of the remainder of Lot 16.

While OMSB is sufficiently resourced to provide mixed business lots, the proposal is akin to the Shire's former intent (20 May 2015 Council resolution) to lease the lots unserved while scoping development options with LandCorp.

If the sale is not approved by Council and a suitable response is not received from the Expression of Interest (to be conducted jointly by the Shire of Ashburton and LandCorp and take approximately 12 months to advertise and determine the outcome) along with securing suitable funding avenues (costs scoped circa \$10 million for 12 lots), development of Lot 9500 for mixed business use may not occur at all, further delaying the availability of serviced light industrial lots in Onslow.

In May 2015, Independent Valuers of Western Australia determined an indicative rental amount of \$5.73 - \$10.91 (GST exclusive) per sqm. Shire Officers have received Expressions of Interest for approximately 35,000sqm (includes Morgan & Co Hangars), which equates to 10% of the overall lot and is presumably not a true reflection of demand as advertising has not yet been undertaken. If 35,000sqm of land is leased for \$5.73 per sqm per annum, this would generate circa \$200,000 income per annum, which could be reinvested in a works program (cut to fill etc) to assist LandCorp in delivering the desired long-term outcome for Onslow.

To satisfy the requirement of s3.58 of the *Local Government Act 1995*, the 'Proposal to dispose of property' was advertised for two weeks. One submission was received, along with comment from LandCorp and both are summarised below:

Schedule of Submissions			
Author	Summary	Shire comment	Recommendation
Onslow Chamber of Commerce and Industry	<p>Urges SoA to approve development by OMSB upon clarity of:</p> <ul style="list-style-type: none"> Opportunity for business owners to purchase a freehold lot medium-term Pricing controls on leasing if the non-compete term remains at five years; alternatively, reduce the non-compete timeframe Development delivery to discourage land-banking 	<p>Development extent reliant on user demand which is yet to be scoped. The subdivision plan will be designed to meet the requirement for future freehold subdivision without excessive reworking of areas.</p> <p>Negotiations resulted in the non-compete clause being retained unless there is less than 50% of the land available for lease or sale.</p>	No change to the proposal.
LandCorp (comment only)	<ul style="list-style-type: none"> Land-banking concerns Impose development milestones 	Success of the Beadon	

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	<ul style="list-style-type: none"> • Due Diligence monitoring to avoid extensions • Removal or reduction of non-compete clause enabling presales and construction on adjacent lot • Pricing controls if non-compete clause retained, alternatively, reduce non-compete timeframe • Buy back provisions if development timeframe not met 	<p>Creek Marina Facility is somewhat reliant on the attraction and long-term retention of businesses at Lot 9500.</p> <p>Buyback provisions were considered by Shire Officers and deemed unfavourable.</p> <p>Sale of Lot 9500 to OMSB presents risks as does retaining the lot for development in partnership with LandCorp. OMSB's proposal presents a solution to the requirement for access to light industrial land, which the Shire of Ashburton has neither the finances nor personnel to undertake.</p>
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In summary, the Shire owns freehold land that can be converted to a Mixed Business Development. The land is costly to develop in a traditional sub-divisional manner (with studies indicating a development subsidy of some several million dollars being required before it could undertake the project) for which the Shire has no financial capacity to undertake in the near future. This potential sale, possibly generating rates in excess of \$200,000 for unserviced lots, and subsequent OMSB business venture could see Onslow develop as a viable supplementary off-shore servicing agency, providing economic development potential in Onslow, including local jobs and expanding the town's residential base. Alternatively, the Shire could benefit from circa \$200,000 per annum for several years in lease fees if it retains the land for lease. As there is no guarantee the OMSB project as proposed will eventuate and once sold, the Shire will lose its capacity to influence the land's development.

Onslow Marine Support Base Pty Ltd's development/business case has provided a suitable level of confidence that the land will be developed to Onslow's benefit. Therefore, Council endorsement of the acquisition proposal to purchase Lot 9500 Onslow Road, Onslow by Onslow Marine Support Base Pty Ltd is recommended.

Upon acceptance of the offer, the transaction is subject to the following conditions:

1. A Due Diligence period of 90 days commencing from the date of acceptance of the Offer by Council.
2. A Contract to be negotiated and executed according to the terms of this Agenda Item during the Due Diligence period or as soon as reasonably possible thereafter.
3. Settlement subject to Town Planning Scheme No. 7 Amendment 15.
4. A 10% deposit (\$128,000) payable on execution of the Contract.
5. Preparation and submission of a development application within 60 days of the Due Diligence period.

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6. Settlement to take place 30 days after satisfaction of the above conditions.
7. An easement providing right of carriageway created over the portion of the Land referred to as the Airport Road, providing cost sharing between the two parties for repairs and maintenance.
8. The Shire cannot offer or allow any of the balance of lot 16 to be leased, sold or developed for any uses that can be accommodated on Lot 9500 for a period expiring on the earlier of:
 - a. The date at which there is less than 50% of the Land available for either lease or for sale; or
 - b. 5 years from Settlement.
9. Commencement of development of the property, in accordance with development approvals, within 12 months of Settlement.

Consultation

Chief Executive Officer

Acting Chief Executive Officer

Executive Manager – Strategic and Economic Development

Executive Manager – Development and Regulatory Services

Principal Planner

Department of State Development

LandCorp

Onslow Chamber of Commerce and Industry

General Public (advertising)

Statutory Environment

Local Government Act 1995 s3.58 (disposing of property) requires advertising of the proposal for no less than 2 weeks, inviting public comment with any submissions to be considered by Council.

Planning and Development Act 2005

Town Planning Regulations 1967

Shire of Ashburton Town Planning Scheme No. 7

Financial Implications

The proposal from OMSB is \$1,280,000 (GST exclusive). The Shire will be responsible for standard land-owner statutory costs, including legal fees, upon any sale. Rate assessment will be additional revenue (potentially in excess of \$200,000 per annum) raised from the sale of lot 9500.

If Council chooses to retain the land, lease income in the order of \$200,000 income per annum may be achievable, noting there will be legal and other lease establishment/management costs also relevant.

Strategic Implications

Shire of Ashburton 10 Year Community Strategic Plan 2012-2022

Goal 02 – Enduring Partnerships

Objective 01 – Strong Local Economies

Objective 02 – Enduring Partnerships with Industry and Government

Goal 04 – Distinctive and Well Serviced Places

Objective 03 – Well Planned Towns

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Risk Management

This item has been evaluated against the Shire of Ashburton's Risk Management Policy CORP5 Risk Matrix. The perceived level of risk is considered to be "High". As a high risk matter, the Executive Manager of Strategic and Economic Development is monitoring progress.

Policy Implications

There were no policy implications identified.

Voting Requirement

Absolute Majority Required

Recommendation

That Council:

1. Considers the submission received in response to the public advertising in accordance with Section 3.58 of the Local Government Act 1995, outlining the 'disposal of property', and notes the submission is generally supportive of the disposition;
2. Accepts Onslow Marine Support Base Pty Ltd's proposal for acquisition of Lot 9500 Onslow Road, Onslow, in principle; and
3. Delegates authority to the Chief Executive Officer to finalise and execute a contract of sale with Onslow Marina Support Base Pty Ltd generally in accordance with the contents of this Agenda Item.

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Council Decision

MOVED: Cr D Wright

SECONDED: Cr D Dias

That Council:

1. Considers the submission received in response to the public advertising in accordance with Section 3.58 of the *Local Government Act 1995*, outlining the 'disposal of property', and notes the submission is generally in support of the disposition;
2. Declines Onslow Marine Support Base Pty Ltd's proposal for acquisition of Lot 9500 Onslow Road, Onslow;
3. Continues with the resolution from the Ordinary Meeting of Council on 20 May 2015 (Minute No 11954), authorising the Chief Executive Officer to:
 - a. Request LandCorp expand its investigations to include additional options for new light industrial lots within Onslow;
 - b. Liaise with LandCorp to prepare funding applications to support the Onslow LIA development project;
 - c. Negotiate lease agreements for the Onslow Airport Industrial Lots, including Morgan & Co, for a period of one year with further two x one-year options, at Council's discretion, and an annual rental fee amount based on the valuation provided in this report;
 - d. Execute the Lease Agreements should no adverse public comment be received after local public notice is given of the proposed transactions as per s3.58 of the *Local Government Act 1995*;
 - e. Enter into a joint Expression of Interest process with LandCorp to identify potential light industrial land users and their configuration and service requirements; and
4. Authorise the Chief Executive Officer to obtain a market valuation of Lot 9500 and present any counter/revised offer, if in line with the valuation, of acquisition of Lot 9500 Onslow Road to Council for consideration.

CARRIED BY ABSOLUTE MAJORITY 6/1

Crs White, Rumble, Dias, Wright, Bloem and Fernandez voted for the motion.

Cr Thomas voted against the motion.

Reason for Change of Recommendation:

To ensure the commercial compensation from the sale of Lot 9500 is in line with a current market valuation, guaranteeing the best outcome for the Onslow community.

17. COUNCILLORS AGENDA ITEMS / NOTICES OF MOTIONS

17.1 NOTICE OF MOTION - TO INCLUDE PROJECT BUDGET ALLOCATIONS FOR CELEBRATING COMPLETION OF SMALL PROJECTS

FILE REFERENCE: GV18

Cr Cecilia Fernandez tabled the following Notice of Motion in regards to the provision of funds to a value of \$500 to be allocated in the project budgets of small project to be used for celebrating the completion and opening of such projects with the community.

Notice of Motion

That \$500 be allocated in the project budgets of small projects to be used for celebrating the completion and opening of such projects with the community.

The Shire President noted that this matter would be referred to officers for a report, which will be put before Council at the earliest reasonable opportunity.

**18. NEW BUSINESS OF AN URGENT NATURE INTRODUCED
BY DECISION OF MEETING**

Council Decision

MOVED: Cr D Wright

SECONDED: Cr L Rumble

That Council considers the following New Business of an Urgent Nature:

18.1 CONTROL OF LEUCAENA TREES

**18.2 AUTHORISATION TO AFFIX COMMON SEAL - DEED OF SURRENDER
OF EASEMENT AND DEED OF EASEMENT FOR WATER MAIN, LOT 16
ON SLOW ROAD, ONSLOW**

**18.3 AUTHORISATION TO AFFIX COMMON SEAL - DEVELOPMENT LEASE
FOR LOT 350 BOONDEROO ROAD, TOM PRICE**

CARRIED 7/0

Crs White, Rumble, Dias, Wright, Bloem Fernandez and Thomas voted for the motion.

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18.1 CONTROL OF LEUCAENA TREES

MINUTE: 12007

FILE REFERENCE: GV11

Background

At the Ordinary Meeting of Council 16 September 2015 Council considered an item raised as Business of an Urgent Nature by Cr Thomas concerning the proliferation of and the damage caused by Leucaena trees within the Shire of Ashburton and other Pilbara Local governments.

Advice received from the Department of Agriculture and Food Western Australia (DAFWA) is that the Leucaena trees are not a declared pest plant and therefore there are no state enforcement provisions for its control.

There is, however, an avenue for Local governments to individually adopt a Local Law which can be utilised to manage Leucaena trees within their own jurisdiction. Cr Thomas proposed that the Shire of Ashburton request the (PRC) to progress the formation of a Leucaena eradication management group from member councils and environmental organisations, and that the PRC also be requested to seek assistance from WALGA to develop a draft Local Law, which could be adopted by Pilbara local Governments, which would provide for Leucaena trees being classified as a "declared "weed.

Voting Requirement

Simple Majority Required

Council Decision

MOVED: Cr L Thomas

SECONDED: Cr C Fernandez

That the Shire of Ashburton requests the Pilbara Regional Council:

- 1. To progress the formation of a Leucaena management group from member Councils and environmental organisations; and**
- 2. To approach WALGA for assistance to develop a Local Law to classify Leucaena as a "declared "weed in the Pilbara.**

CARRIED 7/0

Crs White, Rumble, Dias, Wright, Bloem Fernandez and Thomas voted for the motion.

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18.2 AUTHORISATION TO AFFIX COMMON SEAL - DEED OF SURRENDER OF EASEMENT AND DEED OF EASEMENT FOR WATER MAIN, LOT 16 ONSLOW ROAD, ONSLOW

MINUTE: 11995

FILE REFERENCE: ONS.0016

AUTHOR'S NAME AND POSITION: Janelle Fell
Economic and Land Development Manager

NAME OF APPLICANT/RESPONDENT: Not Applicable

DATE REPORT WRITTEN: 14 September 2015

DISCLOSURE OF FINANCIAL INTEREST: The author has no financial interest in the proposal.

PREVIOUS MEETING REFERENCE: Not Applicable

Summary

To progress the required preparatory works prior to application for Certificate of Title for the two lot subdivision of Lot 16 Onslow Road, Onslow into Lots 9001 and 9500. Both the Execution of a Deed of Surrender of Easement, for the extinguishment of the existing easement over the lot and a Deed of Easement for the creation of a new water main easement are required. Execution of these documents requires affixing of the Common Seal.

Authorisation to affix the Common Seal is requested.

Background

A Deed of Easement for Lot 16 Onslow Road, Onslow exists in favour of Water Corporation for the water main which traversed the land.

Comment

To proceed to new Certificates of Title for the two lot subdivision of Lot 16, Onslow Road, Onslow into Lots 9001 and 9500, execution of the Deed of Surrender of Easement and the Deed of Easement are required by Water Corporation.

ATTACHMENT 18.2A
ATTACHMENT 18.2B

Consultation

Executive Manager – Strategic & Economic Development
Water Corporation

Statutory Environment

Local Government Act 1995 – Section 9.49A – Affixing the Common Seal
Transfer of Land Act 1893
Land Administration Act 1997 – Section 195
Water Corporation Act 1995

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Financial Implications

There are no known meaningful financial implications relative to this matter in excess of officer time and minor administrative costs.

Strategic Implications

Goal 04 – Distinctive and Well Serviced Places

Objective 01 – Quality Public Infrastructure

Objective 03 – Well Planned Towns

Risk Management

This item has been evaluated against the Shire of Ashburton's Risk Management Policy CORP5 Risk Matrix. The perceived level of risk is considered to be "Low" risk and can be managed by routine procedures, and is unlikely to need specific application of resources.

Policy Implications

There are no policy implications for this matter.

Voting Requirement

Simple Majority Required

Council Decision

MOVED: Cr C Fernandez

SECONDED: Cr D Wright

That Council approves affixing the Common Seal in the presence of the Shire President and the Chief Executive Officer to the Deed of Surrender of Easement and Deed of Easement for Lot 16 (to be subdivided into Lots 9001 and 9500) Onslow Road, Onslow.

CARRIED 7/0

Crs White, Rumble, Dias, Wright, Bloem Fernandez and Thomas voted for the motion.

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18.3 AUTHORISATION TO AFFIX COMMON SEAL - DEVELOPMENT LEASE FOR LOT 350 BOONDEROO ROAD, TOM PRICE

MINUTE: 11994

FILE REFERENCE: BOO.0350

AUTHOR'S NAME AND POSITION: Janelle Fell
Economic and Land Development Manager

NAME OF APPLICANT/RESPONDENT: Not Applicable

DATE REPORT WRITTEN: 14 September 2015

DISCLOSURE OF FINANCIAL INTEREST: The author has no financial interest in the proposal.

PREVIOUS MEETING REFERENCE: Not Applicable

Summary

The Shire of Ashburton currently has a development lease (K718211) over Lot 350 on Deposited Plan 49883, Boonderoo Road, Tom Price. This lease expires on 31 March 2016. As development has not been progressed, Shire of Ashburton Officers requested an extension of the term to scope development costs to present to Council at a later date.

Authorisation to affix the Common Seal is requested to extend the development lease agreement for three years, commencing 1 April 2016.

Background

On 17 September 2008 the Shire of Ashburton executed a development lease agreement to subdivide Lot 350 into serviced Light Industrial lots. Upon completion of the subdivision and compliance with the transfer conditions, the Shire can then purchase the land at unimproved market value, and then sell the completed subdivision. This type of agreement enables the Shire to commence development works such as servicing etc, without purchasing the land 'up front'.

Comment

Further scoping, design and investigation into the proposed subdivision at Lot 350 Boonderoo Road is required before a business plan can be presented to Council. As the current development lease expires on 31 March 2016, it is recommended that a three year extension be exercised to enable further planning and costing investigation, and subsequent development of the subdivision if later approved by Council

ATTACHMENT 18.3A
ATTACHMENT 18.3B

Consultation

Executive Manager – Strategic & Economic Development
Department of Lands

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Statutory Environment

Local Government Act 1995 – Section 9.49A – Affixing the Common Seal

Land Administration Act 1997 – Section 85 – Sale etc. of Crown land subject to condition etc. it be subdivided

Financial Implications

Annual rent of \$500.00 payable to Department of Lands.

\$546.00 deposit, comprising of six months' rent and registration fees, to accompany the Extension of Lease document.

Strategic Implications

Goal 02 – Enduring Partnerships

Objective 01 – Strong Local Economies

Objective 02 – Enduring Partnerships with Industry and Government

Goal 04 – Distinctive and Well Serviced Places

Objective 01 – Quality Public Infrastructure

Objective 03 – Well Planned Towns

Risk Management

This item has been evaluated against the Shire of Ashburton's Risk Management Policy CORP5 Risk Matrix. The perceived level of risk is considered to be "Low" risk and can be managed by routine procedures, and is unlikely to need specific application of resources.

Policy Implications

There are no policy implications for this matter.

Voting Requirement

Simple Majority Required

Council Decision

MOVED: Cr C Fernandez

SECONDED: Cr A Bloem

That Council approves affixing the Common Seal in the presence of the Shire President and the Chief Executive Officer to the Extension of Lease for Lease K718211 being Lot 350 on Deposited Plan 49883, Tom Price.

CARRIED 7/0

Crs White, Rumble, Dias, Wright, Bloem Fernandez and Thomas voted for the motion.

19. CONFIDENTIAL MATTERS

Under the Local Government Act 1995, Part 5, and Section 5.23, states in part:

(2) If a meeting is being held by a Council or by a committee referred to in subsection (1)(b), the Council or committee may close to members of the public the meeting, or part of the meeting, if the meeting or the part of the meeting deals with any of the following:

(a) a matter affecting an employee or employees;

(b) the personal affairs of any person;

(c) a contract entered into, or which may be entered into, by the local government and which relates to a matter to be discussed at the meeting;

(d) legal advice obtained, or which may be obtained, by the local government and which relates to a matter to be discussed at the meeting;

(e) a matter that if disclosed, would reveal:

(I) a trade secret;

(II) information that has a commercial value to a person; or

(III) information about the business, professional, commercial or financial affairs of a person,

Where the trade secret or information is held by, or is about, a person other than the local government.

(f) a matter that if disclosed, could be reasonably expected to:

(I) Impair the effectiveness of any lawful method or procedure for preventing, detecting, investigating or dealing with any contravention or possible contravention of the law;

(II) Endanger the security of the local government's property; or

(III) Prejudice the maintenance or enforcement of any lawful measure for protecting public safety;

(g) information which is the subject of a direction given under section 23(1a) of the Parliamentary Commissioner Act 1981; and

(h) such other matters as may be prescribed.

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20. NEXT MEETING

The next Ordinary Meeting of Council will be held on 21 October 2015, at the Clem Thompson Sports Pavilion, Stadium Road, Tom Price, commencing at 1.00 pm.

21. CLOSURE OF MEETING

The Shire President declared the meeting closed at 2.55 pm.