

**DIS310 : BUDGET AMENDMENT REQUEST – LOCAL ROADS AND
COMMUNITY INFRASTRUCTURE PROGRAM VERSION TWO**

Proponent / Owner : City of Albany
Report Prepared By : Manager Engineering and Sustainability (R March)
Authorising Officer: : Executive Director Infrastructure, Development &
Environment (P Camins)

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:
 - **Pillar:** Place
 - **Outcomes:**
 - Responsible growth, development and urban renewal.
 - Interesting, vibrant and welcoming places.
 - Local history, heritage and character is valued and preserved.

In Brief:

- This is an additional review of grant funding allocation (budget) outside the normal budget review process.
- The review covers grant reallocations from both the Drought Communities and Local Roads and Community Infrastructure (LRCl) funding programmes to cover underspends and overspends to maximise grant spending.

RECOMMENDATION

DIS310: AUTHORISING OFFICER RECOMMENDATION 1

THAT Council amend the Local Roads and Community Infrastructure (LRCl) 2 funding as follows:

1. **DECREASE** budget for Project CBD Zone E - Construction behind Premier Hotel/redesign and construct Zone E Job Number 2156 from \$119,982 to \$0.
2. **INCREASE** budget for Project Sanford Road Reconstruct, Seal and Asphalt Job Number 2575 from \$497,744 to \$631,991.
3. **DECREASE** budget for Project Cockburn Road & Lockyer Avenue Path Job Number 2761 from \$11,590 to \$0.
4. **DECREASE** budget for Project Grey Street (East & West): Public Realm Enhancement Job number 2780 from \$27,728 to \$0.
5. **DECREASE** budget for Project Stirling Terrace: Public Realm Enhancement Job Number 2779 \$37,907 to **\$20,907**.
6. **INCREASE** budget for Project Alison Hartman Gardens / Student Housing Interface Job Number 2782 from \$0 to **\$42,053**.

DIS310: AUTHORISING OFFICER RECOMMENDATION 2

THAT the Drought funding be AMENDED as follows:

- 1. DECREASE budget for Project East Bank – New Universal access drop toilet Budget Job Number 2751 from \$40,641 to \$30,641**
- 2. INCREASE budget for Project Redmond Hall Power Upgrade and Child Play Area Job Number 2742 from \$33,990 to \$43,990.**

BACKGROUND

2. Federal funding has been made available for local road and community infrastructure projects that involve the construction, maintenance and/or improvements to Local Government owned assets (including natural assets) that are generally accessible to the public. Projects will need to deliver benefits to the community, such as improved accessibility, visual amenity and safety benefits.
3. Through the 2020–21 Budget, the Australian Government announced a \$1 billion extension of the LRCI Program, following strong community and local government support.
4. This program supports local councils to deliver priority local road and community infrastructure projects across Australia, supporting jobs and the resilience of local economies to help communities bounce back from the COVID-19 pandemic.
5. City of Albany has been able to access funding of \$1,797,907 through LRCI 2.

DISCUSSION

6. The City of Albany has applied for an extension of time to complete projects from LRCI 2 from 30th June 2021 to 30 December 2022.
7. The City of Albany has applied for an extension of time to complete some projects from Drought Communities Program (\$1million) to 31 March 2023.
8. Some projects have been completed below budget and some require additional funding. This budget amendment requests seeks budget reallocation for both funding types.

Budget Reallocation Requested

9. The full scope of work for the CBD Zone E works could not be completed. The works on the carpark behind the Premier Hotel have been completed. However, the remaining owners of the land would not agree to enter into a lease with the City. It is recommended that the underspend be reallocated to Project 2575 – Sanford Road Reconstruct, Seal and Asphalt so that the remaining footpath to Albany Highway can be completed. This work was not included in the original scope of work.
10. The full scope of works for Project 2780 Grey Street (East and West) Public Realm Enhancement and Project 2779 Stirling Terrace Public Realm Enhancement could not be completed due to complications in underground services and availability of contractors. It is recommended that the underspent funds be reallocation to Project 2782 Alison Hartman Gardens / Student Housing Interface enabling the completion of the reinstallation of the Peace Pole and finishing landscaping components at Alison Hartman Gardens.
11. Project 2761 Cockburn Rd & Lockyer Ave shared path works have been completed. It is recommended that the remaining funds be reallocated to Project 2782 Alison Hartman Gardens / Student Housing Interface to assist completing these works.

Approved LRCI 2 Projects (Project Name in Approved Work Schedule)	Budget 2021	Budget July 2022	Allocation	Updated Budget 2022
2156 CBD Zone E - Construction behind Premier Hotel/redesign and construct Zone E	254,229	119,982	-119,982	0
2575 Sanford Road Reconstruct, Seal and Asphalt.	984,309	497,744	+134,247	631,991
2761 Cockburn Rd & Lockyer Ave Path	11,590	11,590	-11,590	0
2779. Stirling Terrace: Public Realm Enhancement	62,857	37,907	-17,000	20,907
2780. Grey Street (East & West): Public Realm Enhancement	40,000	27,728	-27,728	0
2782. Alison Hartman Gardens / Student Housing Interface	25,000	0	+42,053	42,053

12. Project 2751 East Bank – New Universal access drop toilet cannot be completed due to land administration issues and there are surplus funds. Seeking approval to reallocate budget to Project 2742 Redmond Hall Power Upgrade and Child Play Area.

Approved Drought Funded Projects (Project Name in Approved Work Schedule)	Budget 21	Budget July 22	Allocation	Updated Budget 2022
2751 East Bank – New Universal access drop toilet	40,641	40,641	-10,000	30,641
2742 Redmond Hall Power Upgrade and Child Play Area	33,990	33,990	+10,000	43,990

GOVERNMENT & PUBLIC CONSULTATION

13. Department of Local Government guidelines were followed in the preparation of this report.
14. City of Albany Executives, Managers and Officers with budget responsibility were consulted in the preparation of the Budget Review.

STATUTORY IMPLICATIONS

15. Under the *Local Government Act 1995* (the Act), section 6.8, a local government is not to incur expenditure from its municipal fund for an additional purpose except where the expenditure:
- is incurred in a financial year before the adoption of the annual budget by the local government
 - is authorised in advance by a resolution (absolute majority required) or;
 - is authorised in advance by the Mayor in an emergency.
16. The voting requirement of Council is **Absolute Majority**.

POLICY IMPLICATIONS

17. There are no policy implications related to this report.

RISK IDENTIFICATION & MITIGATION

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

Risk	Likelihood	Consequence	Risk Analysis	Mitigation
<p>Business Operation, Reputation & Financial. Risk: Community perception that savings realised should be used for other purposes</p>	Possible	Moderate	High	Clear communication of City's current financial position, noting that the payment will not impact on the City's ability to adequately service its obligations and achieve its operational and financial objectives this financial year.
Opportunity: To complete projects already in progress				

FINANCIAL IMPLICATIONS

19. All projects must be delivered by 30 December 2022.

LEGAL IMPLICATIONS

20. Nil.

ENVIRONMENTAL CONSIDERATIONS

21. Nil.

ALTERNATE OPTIONS

22. Council may:
- Adopt the amendment as recommended; or
 - Adopt the amendment with alterations (as specified by Council); or
 - Reject the recommendation.

CONCLUSION

23. That the Authorising Officer's Recommendation to adopt the Budget Amendment be supported.

Consulted References	:	Adopted Budget 2022/2023 Local Government Act 1995
File Number (Name of Ward)	:	Frederickstown, Kalgan, West Ward
Previous Reference	:	N/A