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# AGENDA

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## COMMUNITY AND CORPORATE SERVICES COMMITTEE

14 August 2018

6.00pm

City of Albany Council Chambers

**CITY OF ALBANY  
COMMUNITY STRATEGIC PLAN (ALBANY 2023)**

**VISION**

Western Australia's most sought after and unique regional city to live, work and visit.

**VALUES**

All Councillors, Staff and Volunteers at the City of Albany will be...

**Focused: on community outcomes**

This means we will listen and pay attention to our community. We will consult widely and set clear direction for action. We will do what we say we will do to ensure that if it's good for Albany, we get it done.

**United: by working and learning together**

This means we will work as a team, sharing knowledge and skills. We will build strong relationships internally and externally through effective communication. We will support people to help them reach their full potential by encouraging loyalty, trust, innovation and high performance.

**Accountable: for our actions**

This means we will act professionally using resources responsibly; (people, skills and physical assets as well as money). We will be fair and consistent when allocating these resources and look for opportunities to work jointly with other directorates and with our partners. We will commit to a culture of continuous improvement.

**Proud: of our people and our community**

This means we will earn respect and build trust between ourselves, and the residents of Albany through the honesty of what we say and do and in what we achieve together. We will be transparent in our decision making and committed to serving the diverse needs of the community while recognising we can't be all things to all people.

**Community & Corporate Services Committee**  
**Terms of Reference**

**Functions:** The Committee is responsible for the following functions:

**Community Services:**

The delivery of "*Community Health & Participation Objectives*" contained in the City of Albany Strategic Plan:

- To build resilient and cohesive communities with a strong sense of community spirit.
- To create interesting places, spaces and events that reflect our community's identity, diversity and heritage.
- To develop and support a healthy inclusive and accessible community.

**Corporate Services:**

Monitoring and commenting on the financial health and strategies of Council.

The delivery of "*Leadership Objectives*" contained in the City of Albany Strategic Plan:

- To establish and maintain sound business and governance structures.
- To provide strong, accountable leadership supported by a skilled & professional workforce.
- To engage effectively with our community.

**Economic Development:**

Considering and recommending to Council ways to strengthen the local Albany economy.

The delivery of "*Smart, Prosperous and Growing Objectives*" contained in the City of Albany Strategic Plan:

- To strengthen and grow our region's economic base.
- To develop a smart city that supports economic growth.
- To develop and promote Albany as a unique and sought-after visitor location.

**Governance:**

- Review of Council's policies;
- Supporting Elected Members in their governance role;
- Developing amendments to existing, or new, local laws;
- Consideration of the Council's draft Strategic Plan;
- Consideration of the Council's draft Annual Report;
- Matters pertaining to the conduct of the Council's Annual General Meeting;
- Consideration of the proposed meeting schedule for Council and its Committees;
- Receiving reports from Council representatives on outside bodies, and from other bodies as determined by Council; and
- Considering matters not falling within the terms of reference of any other Council committee.

**Service Complaint Internal Review:**

- Responsible for reviewing unresolved service complaints, in accordance with the Service Complaints Policy.

**It will achieve this by:**

- Developing policies and strategies;
- Establishing ways to measure progress;
- Receiving progress reports;
- Considering officer advice;
- Debating topical issues;
- Providing advice on effective ways to engage and report progress to the Community; and
- Making recommendations to Council.

**Membership:** Open to all elected members

**Meeting Schedule:** Monthly

**Meeting Location:** Council Chambers

**Directorates:** Corporate & Community Services

**Executive Officer(s):** Executive Director Corporate Services,  
Executive Director Community Services

**Delegated Authority:** None

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**1. DECLARATION OF OPENING**

**2. PRAYER AND ACKNOWLEDGEMENT OF TRADITIONAL LAND OWNERS**

*“Heavenly Father, we thank you for the peace and beauty of this area. Direct and prosper the deliberations of this Council for the advancement of the City and the welfare of its people. Amen.”*

*“We would like to acknowledge the Noongar people who are the Traditional Custodians of the Land.*

*We would also like to pay respect to Elders both past and present”.*

**3. RECORD OF APOLOGIES AND LEAVE OF ABSENCE**

Mayor	D Wellington
<b>Councillors:</b>	
Member	P Terry (Chair)
Member	R Hammond
Member	G Stocks
Member	R Stephens
Member	B Hollingworth
Member	E Doughty (Deputy Chair)
Member	J Shanhun
Member	S Smith
Member	A Moir
<b>Staff:</b>	
Chief Executive Officer	A Sharpe
Executive Director Corporate Services	M Cole
Executive Director Community Services	S Kay
Executive Director Works & Services	M Thomson
Manager Finance	D Olde
Meeting Secretary	C Crane
<b>Apologies:</b>	
Member	T Sleeman
Member	R Sutton
Member	A Goode JP

**4. DISCLOSURES OF INTEREST**

<b>Name</b>	<b>Committee/Report Item Number</b>	<b>Nature of Interest</b>

**5. RESPONSE TO PREVIOUS PUBLIC QUESTIONS TAKEN ON NOTICE:**

**6. PUBLIC QUESTION TIME**

**7. PETITIONS AND DEPUTATIONS**

**8. CONFIRMATION OF MINUTES**

**DRAFT MOTION**

**THAT the minutes of the Commercial, Community and Corporate Services Committee held on 10 July 2018, as previously distributed, be CONFIRMED as a true and accurate record of proceedings.**

**9. PRESENTATIONS**

**10. UNRESOLVED BUSINESS FROM PREVIOUS MEETINGS**

**CCS069: FINANCIAL ACTIVITY STATEMENT – JUNE 2018**

**Proponent** : City of Albany  
**Report Prepared by** : Manager Finance (D Olde)  
**Responsible Officer** : Executive Director Corporate Services (M Cole)

**RECOMMENDATION**

**CCS069: RESPONSIBLE OFFICER RECOMMENDATION**

**THAT Council RECEIVE the Financial Activity Statement for the period ending 30 June 2018.**

**BACKGROUND**

1. The Statement of Financial Activity for the period ending 30 June 2018 has been prepared and is attached.
2. In addition to the statutory requirement to provide Council with a Statement of Financial Activity, the City provides Council with a monthly investment summary to ensure the performance of the investment portfolio is in accordance with anticipated returns and complies with the Investment of Surplus Funds Policy.

**DISCUSSION**

3. In accordance with section 34(1) of the *Local Government (Financial Management) Regulations 1996*, the City of Albany is required to prepare each month a Statement of Financial Activity reporting on the revenue and expenditure of the local authority.
4. The requirement for local governments to produce a Statement of Financial Activity was gazetted in March 2005 to provide elected members with a greater insight in relation to the ongoing financial performance of the local government.
5. Additionally, each year a local government is to adopt a percentage or value to be used in Statements of Financial Activity for reporting material variances. Variations in excess of \$100,000 are reported to Council.
6. These financial statements are still subject to further yearend adjustments and have not been audited by the appointed auditor.

*“Please note that rounding errors may occur when whole numbers are used, as they are in the reports that follow. The ‘errors’ may be \$1 or \$2 when adding sets of numbers. This does not mean that the underlying figures are incorrect.”*

### STATUTORY IMPLICATIONS

7. Section 34 of the *Local Government (Financial Management) Regulations 1996* provides:
- I. A local government is to prepare each month a statement of financial activity reporting on the source and application of funds, as set out in the annual budget under regulation 22 (1)(d), for that month in the following detail –
    - a. annual budget estimates, taking into account any expenditure incurred for an additional purpose under section 6.8(1)(b) or (c);
    - b. budget estimates to the end of the month to which the statement relates;
    - c. actual amounts of expenditure, revenue and income to the end of the month to which the statement relate
    - d. material variances between the comparable amounts referred to in paragraphs (b) and (c); and
    - e. the net current assets at the end of the month to which the statement relates.
  - II. Each statement of financial activity is to be accompanied by documents containing –
    - a. an explanation of the composition of the net current assets of the month to which the statement relates, less committed assets and restricted assets;
    - b. an explanation of each of the material variances referred to in sub regulation (1)(d); and
    - c. such other supporting information as is considered relevant by the local government.
  - III. The information in a statement of financial activity may be shown –
    - a. according to nature and type classification;
    - b. by program; or
    - c. by business unit.
  - IV. A statement of financial activity, and the accompanying documents referred to in sub regulation (2), are to be –
    - a. presented at an ordinary meeting of the council within 2 months after the end of the month to which the statement relates; and
    - b. recorded in the minutes of the meeting at which it is presented.

### POLICY IMPLICATIONS

8. The City's 2017/18 Annual Budget provides a set of parameters that guides the City's financial practices.
9. The Investment of Surplus Funds Policy stipulates that the status and performance of the investment portfolio is to be reported monthly to Council.

### FINANCIAL IMPLICATIONS

10. Expenditure for the period ending 30 June 2018 has been incurred in accordance with the 2017/18 proposed budget parameters.
11. Details of any budget variation in excess of \$100,000 (year to date) follow. There are no other known events which may result in a material non recoverable financial loss or financial loss arising from an uninsured event.

<b>File Number (Name of Ward)</b>	FM.FIR.7 - All Wards
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**CCS070: LIST OF ACCOUNTS FOR PAYMENT – JULY 2018**

**Business Entity Name** : City of Albany  
**Attachments** : List of Accounts for Payment  
**Report Prepared By** : Manager Finance (D Olde)  
**Responsible Officers:** : Executive Director Corporate Services (M Cole)

**RECOMMENDATION**

**CCS070: RESPONSIBLE OFFICER RECOMMENDATION**

**That Council RECEIVE the list of accounts authorised for payment under delegated authority to the Chief Executive Officer for the period ending 15 July 2018 totalling \$9,616,234.44.**

**BACKGROUND**

1. Council has delegated to the Chief Executive Officer the exercise of its power to make payments from the City's municipal and trust funds. In accordance with Regulation 13 of the *Local Government (Financial Management) Regulations 1996*, a list of accounts paid by the Chief Executive Officer is to be provided to Council.

**DISCUSSION**

2. The table below summarises the payments drawn from the municipal fund for the period ending 15 July 2018. Please refer to the Attachment to this report.

<b>Municipal Fund</b>	
Trust	\$0.00
Credit Cards	\$15,658.65
Payroll	\$1,280,588.20
Cheques	\$134,788.59
Electronic Funds Transfer	\$8,185,199.00
<b>TOTAL</b>	<b>\$9,616,234.44</b>

As at 15 July 2018, the total outstanding creditors, stands at \$812,224.71 and made up as follows:-

Current	\$521,113.71
30 Days	-\$1,760.40
60 Days	\$0.00
90 Days	\$0.00
<b>TOTAL</b>	<b>\$519,353.31</b>
<b>Cancelled Cheques</b>	<b>7</b>

**STATUTORY IMPLICATIONS**

3. Regulation 12(1)(a) of the *Local Government (Financial Management) Regulations 1996*, provides that payment may only be made from the municipal fund or a trust fund if the Local Government has delegated this function to the Chief Executive Officer or alternatively authorises payment in advance.
4. The Chief Executive Officer has delegated authority to make payments from the municipal and trust fund.

5. Regulation 13 of the *Local Government (Financial Management) Regulations 1996* provides that if the function of authorising payments is delegated to the Chief Executive Officer, then a list of payments must be presented to Council and recorded in the minutes.

**POLICY IMPLICATIONS**

6. Expenditure for the period to 15 July 2018 has been incurred in accordance with the 2017/2018 budget parameters.

**FINANCIAL IMPLICATIONS**

7. Expenditure for the period to 15 July 2018 has been incurred in accordance with the 2017/2018 budget parameters.

**CONCLUSION**

8. That list of accounts have been authorised for payment under delegated authority.
9. It is requested that any questions on specific payments are submitted to the Executive Director Corporate Services by 4pm of the day prior to the scheduled meeting time. All answers to submitted questions will be provided at the Committee meeting. This allows a detailed response to be given to the Committee in a timely manner.

<b>File Number (Name of Ward)</b>	:	FM.FIR.2 - All Wards
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**CCS071: DELEGATED AUTHORITY REPORTS –JUNE TO JULY 2018**

**Proponent** : City of Albany  
**Attachments** : Executed Document and Common Seal Report  
**Report Prepared by** : Personal Assistant to the ED Corporate Services (H Bell)  
**Responsible Officer** : Chief Executive Officer (A Sharpe)

**RECOMMENDATION**

**CCS071: RESPONSIBLE OFFICER RECOMMENDATION**

**THAT Council RECEIVE the Delegated Authority Reports 16 June 2018 to 15 July 2018.**

**CCS072: QUARTERLY REPORT – TENDERS AWARDED – APRIL TO JUNE 2018**

**Proponent** : City of Albany  
**Attachments** : Quarterly Report – Tenders Awarded – April to June 2018  
**Report Prepared by** : Procurement Officer (H Hutchinson)  
**Responsible Officer** : Executive Director Corporate Services (M Cole)

**RECOMMENDATION**

**CCS072: RESPONSIBLE OFFICER RECOMMENDATION**

**THAT Council RECEIVE the Quarterly Report – Tenders Awarded – April to June 2018.**

**CCS073: CITY UPDATE (CORPORATE SCORECARD) – JUNE QUARTER  
2017/18**

<b>Proponent</b>	: City of Albany
<b>Attachments</b>	: City Update-June Quarter 2017
<b>Report Prepared by</b>	: Facilitator-Strategy and Improvement (S Grimmer)
<b>Responsible Officer(s)</b>	: Executive Director Corporate Services (M Cole)

**STRATEGIC IMPLICATIONS**

1. This item relates to the following elements of the City of Albany Community Strategic Plan and Corporate Business Plan:
  - **Key Theme:** Leadership
  - **Objective:** To establish and maintain sound business and governance structures
  - **Community Priority:** Implement systems and controls that ensure the prudent use of rates and ensure value for money in all aspects of Council operations.

**In Brief:**

- The City Update (Corporate Scorecard) reports progress against the Vision, Strategic Objectives and Operational Priorities as outlined in the City's integrated planning framework.

**RECOMMENDATION**

**CCS073: RESPONSIBLE OFFICER RECOMMENDATION**

**THAT Council NOTE the Corporate Scorecard Report for the June 2018 quarter.**

**BACKGROUND**

2. The City Update provides a quarterly snapshot on how the City is performing in the areas of Service Delivery, Finance, People, Asset Management and summarises progress on strategic priorities (CEO KPI's) and strategic projects.
3. A simple traffic light system is used to report on the progress made against set performance targets.

**SUMMARY OF FINDINGS**

4. The format used aligns with the Our City brand and includes a summary of progress against the strategic projects scheduled for delivery.
5. The June 2018 report indicates that the City continues to meet its budget and asset management commitments and continues to make good progress against the key deliverables outlined in Business Unit Plans, Strategic Projects and the 2017/18 Key Performance Indicators (KPI's) as established by Council.

**GOVERNMENT CONSULTATION**

6. The City of Albany Scorecard is modelled on similar approaches from across the Local Government sector.

## STATUTORY IMPLICATIONS

7. **Section 5.56(1) and (2) of the *Local Government Act 1995*** requires that each local government is ‘to plan for the future of the district’, by developing plans in accordance with the regulations. The advisory standard, framework and supporting guidelines stress the importance of measuring progress and outcomes.

## RISK IDENTIFICATION & MITIGATION

8. The risk identification and categorisation references the City’s Risk & Opportunity Management Framework.

Risk	Likelihood	Consequence	Risk Analysis	Mitigation
<b>Reputation.</b> <i>Council fails to deliver against it’s commitments.</i>	<i>Unlikely</i>	<i>Moderate</i>	<i>Medium</i>	<i>Monitor &amp; report performance quarterly and take appropriate action</i>
<b>Opportunity:</b> <i>To improve communication with the community on how the City is performing against it’s commitments. Communication will be complimented by quarterly reporting to Council and social media video updates.</i>				

## FINANCIAL IMPLICATIONS

9. While there are no direct financial implications in relation to this item, failure to meet our statutory obligations in regards to integrated planning and reporting could affect our ability to attract future State Government funding.

## CONCLUSION

10. The City Update provides a snapshot on how the City of Albany is performing against it’s integrated planning framework.

<b>Consulted References</b>	:	<i>Local Government Act 1995 Western Australian - Integrated Planning and Reporting Framework</i>
<b>File Number (Name of Ward)</b>	:	<i>CM.RVW.3 (All Wards)</i>
<b>Previous Reference</b>	:	<i>OCM May 2018</i>

## CCS074: NATIONAL ANZAC CENTRE – Q4 2017-18 REPORT

<b>Proponent</b>	: City of Albany
<b>Attachments</b>	: National Anzac Centre – Q4 2017-18 Operational Report
<b>Report Prepared By</b>	: Manager Facilities (L Stone)
<b>Responsible Officer(s)</b>	: Executive Director Community Services (S Kay)

### STRATEGIC IMPLICATIONS

1. This item relates to the following elements of the City of Albany Strategic Community Plan or Corporate Business Plan informing plans or strategies
  - **Key Theme:** Smart Prosperous and Growing.
  - **Strategic Objectives:** To strengthen our region's economic base; and
    - To develop and promote Albany as a unique and sought after destination.
  - **Community Priorities:** Strengthen our economy by supporting business innovation and diversity; and
    - Promote the Albany region as a sought after and iconic tourism destination.

#### In Brief:

- To provide Council with update on Q4 2017-18 performance of the National Anzac Centre.

### RECOMMENDATION

#### CCS074: RESPONSIBLE OFFICER RECOMMENDATION

**THAT Council RECEIVE the National Anzac Centre operational report for Q4 2017/18.**

### BACKGROUND

2. The National Anzac Centre is the City of Albany's most significant tourism asset.
3. The National Anzac Centre is a \$10.6 million dollar investment from the Federal and State Government with an additional \$1.5 million invested by Wesfarmers for the construction of the Convoy Walk and Lookout.
4. The City of Albany manages the asset and understands the importance of generating economic outcomes for the region using the National Anzac Centre and the Albany Heritage Park (AHP) assets to encourage both increased visitation and extended stays to the region.
5. Key stakeholders will also receive this quarterly report in an effort to further develop the relationships and as recognition of their significant investment and commitment to the City of Albany.
6. The City established an independent National Anzac Centre Advisory Committee during the 2016/17 financial year to assist in the further development of both the NAC and AHP, to ensure the assets continue to evolve and attract both local repeat visitation, and visitors from outside the region. The last meeting for 2017/2018 was held on 18 April 2018. The first quarterly meeting for 2018/2019 is on 15 August 2018 in Perth with a planned meeting in Albany scheduled for 12 November 2018. Council has budgeted a subsidy of \$250,000 annually for the operations of the NAC and the AHP and has established a reserve on the understanding that

any surplus funds be reinvested and be used to leverage additional grant funding to improve the asset.

7. This report template is constantly being reviewed to ensure that the Community & Corporate Services Committee and the National Anzac Centre Advisory Group receive all relevant information as to its performance.
8. Ongoing feedback from the Community & Corporate Services Committee and the National Anzac Centre Advisory Group is encouraged to ensure the report is meeting expectations.

## **DISCUSSION**

9. Q4 2017/18 saw the National Anzac Centre reach visitation of 248,833 visitors since opening in November 2014. This equates to an average annual visitation of 67,864 visitors per year.
10. Total visitation for Q4 2017/18 was down by 1225 visitors compared to the same period in 2016/17.
11. However the National Anzac Centre achieved similar visitation for 2017/18 financial year with 2016/17 having a variance of only 1,297 visitors.
12. The majority of visitation in Q4 2017/18 originated from Western Australia (58%). Visitors from other states consisted of 35% from NSW, 26% from VIC, 20% from QLD, 13% from SA, followed by remaining states ACT, NT and TAS all with similar figures between 1-3%.
13. Of the total 6% of international visitors, 40% of these visitors originated from United Kingdom, 19% from New Zealand, 8% from Singapore, 7% from USA, 5% from Canada, Ireland and France with similar figures around 4%.
14. Revenue generated in Q4 2017/18 by the Albany Heritage Park (National Anzac Centre and Forts Store combined) was down by \$32,739 compared to the same period in 2016/17, although the Forts Store revenue was up by \$12,811 compared to the same period in 2016/17.
15. As at the end of Q4 2017/18, 2740 local residents were members of the National Anzac Centre League of Local Legends program.
16. The National Anzac Centre received 191 non-local paying visitors in Q4 2017/18 as a result of the National Anzac Centre League of Local Legends program.
17. Q4 2017/18 saw the National Anzac Centre host the first ever ANZAC Albany Festival and Convoy Sleep out event.
18. The City of Albany is currently in discussion with a sponsorship consultant regarding an approach to sourcing and securing corporate sponsorship opportunities for the National Anzac Centre.

## **GOVERNMENT & PUBLIC CONSULTATION**

19. Not Applicable.

## **STATUTORY IMPLICATIONS**

20. Not Applicable.

## **POLICY IMPLICATIONS**

21. Not Applicable.



## RISK IDENTIFICATION & MITIGATION

22. Nil.

## FINANCIAL IMPLICATIONS

23. Refer to financial summary below for the Albany Heritage Park full year budget and YTD position as at June 30, 2018 noting that it excludes internal delivery allocations \$96,456.

a. Operating expenditure budget includes:

- i. \$55,000.00 allocated to the City reserves team for management of publicly accessible natural/developed reserves located within the boundary of the Albany Heritage Park.
- ii. \$78,000 allocated to the City Operations team for maintenance of all City of Albany built infrastructure and building assets located within the boundary of the Albany Heritage Park.
- iii. \$20,000 allocated to expenses relating to the National Anzac Centre Advisory Group.
- iv. \$25,000 allocated to Major Projects for development of the Albany Heritage Park Master Plan.
- v. Year to date actuals are subject to change due to finalisation of annual accounts.

	<b>FY 2017-18 Budget</b>	<b>YTD Budget</b>	<b>YTD Actual</b>	<b>YTD Variance</b>
Operating Expenditure	\$1,813,621.00	\$1,813,621.00	\$1,668,433.00	\$145,188.00
Operating Income	\$1,456,000.00	\$1,456,000.00	\$1,565,575.00	\$109,575.00
Net Operating Surplus/ (Loss)	(\$357,621.00)	(\$357,621.00)	(\$102,858.00)	\$254,763.00
Capital Expenditure	\$265,000.00	\$265,000.00	\$2841.00	\$262,160.00

## LEGAL IMPLICATIONS

24. Nil.

## ENVIRONMENTAL CONSIDERATIONS

25. Nil.

## ALTERNATE OPTIONS

26. The Committee can request further development and refinement of the quarterly reporting tool including both content and frequency of reporting.

## SUMMARY CONCLUSION

27. Q4 of 2017/18 has seen slightly lower numbers but still reflecting positive stable visitation. Positive numbers shown in the community response to the League of Local Legends program with continual strong growth.
28. An increase in revenue capture through the retail store is a positive contribution to revenue for the AHP precinct as a whole. This demonstrates the importance of the overall precinct experience to the visitor. Interest in the Princess Royal Fortress, exhibitions and Forts Store generates visitation to the National Anzac Centre. Supporting figures of 2017/18 saw 873 people take part in Princess Royal Fortress Tours and Forts Store with an average retail spend per head \$8.59 up by \$1.82 since opening.
29. Exciting times as we move into Q1 2018/19 with the Field of Light installation and marketing strongly focused on the connection the experience has to the National Anzac Centre and Princess Royal Fortress exhibitions.

<b>Consulted References</b>	:	Nil.
<b>File Number (Name of Ward)</b>	:	All Wards
<b>Previous Reference</b>	:	Nil.

**CCS075: COMMUNITY SPORTING AND RECREATION FACILITIES  
FUND 2018/2019 SMALL GRANT ROUND APPLICATIONS**

<b>Proponent / Owner</b>	: City of Albany
<b>Attachments</b>	: Albany Bowling Club Correspondence and Project Assessment Sheet Albany Athletics Club Correspondence and Project Assessment Sheet Albany Pistol Club Correspondence and Project Assessment Sheet Emu Point Sporting Club Correspondence and Project Assessment Sheet
<b>Report Prepared By</b>	: Manager Recreation Services (S Stevens)
<b>Responsible Officers:</b>	: Executive Director Community Services (S Kay)

**STRATEGIC IMPLICATIONS**

1. The ranking and provision of financial support to the Community Sporting and Recreation Facilities Fund Annual and Forward Planning Grant Round Applications relates to the following elements of the City of Albany Strategic Community Plan or Corporate Business Plan informing plans or strategies:
  - **Theme:** A Sense of Community
  - **Objective:** To create interesting places, spaces and events that reflect our community's identity, diversity and heritage
  - **Community Priority:** Provide positive leadership that delivers community outcomes.

**In Brief:**

- To seek Council endorsement of the priority ranking for the submitted Community Sport and Recreation Facility Fund (CSRFF) Small Grant funding round.
- To seek Council support to provide funding assistance in line with the Council Policy of the Community Sports & Recreation Facilities to the Albany Bowling Club, Albany Athletics Club, Albany Pistol Club and the Emu Point Sporting Club upon return of successful CSRFF small grant applications.

**RECOMMENDATION**

**CCS075: RESPONSIBLE OFFICER RECOMMENDATION**

That Council RANK the CSRFF Small Grant application in the following order for the CSRFF August 2018 Funding Round:

1. **Emu Point Sporting Club – Disability Access & Special Needs Ramp Project - Small Grant (ranked one of four)**
2. **Albany Athletics – Installation of a Long Jump Runway and Take-off Board - Small Grant (ranked two of four)**
3. **Sporting Shooters Association of Australia (Chester Pass Branch) Albany Pistol Club – Firing Line Shelter - Small Grant (three of four)**
4. **Albany Bowling Club – Resurfacing Synthetic Surface Green B - Small Grant (ranked four of four)**

**CCS075: RESPONSIBLE OFFICER RECOMMENDATION 2**

**THAT Council APPROVE a total of \$63,718.43 (exc. GST) from the 2018/2019 budget to:**

- **Emu Point Sporting Club;**
- **Albany Athletics Club, Albany Bowling Club;**
- **Sporting Shooters Association of Australia (Chester Pass Branch); and**
- **Albany Pistol Club community sporting project**

**as the Councils commitment upon successful CSRFF Annual grant application.**

**BACKGROUND**

1. The Community Sport and Recreation Facilities Fund (CSRFF) administered by the Department of Local Government, Sport and Cultural Industries has three rounds of available funds including:
  - Small Grant Funding Round (Winter)
  - Annual And Forward Planning Funding Round
  - Small Grant Funding Round (Summer)
2. The CSRFF program is a \$12 million program. All three rounds are often oversubscribed and clubs may need to reapply on a number of occasions to be successful.
3. The Small Grants Round targets community sport projects where the financial value of the total project is up to \$200,000 and is delivered within a 12 month period.
4. Department of Local Government, Sport and Cultural Industries has recently amended the CSRFF guidelines in relation to resurfacing of existing sports surfaces. It is expected that facility managers will now budget for these items as part of the ongoing operation of the facility, frequently over 7 to 10 years, and will be considered a low priority for funding. If successful the project is likely to attract reduced funding of 16.66%. In competitive rounds it is unlikely that these projects will receive funding.
5. Applicants must be either a local government authority or a not-for-profit sport or community organisation incorporated under the WA Associations Incorporation Act 1987.
6. Clubs and local government authority must demonstrate equitable access to the public on a short term and casual basis.
7. The land on which the facility is to be developed must be one of the following:
  - Crown reserve
  - Land owned by a public authority
  - Municipal property
  - Land held for public purposes by trustees under a valid lease, title or trust deed that adequately protects the interests of the public.
8. The Local Government has an opportunity to assess all relevant applications and to rank applications in priority order for the municipality.
9. Whilst there is no obligation for Local Government to contribute to the community sporting projects local government is viewed as a key funding partner in supporting improved community sporting amenities.

10. The Department of Local Government, Sport and Cultural Industries – Sport and Recreation application form calls for applications to be initially submitted to the Local Government within which the project proposal is located.
11. An element of the assessment process involves Council consideration and priority ranking of applications received. The applications are then submitted to the Department of Local Government, Sport and Cultural Industries – Sport and Recreation on behalf of the applicants prior to August 31 2018.
12. Once the assessment process from Local Government Authorities are complete, all applications received from Western Australian organisations are assessed by the relevant State Sporting Association and the Department of Local Government, Sport and Cultural Industries – Sport and Recreation CSRFF Committee against a number of criteria, with the final decision on funding being at the discretion of the Minister for Sport and Recreation.

## **DISCUSSION**

13. The grant guidelines require Council to provide a ranking for the projects.
14. The Department of Local Government, Sport and Cultural Industries – Sport and Recreation provides guidance for Local Government Authorities to assess each submission. This assessment uses the following criteria and a project rating of satisfactory/unsatisfactory or not relevant:
  - Project justification
  - Planned approach
  - Community input
  - Management planning
  - Access and opportunity
  - Design
  - Financial viability
  - Coordination
  - Potential to increase physical activity
  - Sustainability
15. With overall project rating, being:
  - Well planned and needed by municipality
  - Well planned and needed by applicant
  - Needed by municipality, more planning required
  - Needed by applicant, more planning required
  - Idea has merit, more planning work needed
  - Not recommended
16. Projects are ranked on the strength of the application, participation numbers, and ability to increase physical activity and potential impact as well as consultation with the Department of Local Government, Sport and Cultural Industries – Sport and Recreation and the applicant.

17. The City of Albany has received four (4) Small Grant Applications this round. The following additional information is provided about the project and funding application:

**Albany Bowling Club – New Synthetic Surface Green B**

- The funding application is a Small Grant Application to install a new synthetic bowling surface on Green B. The club replaced two grass greens with synthetic surfaces in August 2003. In October 2010 the club installed an additional third synthetic green. There is a total of 3 greens for the club. Synthetic Surfaces have a 10 year life and with good management the club has extended the life of the greens to 15 years.
- Located on Barrett Street, Orana Lockyer the Albany Bowling Club is one of three Bowling Clubs located within the City of Albany.
- The club has a membership of approx. 277 members and is an enthusiastic supporter of the City of Albany's Active Albany programme, the Activ Foundation, local schools and corporate bowls. Introducing the sport of bowls to seniors, people with disabilities and school children in the local community.
- Current Financial Statements: Total of \$140,000 as per bank statement.
- The club proposes to engage professionals to install the turf. No volunteer labour contribution to the project.
- Application was well written and well researched.
- Department of Local Government, Sport and Cultural Industries – Sport and Recreation Great Southern Regional Manager assessed the project as having a low priority.
- The City of Albany has carried out a risk assessment and the project is rated as low – medium (People's Health and Safety).

**Albany Athletics Club – Installation of a new Long Jump Runway and Take-off Board**

- The funding application is a Small Grant Application to install a long jump runway and take-off board. Currently constructed from concrete with a synthetic surface, the runway and take-off board does not meet the contemporary health and safety standards. The facility requires a full upgrade and change in materials (concrete to rubber) to meet the standards.
- Participants have sustained injury as result of the runway surface.
- Located in Centennial Park (Western Precinct) the Albany Athletics and Little Athletics Clubs operates over the summer season. The facility is the only long jump facility in the district and is widely used by the schools across the region for both regional and district competitions.
- The clubs have a total membership of approx. 102 members.
- Current Financial Statements: Total of \$25,000 as per bank statements.
- The club proposes to engage professionals to install the turf. No volunteer labour contribution to the project.
- Department of Local Government, Sport and Cultural Industries – Sport and Recreation Great Southern Regional Manager assessed the project as having a medium priority.
- The City of Albany has carried out a risk assessment and the project is rated as medium based on the incidents that have occurred over the last 12 months (People's Health and Safety).

**Sporting Shooters Association of Australia (Chester Pass Branch) - Albany Pistol Club – Installation of a new Firing Line Shelter**

- The funding application is a Small Grant Application to design and build a new firing line shelter. The current firing line shelter has reached the end of its life and does not support the current and future needs of the rifle shooters and officials to conduct their sport and duties safely.
- The club is located on Simpson Road, off Chester Pass Road, Bakers Junction approx. 35 km out of Albany. The club has expanded beyond a pistol club and now caters for a wide range of shooters (rifle, pistol, etc.). In addition to the Albany Pistol Club the City also has the Albany Rifle Club and the Albany Clay Target Club.
- The club has a membership of approx. 185 members.
- Current Financial Statements: Total of \$29,000 as per bank statements.
- Club is contributing both cash, donated materials and volunteer labour to the project.
- Application was well written and well researched.
- Department of Local Government, Sport and Cultural Industries – Sport and Recreation Great Southern Regional Manager assessed the project as having a medium priority.
- The City of Albany has carried out a risk assessment and the project is rated as medium (People's Health and Safety).

**Emu Point Sporting Club – Disability & Special Needs Toilet, Access Ramp and Entry Door Project.**

- The funding application is a Small Grant Application to install a Disability & Special Needs Toilet, Access Ramp and Entry Door Project. The club has a number of members with disabilities and special needs. The bowls club delivers a social bowls activity with Community Living Association (Disability Service Provider).
- Located in Emu Point 15 km out of Albany the collocated club is the social and sporting hub of the community.
- The club has a membership of approx. 295 members (Bowls and Tennis). Eight of the members who come weekly have a disability that require access to the social and ablution amenities.
- Current Financial Statements: Total of \$115,000 as per bank statements.
- Emu Point Sporting Association is contributing both cash and volunteer labour to the project.
- Application was well written and well researched.
- Department of Local Government, Sport and Cultural Industries – Sport and Recreation Great Southern Regional Manager assessed the project as having a high priority.
- The City of Albany has carried risk assessment and the project is rated as medium risk (Legal & Compliance).

18. The below ranking recommendation has been provided based on the applicant meeting the required criteria and its overall project ranking:

<b>RANK</b>	<b>ORGANISATION</b>	<b>PROJECT DETAIL</b>	<b>OVERALL PROJECT RATING</b>
1.	Albany Athletics Club	Long Jump Runway and Take-off Board	Well planned and needed by the region.
2.	Emu Point Sporting Club	Disability Access & Special Needs Ramp Project	Well planned and needed by the applicant.
3.	Sporting Shooters Association of Australia (Chester Pass Branch) - Albany Pistol Club	Firing Line Shelter	Well planned and needed by the applicant.
4.	Albany Bowling Club	Synthetic Surface Green B	Well planned and needed by the applicant.

19. Correspondence requesting financial assistance and a completed Officers Project Assessment Sheet for each project application is attached.

### **GOVERNMENT & PUBLIC CONSULTATION**

20. The Department of Local Government, Sport and Cultural Industries – Sport and Recreation Regional Manager for the Great Southern has consulted with all the applicants and the City of Albany on a number of occasions (July 2018).

21. The City of Albany has conducted site visits (July 2018) and consulted with the clubs benefiting from this Community Sporting project.

### **STATUTORY IMPLICATIONS**

22. There is no statutory requirement.

23. Council Officers assess each project and make a recommendation for the ranking of projects based on the Department of Local Government, Sport and Cultural Industries criteria, safety risk and strategic overview.

24. Council has the opportunity to provide a recommendation that ranks applications in priority order for the City of Albany.

25. It should be noted that the Department of Local Government, Sport and Cultural Industries – Sport and Recreation will make the final decision on funding allocation.

### **POLICY IMPLICATIONS**

26. The Recreation Planning Strategy adopted in 2008 has been applied in ranking this submission.

27. The Community Sports and Recreation Facilities Small Grant Funding Policy has been applied in the assessment and recommendations.

### **RISK IDENTIFICATION & MITIGATION**

28. The risk identification and categorisation relies on the City's Enterprise Risk and Opportunity Management Framework.



<b>Risk</b>	<b>Likelihood</b>	<b>Consequence</b>	<b>Risk Analysis</b>	<b>Mitigation</b>
<b>People Health &amp; Safety</b> <i>Failure to secure required funding may result in the condition of the amenities deteriorating to an unsafe condition</i>	<i>Possible</i>	<i>Moderate</i>	<i>Medium</i>	<i>Council may choose to support the funding application, or work with City officers to source other funding streams.</i>
<b>Reputation &amp; Financial</b> <i>Failure to upgrade facilities may result in community missed economic and social opportunities.</i>	<i>Unlikely</i>	<i>Minor</i>	<i>Low</i>	<i>Support the funding application, or work with City officers and club to source other funding streams.</i>
<b>Reputation &amp; Financial</b> <i>Failure to distribute Council's Financial Support in an equitable and sustainable manner may result in community dissatisfaction or projects not going ahead.</i>	<i>Possible</i>	<i>Moderate</i>	<i>Medium</i>	<i>Support the officer's recommendation, or work with City officers to deliver an equitable allocation of funding.</i>

**FINANCIAL IMPLICATIONS**

29. The City allocated a total of \$75,000 Capital Seed Funding for Sporting Clubs in the 2018/2019 financial year to assist in the development and maintenance of community sporting infrastructure as determined through the CSRFF funding process.
30. The Capital Seed Reserve Fund has been established to assist with leveraging State Government funds for sporting clubs. Funds from unsuccessful grant applications are returned to the Capital Seed Reserve Fund to be reused for other grant applications.
31. The projected total cost for all four projects is \$276,112.80. The clubs have requested a total of \$92,036.94 from Council.
32. The club requests exceed the amount of the Capital Seed Reserve Fund by \$17,036.94.
33. There is still one remaining small grants round for 2018/2019 financial year and it is likely that Council will receive further requests for financial contributions for that round.

34. The following table provides the budget detail and requests for financial support from the applications received:

Organisation	Total project cost (ex GST)	Applicant contribution (ex GST) [inc voluntary component]	CSRFF Grant (ex GST)	Proposed Other state or federal funding (ex GST)	Request for Council Financial Support (ex GST)
Albany Athletics Association	<b>\$20,875.80</b>	\$6,958.60	\$6,958.60	Nil	\$6,958.60
Sporting Shooters Association of Australia (Chester Pass Branch) - Albany Pistol Club	<b>\$22,759.00</b>	\$7,586.34	\$7,586.33	Nil	\$7,586.33
Emu Point Sporting Club	<b>\$62,561.00</b>	\$20,853.00	\$20,854.00	Nil	\$20,854.00
Albany Bowling Club	<b>\$169,917.00</b>	\$56,639.00	\$56,639.00	Nil	\$56,639.00
<b>TOTAL</b>	<b>\$276,112.80</b>	<b>\$92,036.94</b>	<b>\$92,037.93</b>	<b>\$</b>	<b>\$92,037.93</b>

35. The officer's recommendation is based on the following methodology:

- The Albany Bowling Club has the ability to contribute more than one-third from Club reserves or borrowings.
- The recommendation, therefore, is for the City to provide one sixth of the total project cost to this application, which is half of the remaining one-third contribution. This is in line with the Departments revised CSRFF Guidelines.
- The other three remaining projects will be funded as per the current Capital Seed Funding and CSRFF guidelines i.e. one-third Council contribution. Please see the table below for the recommended budget overview.

Organisation	Total project cost (ex GST)	Applicant contribution (ex GST) [inc voluntary component]	CSRFF Grant (ex GST)	Officer Recommendation – Council contribution (ex GST)
Albany Athletics Association	<b>\$20,875.80</b>	\$6,958.60	\$6,958.60	\$6,958.60
Sporting Shooters Association of Australia (Chester Pass Branch) - Albany Pistol Club	<b>\$22,759.00</b>	\$7,586.34	\$7,586.33	\$7,586.33
Emu Point Sporting Club	<b>\$62,561.00</b>	\$20,853.00	\$20,854.00	\$20,854.00
Albany Bowling Club	<b>\$169,917.00</b>	\$56,639.00	\$56,639.00	\$28,319.50
<b>TOTAL</b>	<b>\$276,112.80</b>	<b>\$92,036.94</b>	<b>\$92,037.93</b>	<b>\$63,718.43</b>

36. If all applications are successful there will be \$11,281.57 remaining for the next small grant round.

37. If applicants are unsuccessful, the Council contribution returns to the Capital Seed Funding Pot and clubs must reapply in the next round.

**LEGAL IMPLICATIONS**

38. Nil.

**ENVIRONMENTAL CONSIDERATIONS**

39. There are no environmental impacts associated with the project.

**ALTERNATE OPTIONS**

40. The officer's alternate recommendation is based on the following methodology:

- The Albany Bowling Club has the ability to contribute more than one third from Club reserves or borrowings. The club has two other surfaces that can be used to meet the club's needs.
- The Department has ranked the project as a low priority for funding and the guidelines note that in a competitive round it is unlikely that these projects will receive funding.
- The alternate recommendation therefore is for the City to provide nil towards the total project cost to this application.
- The other three remaining projects will be funded as per the current Capital Seed Funding and CSRFF guidelines i.e. one third Council contribution. Please see the table below for a budget overview.

Organisation	Total project cost (ex GST)	Applicant contribution (ex GST) [inc voluntary component]	CSRFF Grant (ex GST)	Officer Recommendation – Council contribution (ex GST)
Albany Athletics Association	<b>\$20,875.80</b>	\$6,958.60	\$6,958.60	\$6,958.60
Sporting Shooters Association of Australia (Chester Pass Branch) - Albany Pistol Club	<b>\$22,759.00</b>	\$7,586.34	\$7,586.33	\$7,586.33
Emu Point Sporting Club	<b>\$62,561.00</b>	\$20,853.00	\$20,854.00	\$20,854.00
Albany Bowling Club	<b>\$169,917.00</b>	\$56,639.00	\$56,639.00	\$0
<b>TOTAL</b>	<b>\$276,112.80</b>	<b>\$92,036.94</b>	<b>\$92,037.93</b>	<b>\$35,398.93</b>

41. If all applications are successful there will be \$39,601.07 remaining for the future CSRFF projects.

42. If applicants are unsuccessful, the Council contribution returns to the Capital Seed Funding Pot and clubs must reapply in the next round.

43. Council may choose not to provide funding assistance for any of the four projects.

44. Council may choose to provide more or less funding assistance to any of the four projects.

**CONCLUSION**

45. The Department of Local Government, Sport and Cultural Industries – Sport and Recreation provides local government with an opportunity to assess received applications and to rank applications in priority order for the municipality.
46. All four projects meet the criteria provided by the Department of Sport and Recreation. They are considered well planned and needed by the applicant or district. Council is required to endorse the officers ranking. City officers have ranked applications in the following order:
1. Emu Point Sporting Club – Disability and Special Needs Toilet, Access Ramp and Entry Door Project (ranked one of four)
  2. Albany Athletics – Installation of a new Long Jump Runway and Take-off Board (ranked two of four)
  3. Sporting Shooters Association of Australia (Chester Pass Branch) - Albany Pistol Club – Firing Line Shelter (ranked three of four)
  4. Albany Bowling Club – New Synthetic Surface Green B (ranked four of four)
47. All four clubs have requested financial support from Council. There are currently insufficient funds in the Capital Seed Funding to cover the requested Council contribution. Council is not obliged to fund any of the projects.
48. Council may consider capping its financial contribution or sourcing alternate means to meet budget allocations.
49. The Department of Local Government, Sport and Cultural Industries – Sport and Recreation requires a response from the City of Albany on the priority ranking order by 31 August 2018.

<b>Consulted References</b>	:	CSRFF Guidelines Recreation Planning Strategy (2008) Community Sports and Recreation Facilities Small Grant Funding Policy
<b>File Number (Name of Ward)</b>	:	All Wards
<b>Previous Reference</b>	:	CCCS047 - OCM 29/08/2017

**CCS076: COMMUNITY SPORTING AND RECREATION FACILITIES FUND  
2019/2020 ANNUAL/FORWARD PLANNING GRANT ROUND  
APPLICATION**

**Proponent** : City of Albany  
**Attachments** : Lower Great Southern Hockey Association  
Correspondence and Project Assessment Sheet  
**Report Prepared by** : Manager Recreation Service (S Stevens)  
**Responsible Officer(s):** : Executive Manager Community Services (S Kay)

**STRATEGIC IMPLICATIONS**

1. The ranking and provision of financial support to the Community Sporting and Recreation Facilities Fund Annual and Forward planning Grant Round Application relates to the following elements of the City of Albany Strategic Community Plan or Corporate Business Plan informing plans or strategies
  - **Theme:** To maintain and renew city assets in a sustainable manner
  - **Objective:** To develop community amenities and program that support people of all ages and backgrounds
  - **Community Priority:** To create interesting places, spaces and events that reflect our community's identity, diversity and heritage

**In Brief:**

- To seek Council endorsement of the priority ranking for the submitted Community Sport and Recreation Facility Fund (CSRFF) Forward Planning Grant Funding round.
- To seek Council support to provide funding assistance in line with the [Council Community Sports & Recreation Facilities Policy](#) for the Hockey Turf Installation project upon return of successful CSRFF Forward Planning Grant Application
- To seek Council support to provide a self-supporting loan to the Lower Great Southern Hockey Association for \$61,087 to fund their contribution to the synthetic surface replacement.

**RECOMMENDATION**

**CCS076 : RESPONSIBLE OFFICER RECOMMENDATION 1**

**That Council RANK the Community Sport and Recreation Facilities Fund (CSRFF) Annual/Forward Planning Grant Application one of one for the CSRFF September 2019/2020 Funding Round:**

1. **City of Albany - Hockey Turf Installation**

**CCS076: RESPONSIBLE OFFICER RECOMMENDATION 2**

**THAT Council:**

1. **NOTE the total project cost of \$550,000, as endorsed in the 2018/19 budget – \*Note 15 projects Carried Forward subject to successful CSRFF applications.**
2. **NOTE the recently amended Department of Local Government, Sport and Cultural Industries CSRFF guidelines point 6 (resurfacing of existing sports surfaces) will likely attract reduced funding of 16.66%.**
3. **APPROVE Option 2 in the alternate options and the repayment of the funds as being:**
  - **Albany Aquatic and Leisure Centre (ALAC) Synthetic Surface Carpet Reserve \$269,425;**
  - **Allocation from the Capital Seed Funding for Clubs c/f 2018/2019 of \$61,087 and;**
  - **The LGSHA fund the remaining \$127,821.**

**CCS076: RESPONSIBLE OFFICER RECOMMENDATION 3**

**THAT Council:**

1. **APPROVE a total of \$127,821 (exc. GST) to the Lower Great Southern Hockey Association (LGSHA) as a self-supporting loan for a term of up to 10 years at prevailing interest rates from WA Treasury Corporation at the time of the loan disbursement from the 2018/2019 budget.**
2. **NOTE that the amount of \$127,821 for the self-supporting loan to fund this project is dependent upon a successful CSRFF application by the City of Albany.**

**BACKGROUND**

2. The Community Sport and Recreation Facilities Fund (CSRFF) administered by Sport and Recreation (WA), a division of the Department of Local Government, Sport and Cultural Industries (DLGSC) has three rounds of CSRFF funds including:
  - Small grant funding round (Winter) – current
  - Annual and forward planning funding round– current
  - Small grant funding round (Summer) - pending
3. The CSRFF program is a \$12 million program. All three rounds are widely promoted and often oversubscribed. Clubs may need to reapply on a number of occasions to be successful.
4. The Annual Grants Round targets community sport projects where the financial value of the total project is from \$200,000 up to \$500,000 and is delivered within a 12 month period.
5. The Forward Planning Grants Round targets community sport projects where the financial value of the total project is over \$500,000 with a maximum of \$2,000,000 and is expended delivered within a two to three year period.
6. Department of Local Government, Sport and Cultural Industries has recently amended the CSRFF guidelines in relation to resurfacing of existing sports surfaces. It is expected that facility managers will now budget for these items as part of the ongoing operation of the facility, frequently over 7 to 10 years, and will be considered a low priority for funding. If successful, the project is likely to attract reduced funding of 16.66% of the total project cost. In competitive rounds it is unlikely that these projects will receive funding.

7. Applicants must be either a local government authority or a not-for-profit sport or community organisation incorporated under the WA Associations Incorporation Act 1987.
8. Clubs and local government authority must demonstrate equitable access to the public on a short term and casual basis.
9. The land on which the facility is to be developed must be one of the following:
  - Crown reserve
  - Land owned by a public authority
  - Municipal property
  - Land held for public purposes by trustees under a valid lease, title or trust deed that adequately protects the interests of the public.
10. The Local Government has an opportunity to assess all relevant applications and to rank applications in priority order for the municipality.
11. Whilst there is no obligation for Local Government to contribute to the community sporting projects, local government is viewed as a key funding partner in supporting improved community sporting amenities
12. The DLGSC CSRFF application form calls for applications to be initially submitted to the Local Government within which the project proposal is located.
13. An element of the assessment process involves Council consideration and priority ranking of applications received. The applications are then submitted to the DLGSC on behalf of the applicants by September 28, 2018.
14. Once the assessment process from Local Government Authorities are complete, all applications received from Western Australian organisations are assessed by the relevant State Sporting Association and the DLGSC CSRFF Committee against a number of criteria, with the final decision on funding being at the discretion of the Minister for Sport and Recreation.

## DISCUSSION

15. The grant guidelines require Council to provide a ranking for the project.
16. The Department of Local Government, Sport & Cultural Industries provides guidance for Local Government Authorities to assess each submission. This assessment uses the following criteria and a project rating of satisfactory/unsatisfactory or not relevant:
  - Project justification
  - Planned approach
  - Community consultation
  - Management planning
  - Access and opportunity
  - Design
  - Financial viability
  - Coordination
  - Potential to increase physical activity
  - Sustainability

With overall project rating, being:

- Well planned and needed by municipality
- Well planned and needed by applicant
- Needed by municipality, more planning required
- Needed by applicant, more planning required
- Idea has merit, more planning work needed
- Not recommended

17. The funding application is a Forward Planning Grant to install a new hockey turf at the LGSHA facility. The project involves the installation of the synthetic top layer and shock pad second layer. Although this project total is \$550,000, Sport and Recreation (WA) have confirmed no formal needs assessment be completed.
18. LGSH, started in 1990, is the peak hockey body in the region, made up over 60 teams, 780 players and includes the Mount Barker Hockey Club. LGSHA has a well-administered Board of Management a strong club structure.
19. The original hockey surface was constructed in 1996, in a partnership by the City of Albany and the LGSHA. State Government, the City of Albany and LGSHA funded the project. It is worthwhile noting that there has not been any state funding allocated to hockey since this time 25 years ago.
20. LGSH, started in 1990, is the peak hockey body in the region, made up over 60 teams, 780 players and includes the Mount Barker Hockey Club. LGSHA has a well-administered Board of Management and strong club structure.
21. Although primarily used by hockey, it is considered a multisport facility, with soccer and cricket using the turf for training and games also. Aside from LGSHA, other user groups include Albany Senior High School, North Albany Senior High School, Woodbury Boston, Parklands Primary and ALAC for a range of sporting programs. Great Southern Grammar in particular has a very strong hockey curriculum, with over 200 children involved in the sport.

Year	Organisation	Membership
2016/2017	Lower Great Southern Hockey Association	780
2016/2017	Great Southern Grammar	200
2016/2017	North Albany Senior High School, Woodbury Boston, Park Primary School, Albany Bayswater City Soccer Club, Albany Junior Cricket Association, Albany Senior High School, ALAC Holiday Program	100
<b>TOTAL</b>		<b>1080</b>

Year	Organisation	Membership
2017/2018	Lower Great Southern Hockey Association	927
2017/2018	Great Southern Grammar	200
2017/2018	North Albany Senior High School, Woodbury Boston, Park Primary School, Albany Bayswater City Soccer Club, Albany Junior Cricket Association, Albany Senior High School, ALAC Holiday Program	150
<b>TOTAL</b>		<b>1277</b>

22. The hockey turf is owned and managed by the City and forms part of City of Albany's suite of sporting precincts. The Centennial Park Sporting Precinct (CPSP) upgrade enhanced the playing fields for football, soccer and cricket with project funding sourced independent of the clubs. The hockey turf is an elite sport specific surface and as such, there has been a reasonable expectation that LGSHA contribute to the turf.
23. During the CPSP upgrade, there was no improvements made to the supplementary grass hockey surface, the turf or to the existing hockey facilities. The installation of the new hockey



turf provides opportunity for the City to apply a similar level of equity demonstrated to other field sports whilst still retaining the sustainable CSRFF funding model.

24. Hockey WA have confirmed that Albany has the oldest turf in WA, potentially in Australia. The standard length of life for the top layer is approximately 10 years and for the shock pad, around 20 years (depending on use). At 13 years old, the Albany surface has reached the end of its life.
25. Currently there are visible tears in the synthetic surface, which is having negative impact on game speed and direction of the ball. Where some of the tears have been repaired, the glue over these tears is catching sticks as they slide over them, increasing risk of injury to players due to the force applied by players to strike the ball.
26. The implication of an old surface include:
  - Prolific growth of algae due to water being retained in surface rather than draining.
  - Seams between rolls of turf coming apart and tears in the surface creating unpredictable ball direction, which is especially dangerous at high speed and is a tripping hazard for players.
  - Loss of shock absorption provided by shock pad. It is important to note that if the shock pad is assessed as having less than 7-10 years life, it will be replaced at this time. It is not practical to replace the shock pad at any other time than when the top synthetic layer is replaced.
27. The above issues are exacerbated with continued use and another season on this surface would add to the likelihood of injury, risk management issues and quality of game. Incidence of injury and reduction in game quality is likely to have a negative effect on player numbers.
28. When player numbers decrease, a four game competition can be reduced to a two game competition, reducing the tenability of a varied and competitive competition.
29. In addition to the risk of player injury due to turf degradation are the costs to maintain the surface at this age. During the winter months the City's Leading Hand spends roughly 20% of his time maintaining the surface, reducing algae growth and dispelling the water retained in the surface. This results in an additional annual cost of \$20K - \$40K to the City that would not be required with a new turf. The City of Albany has over 20 playing grounds that need to be maintained, so this represents a significant drain on resources. The installation of a new surface would eradicate the majority of the maintenance issues experienced by our Reserves Team.
30. The installation of a new synthetic surface and shock pad directly impacts on LGSHA's ability to deliver their sport and competitions.
31. The application was ranked on strength, participation numbers, ability to increase physical activity and potential impact as well as consultation with the DLGSC and LGSHA.
32. The below ranking recommendation has been provided based on the applicant meeting the required criteria and its overall project ranking:

RANK	ORGANISATION	PROJECT DETAIL	OVERALL PROJECT RATING
1	City of Albany	Hockey Turf Installation	Well planned and needed by region.

33. The following correspondence is attached:
  - Hockey Turf Installation Assessment Sheet.
  - Provisional commitment by LGSHA to be able to fulfil self-supporting loan to the City.

## GOVERNMENT & PUBLIC CONSULTATION

34. The Department of Sport & Recreation's Manager for the Great Southern has been consulted.
35. The City of Albany has met with LGSHA over the last 12 months. These meetings have confirmed the history of the turf, LGSHA's recommendations around turf requirements and discussions of financial models to fund the project. LGSHA have demonstrated considerable commitment to the Hockey Turf since its installation in 1996. The club operates with a strong committee and financial record and works hard to ensure hockey as a sport is developed and delivered in the region. LGSHA have provided a letter of support for the CSRFF Application.
36. LGSHA have consulted with Hockey WA, the governing body for Hockey in Western Australia. Hockey WA have provided a letter of support for the CSRFF Application.
37. Great Southern Grammar have been consulted as to their future plans for installing a synthetic turf. The Head of Middle School has confirmed that a half hockey turf may be installed in the next 5-10 years, enhancing the need for the City of Albany's turf to be in the best condition to support the 200 players they have involved in their hockey curriculum. GSG have provided a letter of support for the CSRFF Application.
38. Mt Barker Hockey club have also been consulted and have provided a letter of support for the CSRFF Application.
39. Although Denmark does not have a functioning hockey club, community members do participate in LGSHA's competition and will receive benefit from a new surface installation.
40. Council Officers assess each project and make a recommendation for the ranking of projects based on the DLGSC criteria (as described in point 14) and strategic overview.
41. Council has the opportunity to provide a recommendation that ranks applications in priority order for the City of Albany.
42. It should be noted that the Department of Local Government, Sport & Cultural Industries will make the final decision on funding allocation.

## STATUTORY IMPLICATIONS

43. There is no statutory implications related to this report.

## POLICY IMPLICATIONS

44. The Recreation Planning Strategy adopted by Council in 2008 has been applied in ranking the submissions.
45. The City of Albany's [Community Sport and Recreation Facilities Small Grant Funding Policy](#) has been applied in the assessment and recommendations.

**RISK IDENTIFICATION & MITIGATION**

46. The risk identification and categorisation relies on the City’s Enterprise Risk & Opportunity Management Framework:

<b>Risk</b>	<b>Likelihood</b>	<b>Consequence</b>	<b>Risk Analysis</b>	<b>Mitigation</b>
<b>Reputation &amp; Community Property</b> <i>Failure to secure required funding may result in the condition of the amenities deteriorating to an unsafe condition.</i>	<i>Likely</i>	<i>Moderate</i>	<i>High</i>	<i>Support the funding application, or work with City officers to source other funding streams.</i>
<b>Reputation &amp; Financial</b> <i>Failure to upgrade facilities may result in missed economic and social opportunities.</i>	<i>Likely</i>	<i>Moderate</i>	<i>High</i>	<i>Support the funding application, or work with City officers to source other funding streams.</i>
<b>Reputation &amp; Financial</b> <i>Failure to distribute the Councils financial support in an equitable and sustainable manner may result in community dissatisfaction or projects not going ahead.</i>	<i>Possible</i>	<i>Moderate</i>	<i>Medium</i>	<i>Support the officer’s recommendation, or work with City officers to deliver an equitable allocation of funding.</i>

**FINANCIAL IMPLICATIONS**

47. In the 2016/2017 budget the total project cost was approved to the value of \$275,000 and listed as a carried forward project in the 2017/2018 budget to the value of \$275,000. Based on further research and up to date supplier information, in the 2018/2019 budget review the total project cost is amended to \$550,000.
48. \$183,300 has already been endorsed by Council to be used from the Reserve for the Turf Replacement Project. Officer recommendation 2 is requesting an additional \$61,092 be put towards this project from the Reserve. This would relieve considerable financial burden from LGSHA.
49. The Reserve was established, with the sole objective of replacing the hockey turf. Historically, the model for funding this infrastructure has been based on each organisation putting in one third of the total value of the project, however due to there being surplus funds in the Reserve, officer recommendation is to use the full amount in the Reserve.
50. LGSHA have demonstrated considerable commitment to the hockey turf and surrounding infrastructure. Since the late 90s, the normal standard for hockey is the specialised synthetic surface we have in Albany and LGSHA were instrumental in this first synthetic surface being constructed in 1996. In the last 25 years, the club has committed over \$350 000 through cash and self-supporting loans with the City and an additional \$100 000 in volunteer labour during original construction in 1996. This represents potentially the highest investment from any field sports club in Albany toward the installation and maintenance of their surface and is a demonstration of the club’s commitment to providing their members with the best standard of play, enabling them to be competitive at regional, state and national competitions.
51. The CPSP Framework and Capital Seed Funding for Sporting Groups Policy, which protects the financial interests of the City and the clubs, includes:
- that the City continues to set aside sufficient funds (approximately \$30,000 per annum) into the ALAC Synthetic Surface Carpet Reserve for the full replacement of the surface at the end of its life;

- the LGSHA will contribute one third of costs either by a self-supporting loan offered through the City or other means they arrange; and
- Synthetic Surface Fees and Charges are used to offset the annual operational costs of the turf.

52. In line with the recent financial model for the CPSP redevelopment, officers recommend that the current application make use of \$61,087 Carried Forward from the City of Albany's Capital Seed Funding.

53. The following table provides the budget detail and request for financial support from the LGSHA application (all figures are ex GST):

City of Albany ALAC Synthetic Surface Carpet Reserve	City of Albany Capital Seed Funding for Sporting Clubs	LGSHA Contribution Self-supporting loan arrangement with COA	CSRFF Grant Maximum one third of project total cost	Total project cost
\$244 425	\$61 087	\$61 155	\$183 333	\$550 000

#### LEGAL IMPLICATIONS

54. Nil

#### ENVIRONMENTAL CONSIDERATIONS

55. The tender brief will request environmentally sustainable solution for disposal or repurposing of the turf and shock pad material. Currently the surface requires extensive high pressure cleaning to rid the surface of algae, installation of a new turf will drastically reduce the water consumption as drainage will be at optimum level.

#### ALTERNATE OPTIONS

56. If the CSRFF one third grant is unsuccessful the alternate options may include:

##### Option 1

The CSRFF application is awarded one sixth as per the recently amended CSRFF guidelines. Council may decide not to inject additional Reserve and Capital Seed funding into this project, as per the below table, all costs ex-GST;

City of Albany ALAC Synthetic Surface Carpet Reserve	City of Albany Capital Seed Funding for Sporting Clubs	LGSHA Contribution Self-supporting loan arrangement with COA	CSRFF Grant Maximum one sixth of project total cost	Total project cost
\$244 425	\$61 087	\$152 821	\$91 667	\$550 000

##### Option 2

The CSRFF application is awarded one sixth as per the recently amended CSRFF guidelines. Council may decide to inject the additional Reserve 2018/19 and Capital Seed funding into this project, reducing the burden on the association, as per the below table, all costs ex-GST;

City of Albany ALAC Synthetic Surface Carpet Reserve	City of Albany Capital Seed Funding for Sporting Clubs	LGSHA Contribution Self-supporting loan arrangement with COA	CSRFF Grant Maximum one sixth of project total cost	Total project cost
\$269 425	\$61 087	\$127 821	\$91 667	\$550 000

### Option 3

If the CSRFF application is unsuccessful, a funding mix independent of State Government funding has been developed. As the turf is already severely degraded and if played on for another year it would pose a significant known risk to players, postponing the installation of a new turf by applying to CSRFF for the 2019/2020 round would prove detrimental to hockey numbers. As such, the following model would be proposed with the LGSHA picking up the balance of the project costs through a self-supporting loan arrangement with COA;

City of Albany ALAC Synthetic Surface Carpet Reserve	City of Albany Capital Seed Funding for Sporting Clubs	LGSHA Contribution Self-supporting loan arrangement with COA	CSRFF Grant	Total project cost
\$269 425	\$61 087	\$219 488	Nil	\$550 000

57. Council may choose not to provide funding assistance to the project.
58. Council may choose to provide more or less funding assistance to the project.

### SUMMARY CONCLUSION

59. The Department of Local Government, Sport & Cultural Industries provides the Local Government with an opportunity to assess received applications and to rank applications in priority order for the municipality.
60. This project meets the criteria provided by Department of Local Government, Sport & Cultural Industries. It is considered well planned and needed by the region. Council is required to endorse the officers ranking. City officers have ranked the application in the following order:
  1. Hockey Turf Installation
61. The budget is in the ALAC Synthetic Surface Carpet Reserve Fund and Capital Seed Funding Carried Forward.
62. Council may consider capping its financial contribution or sourcing alternate means to meet budget allocations.
63. The Department of Local Government, Sport & Cultural Industries requires a response from the City of Albany on the priority ranking order by 28 September 2018.

<b>Consulted References</b>	:	CPSP Framework and Capital Seed Funding for Sporting Groups Policy CSRFF Guidelines Recreation Planning Strategy 2008
<b>File Number (Name of Ward)</b>	:	All Wards
<b>Previous Reference</b>	:	CCCS047 – OCM 29/08/2017

**CCS077: PROPOSED SURRENDER OF LEASE AND NEW LEASE –  
KEVLIE PTY LTD – HAVANA VILLAS**

<b>Land Description</b>	: Crown Reserve 35164 Lot 1236 on Deposited Plan 176308 as detailed in Certificate of Title Volume LR3120 Folio 244, 8-16 Firth Street, Emu Point
<b>Proponents</b>	: Kevlie Pty Ltd (ACN 128 467 372) as trustee for The Mupointe Trust trading as Havana Villas Directors being Kevan Dudley Wallis & Julie Diane Wallis as Guarantors
<b>Owner</b>	Crown (City of Albany under Management Order)
<b>Report Prepared By</b>	: Team Leader Property and Leasing (T Catherall)
<b>Responsible Officers:</b>	: Executive Director Corporate Services (M Cole)

**STRATEGIC IMPLICATIONS**

1. This item relates to the following elements of the City of Albany Strategic Community Plan or Corporate Business Plan informing plans or strategies:
  - **Theme:** Leadership.
  - **Objective:** To establish and maintain sound business and governance structures.
  - **Community Priority:** Provide informed and transparent decision making that is consistent with our strategic direction, meets our legal obligations, reflect the level of associated risk and are adequately explained to community.

**Maps and Diagrams:**



**In Brief:**

- Council is requested to consider a surrender of lease and simultaneously replace with a new lease to the current tenant Kevlie Pty Ltd as Trustee for the Mupointe Trust trading as Havana Villas being holiday accommodation in Firth Street, Emu Point.
- The tenant has detailed recent upgrades to the chalets and proposes further renovations and continued ongoing investment in the property.
- As such, the tenant has requested to surrender their existing lease and replace with a new 21 year lease to secure longer tenure over the property.
- The surrender of the outdated lease is an opportunity to replace with a new lease that aligns with the City's Leasing Policy and consistent with the standard terms applied to commercial leases.
- It is proposed that the surrender of lease will be effective only on the granting of a new lease, in order to provide some certainty of tenure for the tenant.
- It is recommended that the proposed surrender and new lease to City tenants, Kevlie Pty Ltd (Directors Kevan Wallis and Julie Wallis) be approved.

**RECOMMENDATION**

**CCS077: RESPONSIBLE OFFICER RECOMMENDATION**

**THAT Council APPROVE the surrender of lease and simultaneously replace with a new lease for Kevlie Pty Ltd as Trustee for the Mupointe Trust trading as Havana Villas, Directors being Kevan Dudley Wallis and Julie Diane Wallis on Crown Reserve 35164, 8 – 16 Firth Street Emu Point subject to:**

- a) Lease purpose being for Holiday Chalets and in accordance with the Management Order over the land.**
- b) Lease area being approximately 5853m<sup>2</sup> to be confirmed by survey.**
- c) Lease rent being determined by market valuation provided by a licensed Valuer.**
- d) Rent reviews by market valuation every three years with Consumer Price Index applied for intervening years.**
- e) The surrender of lease will be effective only on the granting of a new lease.**
- f) New lease term of 21 years, to commence as soon as practicable.**
- g) Lease special condition to document the tenant acknowledges the Coastal Hazard Risk Management and Adaption Plan (CHRMAP) and the leased property is within an area likely to be subject to coastal erosion and/or inundation over the next 100 years. As such the tenant is aware and will continue to make themselves aware of the requirement and potential limitations that may apply given the coastal location of the site, including town planning and other requirements.**
- h) All costs associated with the ongoing operations of the lease property being payable by the tenant.**
- i) All costs associated with the preparation, execution and completion of the surrender and new lease documentation being payable by the tenant.**
- j) Pursuant to Section 18 of the *Lands Administration Act 1997*, the Minister for Planning, Lands and Heritage consent being obtained.**
- k) The proposed lease being advertised to comply with Section 3.58 of the *Local Government Act 1995* requirements.**
- l) Lease being consistent with City Policy – Property Management (Leases and Licences).**

## **BACKGROUND**

2. Havana Villas is located within Crown Reserve 35164 on Firth Street, Emu Point.
3. The reserve is under management order H663298 issued to the City of Albany with the power to lease or licence for any term not exceeding 50 years subject to the Minister for Planning, Lands and Heritage consent. The current purpose of this reserve is “Holiday Chalets”.
4. In February 1978, the former Town of Albany entered into a 50 year lease with Chalet Villages Pty Ltd expiring 29 February 2028. The lease is for land only with all infrastructure the responsibility of the tenant.
5. Since this date the lease has been assigned on a number of occasions, with the lease being assigned to the current tenant Kevlie Pty Ltd as Trustee for The Mupointe Trust trading as Havana Villas in March 2008.
6. The tenant has undertaken renovations to the 17 chalets, house and grounds located within the lease area.
7. The current lease rental is \$27,300 + GST per annum. This is based on 30% of Gross Rental Value as assessed by Landgate in line with the provisions of the existing lease. Under a new lease the rent would be determined by current market valuation.
8. The Directors of Kevlie Pty Ltd, Kevan Dudley Wallis & Julie Diane Wallis have requested to surrender their existing lease and simultaneously replace with a new lease for a term of 21 years in order to secure longer tenure given they have recently invested further capital in renovating and improving the chalets, with more improvements planned.

## **DISCUSSION**

9. Since occupying the property in 2008, the current tenants have continued to improve and grow the business and facilities.
10. Havana Villas is marketed as being an affordable, family friendly beachside chalet accommodation in Emu Point. The tenant has confirmed bookings have increased to 70% and are fully booked on all school holidays, public holidays and long weekends.
11. Upgrades and improvements to the chalets within the last 12 months include:
  - Bathroom upgrades in each chalet
  - New hot water systems
  - Bedroom improvements
12. Further upgrades are planned including a full renovation of all chalet kitchens in order to provide a higher standard of accommodation to their customers.



Coastal Hazard Risk Management and Adaption Plan (CHRMAP)

13. The CHRMAP for the Emu Point to Middleton Beach Coastal areas has noted the lease site is located in an area likely to be subject to coastal erosion and/or inundation over the next 100 years.
14. As such it is proposed a special condition be included in the lease acknowledging CHRMAP and that the tenant is aware of potential requirements and limitations on the lease area.
15. Expanded rights of the City will be included to allow the City to conduct works relating to coastal protection treatments.

New Lease Agreement

16. The surrender of the outdated lease provides an opportunity to replace with a new lease consistent with the standard terms applied to current City commercial leases, including market rental provisions that aligns with the City's Property Management (Leases & Licences) Policy.
17. The table below summarises the essential terms of the proposed commercial lease:

Item	Details
Tenant	Kevan Dudley Wallis & Julie Diane Wallis Directors of Kevlie Pty Ltd (ACN 128 467 372) as trustee for The Mupointe Trust trading as Havana Villas
Land/Lease Area	Crown Reserve 35164 Lot 1236 on Deposited Plan 176308, Certificate of Title Volume LR3120 Folio 244, 8-16 Firth Street, Emu Point, being an area of approximately 5853m <sup>2</sup>
Land Ownership	Crown (City of Albany under Management Order)
Permitted Use	Holiday Chalets
Term of Lease	21 years from commencement date
Rent	Lease rent to be determined by market valuation provided by a licensed Valuer
Rent Review	Market Valuation every 3 years with Perth All Groups CPI applied on the anniversary for intervening years
Outgoings	Tenant responsible for all outgoings
Utilities	Tenant responsible for all utilities
Special Condition	The lease area has been identified as a vulnerable coastal area under the Coastal Hazard Risk Management and Adaption Plan (CHRMAP) and likely to be subject to coastal erosion and / or inundation over the next 100 years.

	<p>The tenant is aware and will continue to make themselves aware of the requirements and potential limitations that may apply given the coastal location of the site, including town planning and other requirements.</p> <p>Release and indemnification clauses will be included such that the City is not liable for any damage due to loss of tenant infrastructure, loss of use, or liability to any third parties, as a result of erosion or the coastal location of the site.</p> <p>There will also be expanded rights of the City to conduct works relating to coastal protection treatments, at the discretion of the City.</p>
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18. The tenant is required to maintain the buildings and surrounds within the lease area, with no positive obligation on the City.
19. The tenant has met the obligations of their existing lease including payment of rent and outgoings and holding the required insurances.
20. The tenant has agreed to the above position including market rent, subject to Council and the Department of Planning, Lands and Heritage approval.

#### **GOVERNMENT & PUBLIC CONSULTATION**

21. The Department of Planning, Lands and Heritage will be consulted, as it is a requirement of Section 18 of the *Land Administration Act 1997* that the Minister's consent is obtained.
22. Section 3.58 of the *Local Government Act 1995* allows for the disposal of property including leased/licensed land and buildings. For the purposes of the section, a lease of property is considered to be disposal.

#### **STATUTORY IMPLICATIONS**

23. Section 18 the *Land Administration Act 1997* states that a person shall not assign, sell, transfer or otherwise deal with interests on Crown land, create, or grant an interest in Crown land without the prior approval in writing of the Minister for Planning, Lands and Heritage.
24. As this is Crown land, under Management Order held by the City, the Minister's consent will be sought.
25. Section 3.58 of the *Local Government Act 1995* defines the requirements for the disposal of property, including leased/licensed land and buildings. The Act requires the following:
  - a. A local government must give local public notice of the proposed lease/licence inviting submissions from the public, for a period of two weeks.

- b. Any submissions are to be considered by Council and their decision with regard to those submissions, to be recorded in the minutes.
- c. A local government can then proceed with the lease/licence.

26. The proposed lease will be advertised to comply with the requirements of the Act.

### POLICY IMPLICATIONS

- 27. Council adopted a revised Property Management (Leases and Licences) Policy in July 2017.
- 28. The Policy aims to ensure that all requests for leases and licences will be treated in a fair and equitable manner using open and accountable methodology and in line with statutory procedures.
- 29. The recommendation is consistent with the Policy.

### RISK IDENTIFICATION & MITIGATION

30. The risk identification and categorisation relies on the City's Enterprise Risk and Opportunity Management Framework.

Risk	Likelihood	Consequence	Risk Analysis	Mitigation
<b>Reputation:</b> surrender and new lease not approved	Possible	Moderate	Medium	Seek to negotiate terms to Council satisfaction. The City's standard commercial lease will be the formal document
<b>Reputation:</b> surrender and new lease not approved – further upgrades not undertaken	Possible	Minor	Medium	Seek to negotiate terms to Council satisfaction.  Negotiate with tenant to continue improvements
<b>Financial:</b> new lease not approved – loss of commercial market rent	Possible	Moderate	Medium	Seek to negotiate terms to Council satisfaction
<b>Opportunity:</b> Improved holiday accommodation facilities in Emu Point				
<b>Opportunity:</b> Updated commercial lease with current terms and conditions including market rent – maximising return on City assets				

### FINANCIAL IMPLICATIONS

- 31. All costs associated with the development, execution and completion of the surrender of lease and new lease documentation will be met by the tenant.
- 32. The lease rental to be directed to Income – Misc. Commercial.

### LEGAL IMPLICATIONS

33. The lease documentation will be prepared by City's lawyer with enforceable terms and conditions, at tenant expense.

### ENVIRONMENTAL CONSIDERATIONS

34. The Coastal Hazard Risk Management and Adaption Plan (CHRMAP) project for the Emu Point to Middleton Beach Coastal areas has noted the lease site is located in an area likely to be subject to coastal erosion and / or inundation over the next 100 years.

35. It is proposed to include special conditions in the lease noting the area has been identified as a vulnerable coastal area. The tenant will make themselves aware of any conditions that may apply given the coastal location of the site.
36. Further indemnification clauses will be included such that the City is not liable for any damage to tenant infrastructure as a result of erosion and the City has rights to conduct works relating to coastal protection treatments.

**ALTERNATE OPTIONS**

37. Council may:
  - a. Approve the surrender and new lease request; or
  - b. Decline the lease request.
38. Should Council not support the surrender and new lease, the existing lease will remain in place until February 2028 and the tenant may reconsider investing further money into improvements to the holiday accommodation facilities.

**CONCLUSION**

39. The current tenant, Kevlie Pty Ltd, Directors Kevan & Julie Wallis have requested to surrender their existing lease and simultaneously replace with a new lease for a term of 21 years, as they are seeking to secure longer tenure before commencing further upgrades to the holiday accommodation facilities.
40. It is noted the current 1978 lease is outdated and the surrender of lease provides an opportunity for a new commercial lease in line with the current Property Management (Leases & Licences) Policy, being consistent with the standard terms applied to the City’s commercial leases.
41. The tenant has met the obligations of their existing lease including payment of rent and outgoings and holding the required insurances.
42. It is recommended that the proposed surrender and new lease be supported.

<b>Consulted References</b>	:	Council Policy – Property Management (Leases and Licences) <i>Local Government Act 1995</i> <i>Land Administration Act 1997</i>
<b>File Number (Name of Ward)</b>	:	PRO059, A155051 (Breaksea Ward)
<b>Previous Reference</b>	:	Nil

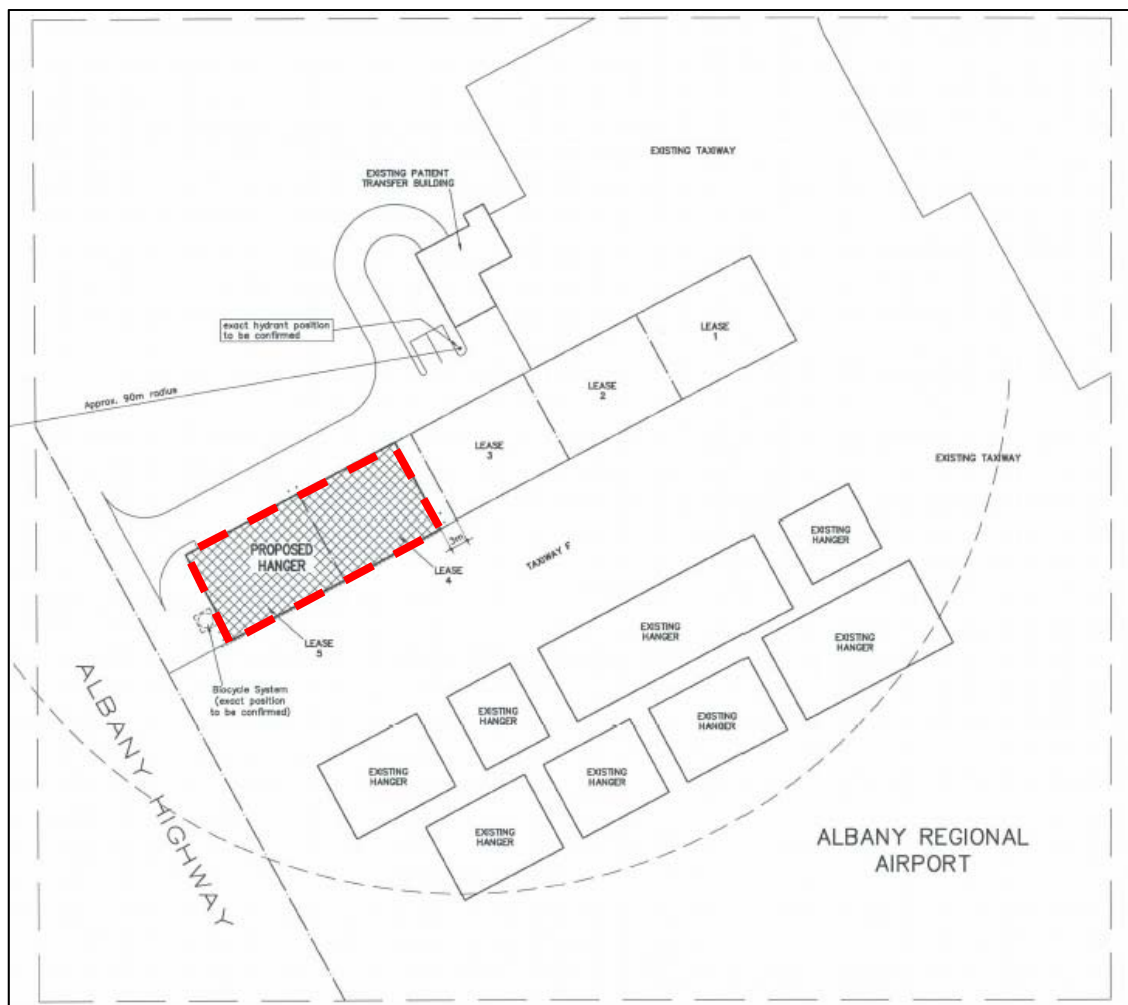
**CCS078: PROPOSED NEW LEASE – HANGAR SITES 4 & 5 – ALBANY  
(HARRY RIGGS) REGIONAL AIRPORT – ALBANY AVIATION PTY LTD**

<b>Land Description</b>	: Lot 214 on Diagram 402105 as detailed in Certificate of Title Volume 2861 Folio 954
<b>Proponent</b>	: Albany Aviation Pty Ltd (ABN 69 117 375 550) Directors being Ian Williams and Patricia L Williams as Guarantors
<b>Owner</b>	: City of Albany
<b>Report Prepared by</b>	: Team Leader Property and Leasing (T Catherall)
<b>Responsible Officer</b>	: Executive Director Corporate Services (M Cole)

**STRATEGIC IMPLICATIONS**

1. This item relates to the following elements of the City of Albany Strategic Community Plan or Corporate Business Plan informing plans or strategies:
  - **Theme:** Leadership.
  - **Objective:** To establish and maintain sound business and governance structures.
  - **Community Priority:** Provide informed and transparent decision making that is consistent with our strategic direction, meets our legal obligations, reflect the level of associated risk and are adequately explained to community.

**Maps and Diagrams:**



**In Brief:**

- Council is requested to consider a new lease over recently created Airport hangar sites 4 & 5 to Albany Aviation Pty Ltd, Directors Ian and Patricia Williams for Aircraft Hangarage for a term of 20 years with an option for a further term of 10 years.
- The tenant proposes to construct a hangar over both sites to accommodate his two planes with the remaining space available for other users to store their planes under sublease arrangements.
- The Department of Planning, Lands and Heritage (DPLH) have provided feedback that Western Australian Planning Commission approval may not be required to the proposed term of 20 + 10 years, subject to reviewing the final documents and Council approval.
- In June 2014 the tenant surrendered the previous lease over hangar site 3 to facilitate the City's development including installation of a transportable donga. As such the City granted the tenant a right of first refusal over planned new Airport hangar sites and use of office space in the City's donga.
- The offer of new hangar sites to the tenant in February this year, fulfils the City's right of first refusal obligations and satisfies a number of Airport business plan objectives.
- This report does not raise any objections to the lease proposal and it is recommended the proposed new lease to Albany Aviation Pty Ltd be approved.

**RECOMMENDATION**

**CCS078: RESPONSIBLE OFFICER RECOMMENDATION**

**THAT Council APPROVE a new lease to Albany Aviation Pty Ltd, Directors being Ian Keith Williams and Patricia Lynette Williams over portion of Lot 214 Albany Highway, Albany Regional Airport, subject to:**

- a. Lease being conditional on the approval of the Development Application by the City of Albany as local planning authority.**
- b. Lease term being 20 years with an option for a further 10 year term.**
- c. Lease permitted use being Aircraft Hangarage.**
- d. Lease area being approximately 624m<sup>2</sup> subject to survey.**
- e. Lease rent being determined by a market valuation provided by a licensed Valuer.**
- f. Rent reviews by market valuation every 3 years with Consumer Price Index applied for intervening years.**
- g. Lease commencing as soon as practicable.**
- h. Pursuant to *Section 3.58 of the Local Government Act 1995* advertising requirements, the new lease will be advertised.**
- i. All costs associated with the ongoing operations of the leased premises being payable by the tenant.**
- j. All costs associated with the development and finalisation of the lease being payable by the City of Albany in recognition of the tenant surrendering the previous hangar site to facilitate City development.**
- k. Lease being consistent with Council Policy – Property Management (Leases and Licences).**

## BACKGROUND

2. The tenant has leased a hangar site at the Airport since 1996. Following expiry of the lease in June 2010 the tenant requested a new lease over the existing site hangar site 3 which was approved by Council, at its meeting in June 2010 for a term of 10 years with an option for a further 10 year term.
3. The new lease approval was subject to a redevelopment special condition requiring the deteriorated hangar to be removed from hangar site 3 within 12 months and a new hangar constructed.
4. In October 2010, the tenant submitted a new lease request proposing a joint development over both hangar sites 2 and 3 to construct a multi user facility for activities associated with general aviation for a term of 10 years plus three further 10 year terms (effectively 40 years).
5. The request was presented to OCM 16 November 2010, with City Officer's not supporting the 40 year term and recommending a 10 + 10 year lease term. This is on the basis that a 40 year lease was not consistent with the Leasing Policy and previous Council Resolution, OCM 19 August 2008 Item 13.3.1 limiting hangar leases to a maximum 20 years.
6. At the Council meeting two alternate recommendations were considered around the lease term however the matter was laid on the table as considered a complex issue and future Airport plans needed to be assessed.
7. The August 2008 Council Resolution limiting hangar leases to 20 years was a result of legal advice received by the City in March 2008, given the uncertainty of hangar lease terms providing multiple option terms of 20 years. It was determined that any lease term greater than 20 years on freehold land, such as the Airport land, without the Western Australian Planning Commission (WAPC) approval was illegal.
8. All hangar lessees were notified of the position that all leases be limited to a maximum of 20 years.
9. In the meantime the lease over hangar site 3 remained on holding over and the dilapidated hangar was demolished by the tenant in February 2013.
10. Further negotiations between the City and tenant progressed and it was agreed that the existing leasehold over hangar site 3 be surrendered to facilitate City development including the installation of the City's transportable donga. It was proposed the donga be used for Airport and general aviation uses.
11. The tenant was offered use of office space in the donga and a right of first refusal over planned new hangar sites at the Airport. The lease for the hangar site was surrendered, however the tenant declined the offer of office space in the donga.

## DISCUSSION

12. In February 2018, following the development of five new hangar sites in the Airport hangar precinct, the City formally offered new lease sites to the tenant to fulfil right of first refusal obligations prior to inviting public offers for leasing the hangar sites.

13. The offer detailed the following essential terms in line with the City's Leasing Policy:

- Term 10 + 10 years
- Rental determined by current market valuation and reviewed every three years with CPI applied for intervening years. Currently \$8.75 + GST per m<sup>2</sup> of lease area pa.
- Lease area sites 4 and/or 5 available for lease
- Lease purpose Aircraft hangarage only
- Tenant responsible for costs associated with preparation and completion of the standard hangar site lease

#### Tenant Lease Proposal

In June 2018, the City received a written request from Mr Williams to negotiate a lease on the following terms.

#### **14. Lease term of 35 to 40 years**

A longer lease term required to reflect the proposed substantial development investment of around \$270,000.

*Officer comment: The requested term is in excess of the maximum 20 year term previously resolved by Council for hangar site leases. The Leasing Policy provides maximum terms on Crown Land be limited to 21 years with maximum terms for City freehold land, such as Airport Land, be at the discretion of Council. As such a 35 to 40 year term could be considered and agreed by Council.*

*The tenant has advised if the requested term is not supported then he will consider a lease over the smaller area of hangar site 5 (336m<sup>2</sup>) only to construct a hangar for the private use.*

*The Department of Planning, Lands and Heritage (DPLH) have been consulted regarding a 35 to 40 year lease on Airport land. DPLH have confirmed that WAPC approval may not be required provided the hangar is constructed according to a building licence and the lease does not include any other land than which the hangar is built.*

*The Albany Airport Future Development Plan 2012 details the most commercially attractive option is to redevelop the former Bureau of Meteorology site adjoining the subject hangar sites, as a flight training facility. The proposed new lease does not adversely impact upon and compliments future Airport plans.*

*City Officers support a term of 20 years with an option for further term of 10 years.*

#### **15. Waive lease development costs**

The tenant notes the surrender of the previous hangar site to facilitate the City's transportable donga for Airport and general aviation users.

*Officer comment: It is anticipated the lease development costs of approximately \$2,500 could be waived in recognition of the tenant's willingness to support Airport development plans.*

#### **16. Lease area 624m<sup>2</sup>**

*Officer comment: Agreed subject to survey. It is noted the annual rental will be determined on a rate per m<sup>2</sup>. Based on the most recent market valuation rate of \$8.75 + GST per m<sup>2</sup>, rent will be in the vicinity of \$5,460 + GST per annum.*



**17. Relaxation of 3m building set backs on the western side of lease area**

The tenant seeks to maximise utilisation of the site.

*Officer comment: Could be agreed as the boundary abuts public open space then an internal road subject to planning and building approval.*

**18. Ability to sub-lease hangar space**

The tenant proposes to offer available space to third parties RFDS, Water Bombers, Department of Biodiversity, Conservation and Attractions (former DPAW) spotter planes and/or RAAF under sublease arrangements.

*Officer comment: The standard hangar lease provides for subleasing with City consent and documented by Deed of Sublease.*

*No sublease approvals are currently in place however two hangar tenants have historically been granted ad hoc hire approvals for aircraft hangarage of other planes.*

*Sub-leasing could be agreed as provides an opportunity for the tenant to derive some income from available hangar space and meets the demand for emergency hangarage facilities.*

**19. Ability to install a bio cycle system to facilitate toilet & washroom facilities**

The proposed location for the system is outside of the lease area on adjoining City land.

*Officer comment: There are no objections to allowing this installation.*

**20. City to install 3-phase power**

There is a requirement of 3-phase power to operate the hangar doors.

*Officer Comment: It has been identified that RFDS Transfer Facility has 3-phase power; which was connected from the former Bureau of Meteorology (BOM) site.*

*It is recommended that 3-phase access is re-positioned from the former BOM site to airside.*

*The tenant to be responsible for the cost of any new cabling and connection to 3-phase once positioned airside.*

**21. City to install water**

*Officer Comment: The City has water supplied to the Royal Flying Doctor Transfer Station.*

*A plane wash-down area near Taxi-way Foxtrot in the vicinity of the proposed leased site would be of benefit to all hanger users.*

*As the supply of water to the site would be of benefit to connect future and existing users in accordance with the City's Airport Development Plan, it is considered appropriate that cost is borne by the City.*

22. **City to install storm water drainage access from the hangar site**

*Officer Comment: The Regional Airports Development Scheme (RADS) funding the drainage project will reticulate water drainage for the entire site past the applicants proposed hangar site.*

*It is of benefit to the City to ensure that the water collected from the hangar site is directed into this water drainage system.*

*It is hoped that all water collected/re-directed by the RADS drainage upgrade project, can be harvested and/or diverted to a more appropriate location.*

23. It is the City Officer's view that this development will benefit the Airport and the community in general.

24. The proposed lease satisfies a number of Airport Business Plan objectives, the expansion of commercial aviation including but not limited to the:

- promotion of the Albany Airport as a visitor departure point and destination;
- provision of additional services, for example this charter service has been used to:
  - connect visitors and residents with non flexible pre-booked interstate and international flights,
  - fly in and tour the region for business customers, dignitaries, federal and state-politicians with limited time.
- expansion of revenue opportunities; and
- support of commercial general aviation use of the Airport;

New Lease Agreement

25. The table below summarises the essential terms of the proposed lease:

ITEM	DETAILS
Tenant	Albany Aviation Pty Ltd
Land/Lease Area	Portion of Lot 214 Albany Regional Airport, Drome detailed in Certificate of Title Volume 2861 Folio 954, being an area of approximately 624m <sup>2</sup>
Land Ownership	City of Albany
Permitted Use	Aircraft hangarage
Term of Lease	20 years with option of a further 10 years
Rent	Based on market valuation
Rent Review	Market Valuation every 3 years with Perth All Groups CPI applied on the anniversary for intervening years
Outgoings	Tenant responsible for all outgoings
Utilities	Tenant responsible for all utilities

26. The tenant will be required to maintain the lease area including fixtures, with no positive obligation on the City.
27. The remaining terms of the agreement will align with Council's Property Management (Leases and Licences) Policy.
28. The tenant has agreed in principle with the above position, subject to Council approval.

#### **GOVERNMENT & PUBLIC CONSULTATION**

29. The Department of Planning, Lands and Heritage (DPLH) has been consulted and provided feedback that Western Australian Planning Commission may not be required to the proposed term of 20 + 10 years, provided the hangar is constructed according to a building licence and the lease does not include any other land than which the hangar is built.
30. DPLH will be further consulted and provided the final lease documentation for comment.
31. Section 3.58 of the *Local Government Act 1995* outlines the requirements for the disposal of property, including leased/licensed land and buildings. The Act requires the following:
  - a. A local government must give local public notice of the proposed lease/licence inviting submissions from the public, for a period of two weeks.
  - b. Any submissions are to be considered by Council and their decision with regard to those submissions, to be recorded in the minutes.
  - c. A local government can then proceed with the lease/licence.
32. The proposed lease will be advertised to comply with the requirements of the Act.

#### **STATUTORY IMPLICATIONS**

33. Section 3.58 of the *Local Government Act 1995* allows the City to dispose of property, including leased/licenced land and buildings. For the purposes of the section, a lease of property is considered to be a disposal.

#### **POLICY IMPLICATIONS**

34. Council adopted a revised Property Management (Leases and Licences) Policy in July 2017.
35. The Policy aims to ensure that all requests for leases and licences will be treated in a fair and equitable manner using open and accountable methodology and in line with statutory procedures.
36. The recommendation is consistent with the Policy.

## RISK IDENTIFICATION & MITIGATION

37. The risk identification and categorisation relies on the City's Enterprise Risk and Opportunity Management Framework.

Risk	Likelihood	Consequence	Risk Analysis	Mitigation
<b>Reputation:</b> lease not approved	Possible	Moderate	Medium	Seek to negotiate terms to Council satisfaction
<b>Financial:</b> new lease not approved – loss of commercial rent	Unlikely	Low	Low	Call for further proposals for the vacant hangar space
<b>Reputation:</b> extended lease term approved – negative feedback from existing hangar lessees	Possible	Moderate	Medium	Clarity around reasons for extended lease term
<b>Opportunity:</b> New commercial development at the Airport at tenant cost.				
<b>Opportunity:</b> Satisfies a number of Airport business plan objectives.				

## FINANCIAL IMPLICATIONS

38. The lease rental will be directed to the Airport Reserve account.
39. The City will be responsible for the lease development costs approximately \$2,500 in recognition of the tenant's previous lease being surrendered to make way for City development.

## LEGAL IMPLICATIONS

40. The lease documentation will be prepared by the City's lawyers with enforceable terms and conditions.

## ENVIRONMENTAL CONSIDERATIONS

41. There are no environmental implications.

## ALTERNATE OPTIONS

42. Council may:
- a. Approve the lease;
  - b. Support the proposed new lease with modification to conditions; or
  - c. Decline the lease.
43. Should Council not support the lease term, the tenant may not undertake the development and may seek a new lease over a reduced area, constructing a smaller hangar for private use.

**SUMMARY CONCLUSION**

44. The proposal satisfies a number of Airport Business Plan objectives and is considered an opportunity for commercial development at the Airport at no cost to Council.
45. The proposed new lease fulfils the City's right of first refusal obligations granted to the tenant in June 2014.
46. There are no known concerns with the proposal at Officer level and no objections have been raised by the Department for Planning, Lands and Heritage.
47. On this basis it is recommended that the proposed lease be supported.

<b>Consulted References</b>	:	Council Policy – Property Management (Leases and Licences) <i>Local Government Act 1995</i>
<b>File Number (Name of Ward)</b>	:	PRO195 (Kalgan Ward)
<b>Previous Reference</b>	:	OCM 19/08/2008 Item 13.3.1 OCM 15/06/2010 Item 14.11.5 OCM 16/11/2010 Item 2.6

**CCS079: PROPOSED NEW LICENCE – WESTERBERG BROS –  
LOT 14 CHEYNE ROAD, CHEYNE BEACH**

<b>Land Description</b>	: Portion of Crown Reserve 878 Lot 7442 on Deposited Plan 214689, the subject of Head Certificate of Title Volume LR3082 Folio 959, Cheyne Beach
<b>Proponents</b>	: Beach Fishing Pty Ltd (ACN 008 883 109) trading as Westerberg Bros Directors being Tony David Westerberg and Jeffrey Neil Westerberg as Guarantors
<b>Owner</b>	Crown (City of Albany under Management Order)
<b>Report Prepared By</b>	: Team Leader Property and Leasing (T Catherall)
<b>Responsible Officers:</b>	: Executive Director Corporate Services (M Cole)

**STRATEGIC IMPLICATIONS**

1. This item relates to the following elements of the City of Albany Strategic Community Plan or Corporate Business Plan informing plans or strategies:
  - **Theme:** Leadership.
  - **Objective:** To establish and maintain sound business and governance structures.
  - **Community Priority:** Provide informed and transparent decision making that is consistent with our strategic direction, meets our legal obligations, reflect the level of associated risk and are adequately explained to community.

**Maps and Diagrams:**



**In Brief:**

- Council is requested to consider a new non-exclusive licence to Beach Fishing Pty Ltd trading as Westerberg Bros over Lot 14 Cheyne Road, Cheyne Beach to formalise current use of the site for drying of fishing nets used in commercial fishing operations.
- Council is requested to consider relaxing the Property Management (Leases and Licences) Policy provision for market rent and approve rent being 50% of minimum rate as determined by Council year. This is on the basis that Lot 14 is shared by other Cheyne Beach commercial fishermen for fishing operations and the same as the present Westerberg Bros licence for Lot 2 Cheyne Road, also a shared space.
- The licence will run concurrent with the Westerberg Bros current commercial fishing lease and licence over Lots 2 and 3 Cheyne Road expiring November 2025.
- All structures are the responsibility of the licensee and the licence is for land only.
- It is recommended that the proposed licence be approved.

**RECOMMENDATION**

**CCS079: RESPONSIBLE OFFICER RECOMMENDATION**

**THAT Council APPROVE a new non-exclusive licence to Beach Fishing Pty Ltd trading as Westerberg Bros over Lot 14 Cheyne Road, Cheyne Beach on portion of Reserve 878, subject to:**

- a) Licence purpose being shared use by Cheyne Beach commercial fisherman for “The drying of fishing nets associated with commercial fishing operations” and in accordance with the Management Order for the reserve.**
- b) Licence is conditional upon the licensee continuing to operate under a commercial fisherman’s licence for the Cheyne Beach area issued by the Department of Fisheries Western Australia.**
- c) Licence area being approximately 2184m<sup>2</sup> to be confirmed by survey.**
- d) Licence term to commence as soon as practicable with an expiry date of 30 November 2025, to run concurrent with the Westerberg Bros current Cheyne Beach Commercial Fishing lease and licence over Lots 2 and 3 Cheyne Road.**
- e) Licence rent being \$510 plus GST pa based on 50% of the minimum rate determined by Council each year, in line with current Westerberg Bros licence.**
- f) All costs associated with the ongoing operations of the licence property being payable by the licensee.**
- g) All costs associated with the preparation, execution and completion of the licence documentation being payable by the licensee.**
- h) Pursuant to Section 18 of the *Lands Administration Act 1997*, the Minister for Lands consent being obtained.**
- i) The proposed licence being advertised to comply with Section 3.58 of the *Local Government Act 1995* requirements.**
- j) Cheyne Beach Planning Policy will apply to future development approvals.**
- k) Licence being consistent with City Policy – Property Management (Leases and Licences).**

## BACKGROUND

2. Lot 14 Cheyne Road is located within Crown Reserve 878 Cheyne Beach.
3. The reserve is under management order H359478 issued to the City of Albany with the power to lease or licence for any term not exceeding 21 years subject to the consent of the Minister for Planning, Lands and Heritage. The current purpose of this reserve is "Recreation, Camping, Holiday Accommodation, Accommodation Associated with the Fishing Industry and Fire Station".
4. The reserve currently hosts 29 holiday accommodation leases along Baxteri Road, six leases for accommodation associated with the commercial fishing industry and one commercial fishing licence for access to the waterfront for fish loading operations along Cheyne Road. The City's fire shed is also situated on Lot 15 within the reserve.
5. Lot 14 was previously leased to another commercial fisherman, David Wheatcroft from 1998 for drying and storage of commercial fishing nets. The lease was surrendered back to the City in 2016.
6. Under the terms of the lease, any structures within the lease area were to be removed upon surrender. These structures comprised net drying racks and a water stand. The City has agreed for these structures to remain on site for future use should they be required.
7. In January 2018, Trevor Wheatcroft requested the City consider a new licence over Lot 14 for commercial fishing requirements, however this request was subsequently withdrawn at the request of the applicant and noted at Council meeting on 22 May 2018.
8. Since this time the Westerberg Bros have approached the City requesting Lot 14 continue to be made available for commercial fishing requirements, stating they along with a number of other commercial fisherman at Cheyne Beach require the lot for the drying and storage of their commercial fishing nets.
9. Westerberg Bros have requested a licence for Lot 14 Cheyne Road and for the City to consider the rental on the same terms of their current licence over Lot 2 Cheyne Road, given this is also a shared site for their commercial fishing activities. Licence rental is determined by applying 50% of the current minimum rate set by Council.
10. The Westerberg family has a long commercial fishing connection with the Cheyne Beach area, with the latest lease and licence over Lots 2 and 3 Cheyne Road approved at OCM 25 August 2015 for a term of 10 years.

## DISCUSSION

11. A licence can be considered with commercial fishermen at Cheyne Beach, provided they meet the following requirements:
  - a. the licensee is actively engaged in the fishing industry at Cheyne Beach;
  - b. the licensee holds a current commercial fishing licence issued by the Department of Fisheries Western Australia; and



- c. the licensee will use the licence area for activities associated with the commercial fishing industry for own or staff use only.
12. It is noted Westerberg Bros have complied with the above licence preconditions.
13. The table below summarises the essential terms of the proposed licence:

ITEM	DETAILS
Licensee	Beach Fishing Pty Ltd trading as Westerberg Bros
Land/Licence Area	Portion of Crown Reserve 878 Lot 7442 on Deposited Plan 214689, the subject of Head Certificate of Title Volume LR3082 Folio 959, Cheyne Beach, being an area of approximately 2184m <sup>2</sup>
Land Ownership	Crown (City of Albany under Management Order)
Permitted Use	The drying of fishing nets associated with commercial fishing operations” and in accordance with the Management Order over the reserve
Term of Licence	Licence term to commence as soon as practicable with an expiry date of 30 November 2025, to run concurrent with the Westerberg Bros current Cheyne Beach Commercial Fishing lease and licence over Lots 2 and 3 Cheyne Road
Rent	Licence rent being 50% of the minimum rate determined by Council each year
Outgoings	Licensee responsible for all outgoings
Utilities	Licensee responsible for all utilities
Special Condition	Licence is conditional upon the licensee continuing to operate under a commercial fisherman's licence for the Cheyne Beach area issued by the Department of Fisheries Western Australia

14. The remaining terms of the licence will be developed in line with Council Policy – Property Management (Leases and Licences).
15. The tenant has met the obligations of their existing lease and licence including payment of rent and outgoings and holding the required licences.

## GOVERNMENT & PUBLIC CONSULTATION

16. The Department of Planning, Lands and Heritage will be consulted, as it is a requirement of Section 18 of the *Land Administration Act 1997* that the Minister's consent is obtained.
17. Section 3.58 of the *Local Government Act 1995* allows for the disposal of property including leased/licensed land and buildings. For the purposes of the section, a licence of property is considered to be disposal.

## STATUTORY IMPLICATIONS

18. Section 18 the *Land Administration Act 1997* states that a person shall not assign, sell, transfer or otherwise deal with interests on Crown land, create, or grant an interest in Crown land without the prior approval in writing of the Minister for Planning, Lands and Heritage.
19. As this is Crown land, under Management Order held by the City, the Minister's consent will be sought.
20. Section 3.58 of the *Local Government Act 1995* defines the requirements for the disposal of property, including leased/licensed land and buildings. The Act requires the following:
  - a. A local government must give local public notice of the proposed lease/licence inviting submissions from the public, for a period of two weeks.
  - b. Any submissions are to be considered by Council and their decision with regard to those submissions, to be recorded in the minutes.
  - c. A local government can then proceed with the lease/licence.
21. The proposed licence will be advertised to comply with the Act.
22. The *Aboriginal Heritage Act 1972* applies to any place or object of importance to persons of Aboriginal descent and Section 17 of this Act makes it an offence to destroy, damage or alter in any way an Aboriginal site or object. This Act applies to known and unknown sites.
23. In past discussions with the local Noongar community regarding the Cheyne Beach area, including visits on site, it is known to staff that there are areas in this locality of significance to the Noongar community. A full Aboriginal Heritage Survey was recently undertaken to consider a range of future proposals in the Cheynes locality to manage any risk of disturbing Aboriginal cultural heritage.
24. Any future development needs to be considered in the context of the recommendation of the Heritage Survey. It is noted that no additional development of Lot 14 has been proposed.

## POLICY IMPLICATIONS

25. Council adopted a revised Property Management (Leases and Licences) Policy in July 2017.
26. The Policy aims to ensure that all requests for leases and licences will be treated in a fair and equitable manner using open and accountable methodology and in line with statutory procedures.

27. The Policy provides that commercial leases and licences rent be determined by market valuation.
28. The licensee has requested the rent be applied in line with their present non-exclusive licence over Lot 2 Cheyne Road, being 50% of the minimum rate as set by Council every year. This is on the basis that both sites are shared by other Cheyne Beach commercial fishermen to facilitate fishing operations.
29. The remaining terms of the licence will align with the Policy.
30. The proposed licence complies with the City's Cheyne Beach Local Planning Policy.

### RISK IDENTIFICATION & MITIGATION

31. The risk identification and categorisation relies on the City's Enterprise Risk and Opportunity Management Framework.

Risk	Likelihood	Consequence	Risk Analysis	Mitigation
<i>Reputation: licence not approved.</i>	<i>Unlikely</i>	<i>Minor</i>	<i>Low</i>	<i>Seek to negotiate terms to Council satisfaction. The City's standard licence will be the formal document</i>
<i>Reputation: licence not approved – restricted limitations for the fishing industry at Cheyne Beach</i>	<i>Unlikely</i>	<i>Minor</i>	<i>Low</i>	<i>Seek to negotiate terms to Council satisfaction</i>
<i>Opportunity: To provide support to the Cheyne Beach commercial fishing industry given the fishing industries historic and economic association with the Cheynes area.</i>				

### FINANCIAL IMPLICATIONS

32. The City has agreed to share the costs for the survey given the non-exclusive licence arrangement. The cost is estimated to be \$500 plus GST.
33. All other costs associated with the development, execution and completion of the licence documentation will be met by the licensee.
34. The new licence rental will be placed into the Cheyne Beach Improvement Reserve for the purpose of facilitating community maintenance and enhancement projects in the Cheyne Beach locality.

### LEGAL IMPLICATIONS

35. The Licence will be prepared by City's lawyers with enforceable terms and conditions, at the licensee's expense.

### ENVIRONMENTAL CONSIDERATIONS

36. There are no environmental considerations relevant to this item.

**ALTERNATE OPTIONS**

37. Council may:
  - a. Approve the new licence request; or
  - b. Decline the new licence request.
38. Should Council decline the licence, an alternate area may be sought by the licensee for the commercial fisherman to dry the fishing nets to facilitate commercial fishing operations. This may prove difficult given limited land available for development within the reserve.

**CONCLUSION**

39. Westerberg Bros have requested a new non-exclusive licence over Lot 14 Cheyne Road for shared use of the site by Cheyne Beach commercial fisherman for drying fishing nets associated with commercial fishing operations.
40. The licence is considered a good opportunity to formalise the current use of the site.
41. Westerberg Bros hold a current 10 year lease over Lot 3 and a licence over Lot 2 Cheyne Road for accommodation associated with the fishing industry and fish loading operations. The proposed licence for Lot 14 Cheyne Road will run concurrent with the present arrangements.
42. The licensee has a long term family connection with the Cheyne Beach fishing industry and is actively engaged in the commercial fishing industry at Cheyne Beach; and holds the required commercial fishing licences.
43. It is recommended that the proposed new licence be supported.

<b>Consulted References</b>	:	Council Policy – Property Management (Leases and Licences) <i>Local Government Act 1995</i> <i>Land Administration Act 1997</i>
<b>File Number (Name of Ward)</b>	:	PRO435, A72346 (Kalgan Ward))
<b>Previous Reference</b>	:	OCM 11/08/2015 Item CSF188 OCM 22/05/2018 Item CCS055

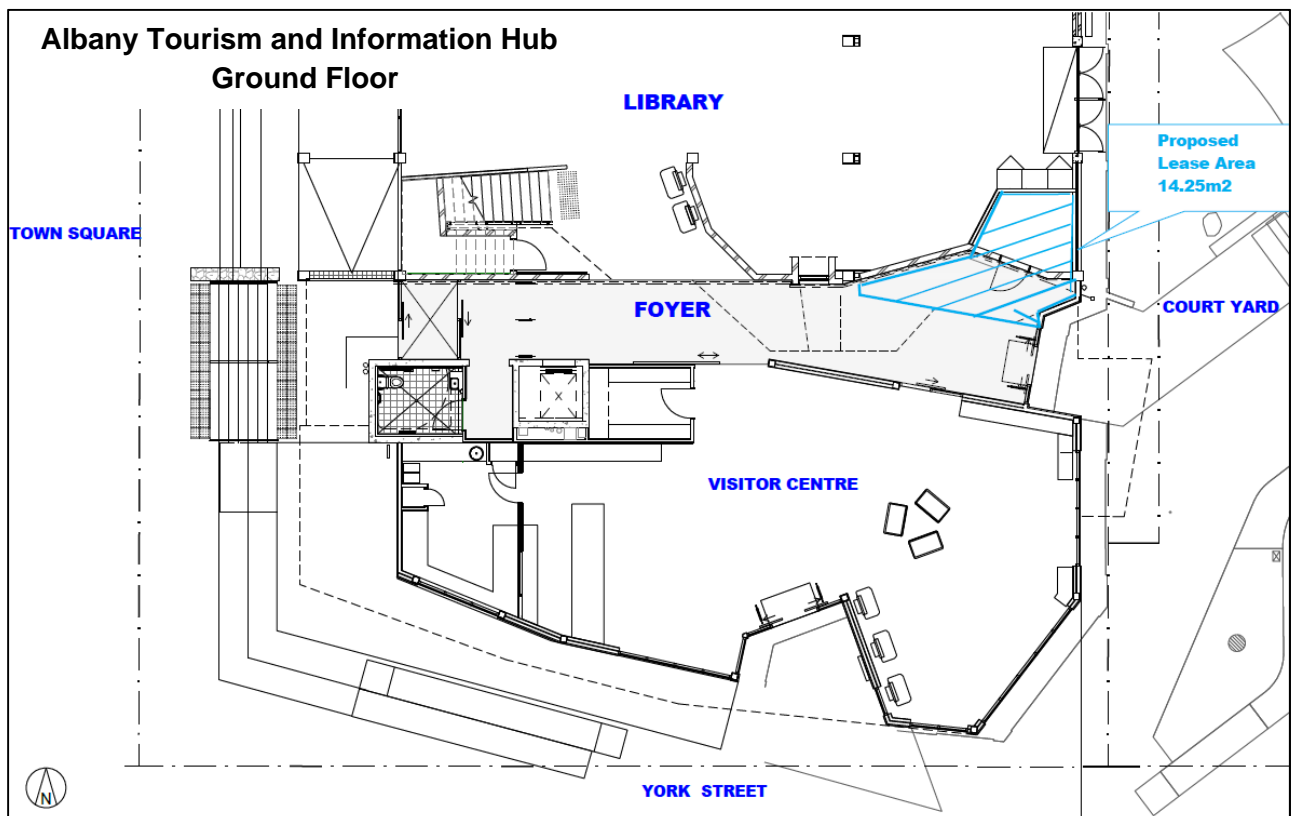
**CCS080: PROPOSED LEASE FOR COFFEE KIOSK TO CHRISTOPHER SAURIN – TOURISM & INFORMATION HUB, YORK STREET**

<b>Land Description</b>	: Lot 123 on Diagram 13134 as detailed in Certificate of Title Volume 1097 Folio 230
<b>Proponent</b>	: Christopher Saurin as Trustee for the Saurin Family Trust
<b>Owner</b>	: Crown (City of Albany under Management Order)
<b>Report Prepared by</b>	: Team Leader Property and Leasing (T Catherall)
<b>Responsible Officer</b>	: Executive Director Corporate Services (M Cole)

**STRATEGIC IMPLICATIONS**

1. This item relates to the following elements of the City of Albany Strategic Community Plan or Corporate Business Plan informing plans or strategies:
  - **Theme:** Leadership.
  - **Objective:** To establish and maintain sound business and governance structures.
  - **Community Priority:** Provide informed and transparent decision making that is consistent with our strategic direction, meets our legal obligations, reflect the level of associated risk and are adequately explained to community.

**Maps and Diagrams:**



**In Brief:**

- Council is requested to consider new commercial lease arrangements for a coffee kiosk within the newly established Albany Tourism and Information Hub in York Street.
- The modest lease space was identified as part of the 2017/18 Library upgrade and new Visitor Centre project and lent itself to a small food & beverage outlet.
- A Request for Proposal process was undertaken for the future lease, with one submission received proposing a coffee kiosk.
- The City has entered into negotiations with the applicant to achieve the best use of the space and has committed to undertake some improvements to accommodate kiosk requirements.
- The applicant is responsible for all other fit out and coffee kiosk approvals.
- The commercial terms for the lease will be subject to the provision of the *Commercial Tenancy (Retail Shops) Agreements Act 1985 (WA)*.
- It is recommended that the proposed retail shops lease to Christopher Saurin as Trustee for the Saurin Family Trust be approved.

**RECOMMENDATION**

**CCS080: RESPONSIBLE OFFICER RECOMMENDATION**

**THAT Council APPROVE a new lease over portion of Lot 123 York Street, Albany Tourism and Information Hub to Christopher Saurin as Trustee for the Saurin Family Trust, subject to:**

- Lease permitted use being Coffee Kiosk.**
- Lease area being approximately 14.25m<sup>2</sup>.**
- Lease rent being \$9,000 per annum plus GST and outgoings as determined by a licensed Valuer.**
- Rent reviews by market valuation every 3 years with Consumer Price Index applied for intervening years.**
- Lease term being 5 years with an option for a further 5 year term.**
- Lease commencing as soon as practicable.**
- Pursuant to *Section 3.58 of the Local Government Act 1995* advertising requirements, the new lease will be advertised.**
- All costs associated with the ongoing operations of the leased premises being payable by the tenant.**
- All costs associated with the development and finalisation of the lease being payable by the City of Albany, in line with the *Commercial Tenancy (Retail Shops) Agreements Act 1985*.**
- Lease being consistent with Council Policy – Property Management (Leases and Licences).**

**BACKGROUND**

2. The Albany Tourism and Information Hub project provided an opportunity for a commercial space within the refurbished portion of Library space that could accommodate a small food and beverage outlet.

3. The total area of 14.25m<sup>2</sup> consists of a lockable area of 6.25m<sup>2</sup> and adjoining space in the foyer of 8m<sup>2</sup>. The area can be accessed through the foyer between the Library and the Visitor Centre and the courtyard adjoining Alison Hartman Gardens.
4. The City considered use by a commercial operator would enhance the mixed use activities in the public space and add to the visitor experience to the Tourism and Information Hub.

#### Request for Proposal

5. A Request for Proposal was advertised in May 2018 for parties interested in a lease of a commercial space within the Tourism and Information Hub.
6. The City was looking for an operator who was able to demonstrate an approach that aligns with the following guiding principles:
  - Embrace the look, feel and character of the new precinct and deliver an offer that reflects the level of quality and experience delivered by the new facilities.
  - Deliver a level of customer service that is considered to be of international standard by locals and visitors.
  - Maintain a consistent and reliable presence within the precinct, in order to assist in activating the CBD.
  - Work collaboratively with surrounding organisations and businesses to create a vibrant and engaging public realm and main street environment.
  - Work in close collaboration with City of Albany Business Units to complement events, programs and service delivery.
  - Be willing to trade 7 days per week.
7. Site inspections were made available to interested parties to look through the lease space and ask questions about the lease and fit out. Attendance was not mandatory, but strongly encouraged.
8. One proposal was received for a coffee kiosk. City staff conducted an assessment of the proposal received consistent with the City's usual procurement process. On this basis, the City entered into discussions with the applicant.
9. The applicant, Christopher Saurin, has 10 years experience as a barista and operating a mobile coffee business, Quick Shot Coffee. It has been proposed to serve hot drinks with some baked goods such as muffins and slices available.
10. Importantly the applicant has confirmed their intention to trade 7 days a week including public holidays, noting there may be some requirement to adjust hours due to seasonal sales.

## DISCUSSION

### Fit out

11. The City has agreed to install a servery window on the north wall facing the courtyard adjoining Alison Hartman Gardens and an external awning above the servery window. This will allow for service from the City's courtyard area. The estimated costs for works will be around \$20,000 and have been allocated in the 2018/19 budget.
12. The tenant proposed fit out, at tenant cost, includes vinyl flooring, stainless steel benchtops and a sink unit plumbed to existing water and waste, with either stainless or acrylic splashback. Given limited space, shelving will be placed on the walls to maximise space and storage.
13. In addition the tenant may consider replacing the existing internal door with a split door or concertina door to allow for serving coffee into the foyer area as needed.

### New Lease Agreement

14. The table below summarises the essential terms of the proposed commercial lease:

ITEM	DETAILS
Tenant	Christopher Saurin as Trustee for the Saurin Family Trust
Land/Lease Area	Portion of Lot 123 York Street detailed in Certificate of Title Volume 1097 Folio 230, being an area of approximately 14.25m <sup>2</sup>
Land Ownership	City of Albany
Permitted Use	Coffee Kiosk
Term of Lease	5 years with option of a further 5 years (10 years from commencement date)
Rent	\$9,000 plus GST per annum
Rent Review	Market Valuation every 3 years with Perth All Groups CPI applied on the anniversary for intervening years
Outgoings	Tenant responsible for all outgoings
Utilities	Tenant responsible for all utilities
Special Condition	Tenant responsible for fit out with conditions regarding design, approval, timing, ownership, renewal and removal

15. There will be an obligation on the tenant to keep the courtyard area clean and tidy.



16. The tenant will be required to maintain the lease area including fixtures, with no positive obligation on the City.
17. The remaining terms of the agreement will align with the City's Property Management (Leases and Licences) Policy and be subject to the provisions of the *Commercial Tenancy (Retail Shops) Agreements Act 1985 (WA)*.
18. The tenant has agreed in principle with the above position, subject to Council approval.

#### **GOVERNMENT & PUBLIC CONSULTATION**

19. No Government consultation is required as the lease area is located within City of Albany owned freehold land.
20. Section 3.58 of the *Local Government Act 1995* allows the City to dispose of property, including leased/licenced land and buildings. For the purposes of the section, a lease of property is considered to be a disposal.

#### **STATUTORY IMPLICATIONS**

21. Section 3.58 of the *Local Government Act 1995* outlines the requirements for the disposal of property, including leased/licensed land and buildings. The Act requires the following:
  - a. A local government must give local public notice of the proposed lease/licence inviting submissions from the public, for a period of two weeks.
  - b. Any submissions are to be considered by Council and their decision with regard to those submissions, to be recorded in the minutes.
  - c. A local government can then proceed with the lease/licence.
22. The proposed lease will be advertised to comply with the requirements of the Act.
23. The lease agreement will be a formal Deed of Lease with terms and conditions governed by the *Commercial Tenancy (Retail Shops) Agreements Act 1985*.

#### **POLICY IMPLICATIONS**

24. Council adopted a revised Property Management (Leases and Licences) Policy in July 2017.
25. The Policy aims to ensure that all requests for leases and licences will be treated in a fair and equitable manner using open and accountable methodology and in line with statutory procedures.
26. The recommendation is consistent with the Policy.

## RISK IDENTIFICATION & MITIGATION

27. The risk identification and categorisation relies on the City's Enterprise Risk and Opportunity Management Framework.

Risk	Likelihood	Consequence	Risk Analysis	Mitigation
<b>Reputation:</b> lease not approved	Possible	Moderate	Medium	Seek to negotiate terms to Council satisfaction
<b>Financial:</b> new lease not approved – loss of commercial rent	Unlikely	Low	Low	Call for further proposals for the vacant space
<b>Reputation:</b> lease of space – negative feedback from existing coffee providers in York Street	Possible	Moderate	Medium	Request for Proposal to Lease was advertised publicly providing an opportunity for submissions
<b>Opportunity:</b> To provide a commercial space for coffee kiosk to support the activities in the public space and enhance the visitor experience to the Tourism and Information Hub.				

## FINANCIAL IMPLICATIONS

28. The City has agreed to undertake some improvement works to the building to facilitate the kiosk being accessible to customers from the courtyard. These works are estimated at \$20,000 and have been allocated in the 2018/19 budget.
29. All costs associated with the development and finalisation of the lease will be met by the City in line with the *Commercial Tenancy (Retail Shops) Agreements Act 1985*.
30. The lease rental will be directed to the Library and Visitor Centre property and building revenue accounts.

## LEGAL IMPLICATIONS

31. The lease documentation will be prepared by the City's lawyers with enforceable terms and conditions.
32. The City will provide the required statutory disclosure statements to the tenant. Failure to do so could result in the tenant having the right to terminate the lease and/or seek an order for compensation from the State Administrative Tribunal (SAT).

## ENVIRONMENTAL CONSIDERATIONS

33. There are no environmental implications.

## ALTERNATE OPTIONS

34. Council may:
- Approve the lease; or
  - Decline the lease.
35. Should Council not support the lease, then another Request for Proposal to lease the space on similar or different terms could be prepared and advertised, with the view to securing another tenant.

36. Alternatively the City may wish to utilise the space for Library and Visitor Centre storage.

**SUMMARY CONCLUSION**

37. The newly established Tourism and Information Hub is now operational and on this basis, the future use of a small commercial space within the property has been considered.
38. Following a Request for Proposal to Lease process, the best use of the space is to enter into a lease for a Coffee Kiosk that will support and enhance the activities in the public space.
39. The City has agreed to undertake some minor improvement works to facilitate customer access to the kiosk from the courtyard adjoining Alison Hartman Gardens. The tenant will be responsible for all other fit out of the lease area.
40. It is recommended the new lease be approved.

<b>Consulted References</b>	:	Council Policy – Property Management (Leases and Licences) <i>Local Government Act 1995</i> <i>Commercial Tenancy (Retail Shops) Agreements Act 1985</i>
<b>File Number (Name of Ward)</b>	:	PRO431 (Frederickstown Ward)
<b>Previous Reference</b>	:	Nil

**CCS081: WRITE OFF GENERAL DEBT REPORT AS AT 30 JUNE 2018**

**Proponent** : City of Albany  
**Attachments** : Executed Document and Common Seal Report  
**Report Prepared by** : Manager Finance (D Olde)  
**Responsible Officer** : Executive Director Corporate Services (M Cole)

**RECOMMENDATION**

**CCS082: RESPONSIBLE OFFICER RECOMMENDATION**

**THAT Council RECEIVE the General Debtors Write Off Report as at 30 June 2018.**

**CCS082: WRITE OFF RATE DEBT REPORT AS AT 30 JUNE 2018**

**Proponent** : City of Albany  
**Attachments** : Write Off Rate Debt Report as at 30 June 2018  
**Report Prepared by** : Senior Finance Officer – Rates (G Shephard)  
**Responsible Officer** : Executive Director Corporate Services (M Cole)

**RECOMMENDATION**

**CCS082: RESPONSIBLE OFFICER RECOMMENDATION**

**THAT Council RECEIVE the Rate Debt Write Off Report as at 30 June 2018.**

- 11. MOTIONS OF WHICH PREVIOUS NOTICE HAS BEEN GIVEN**
- 12. MEETING CLOSED TO THE PUBLIC**
- 13. CLOSURE**