



MINUTES

Ordinary Meeting of Council

Tuesday 23 May 2017

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.

ORDINARY COUNCIL MEETING
MINUTES 23/05/2017

TABLE OF CONTENTS

	Details	Pg#
1.	DECLARATION OF OPENING	3
2.	PRAYER AND ACKNOWLEDGEMENT OF TRADITIONAL LAND OWNERS	3
3.	RECORD OF APOLOGIES AND LEAVE OF ABSENCE	3
4.	DISCLOSURES OF INTEREST Nil	4
5.	REPORTS OF MEMBERS	4
6.	RESPONSE TO PREVIOUS PUBLIC QUESTIONS TAKEN ON NOTICE Nil	5
7.	PUBLIC QUESTION TIME	5
8.	APPLICATIONS FOR LEAVE OF ABSENCE Nil	5
9.	PETITIONS AND DEPUTATIONS Nil	5
10.	CONFIRMATION OF MINUTES	5
11.	PRESENTATIONS Nil	5
12.	UNRESOLVED BUSINESS FROM PREVIOUS MEETINGS	5
	MINUTES AND RECOMMENDATIONS OF COMMITTEES	
CCCS	Commercial, Community & Corporate Services Committee	
CCCS024	FINANCIAL ACTIVITY STATEMENT-MARCH 2017	6
CCCS025	LIST OF ACCOUNTS FOR PAYMENT-APRIL 2017	8
CCCS026	DELEGATED AUTHORITY REPORT	10
CCCS027	SURRENDER OF LEASE AND NEW LEASE-IMPERIAL GROUP PTY LTD-GARRISON RESTAURANT	11
CCCS028	COUNCIL REVIEW OF DELEGATIONS REGISTER	23
CCCS029	<i>LOWER GREAT SOUTHERN ECONOMIC ALLIANCE-UPDATE-THIS REPORT IS FOR NOTING AT COMMITTEE LEVEL ONLY</i>	
CCCS030	ALBANY REGIONAL AIRPORT REGULAR PUBLIC TRANSPORT PROPOSED FEE STRUCTURE 2017-18	27
DIS	Development and Infrastructure Services Committee	
DIS018	ALBANY CITY 2017 URBAN TREE STRATEGY	32
DIS024	REGIONAL ROAD GROUP 2018-19 PROJECT APPLICATIONS	36
DIS025	CONTRACT C17013-SPORTS FIELD LIGHTING INSTALLATION-CENTENNIAL PARK FIELDS T/U AND COLLINGWOOD PARK	40
DIS026	PLANNING AND BUILDING REPORTS APRIL 2017	42
14.	NEW BUSINESS OF AN URGENT NATURE INTRODUCED BY DECISION OF COUNCIL	43
15.	MOTIONS OF WHICH PREVIOUS NOTICE HAS BEEN GIVEN Nil	43
16.	REPORTS OF CITY OFFICERS Nil	43
17.	MEETING CLOSED TO PUBLIC	43
CCCS027	SURRENDER OF LEASE AND NEW LEASE-IMPERIAL GROUP PTY LTD-GARRISON RESTAURANT	
CCCS030	ALBANY REGIONAL AIRPORT REGULAR PUBLIC TRANSPORT PROPOSED FEE STRUCTURE 2017-18	
18.	CLOSURE	43

1. DECLARATION OF OPENING

[6:00:06 PM](#) The Mayor declared the meeting open.

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

Councillors:

Breaksea Ward
Breaksea Ward
Frederickstown Ward
Frederickstown Ward
Kalgan Ward
Kalgan Ward

P Terry
R Hammond
G Stocks
C Dowling
B Hollingworth
J Price (Councillor Price entered the Chamber at 6.09.13PM)
J Shanhun
A Goode JP
S Smith
A Moir
R Sutton

Vancouver Ward
West Ward
West Ward
Yakamia Ward
Yakamia Ward

Staff:

Chief Executive Officer
Executive Director Corporate Services
Executive Director Development Services
Executive Director Commercial Services
Executive Director Works and Services
Executive Manager Community Services

A Sharpe
M Cole
P Camins
C Woods
M Thomson
A Cousins

Meeting Secretary

J Williamson

Apologies:

Vancouver Ward

N Mulcahy (Leave of Absence)

4. DISCLOSURES OF INTEREST

Name	Report Item Number	Nature of Interest
Nil		

5. REPORTS OF MEMBERS

[6:01:16 PM](#) Councillor Sutton

Summary of key points:

- Having recently visited overseas, pointed out that many of the issues currently facing Albany are the same worldwide.
- Airbnb properties are limited to a three month license in Amsterdam.
- Urban encroachment is threatening tradition food producing areas.
- Seven day trading is not common.

[6:03:21 PM](#) Councillor Smith

Summary of key points:

- Attended the Bush Fire Advisory Committee meeting where the priorities for the Torbay Hill Bushfire Management Strategy and fire preparedness were discussed.

[6:05:16 PM](#) Councillor Shanhun

Summary of key points:

- Acknowledgement of volunteers.
- Attended the opening of the new Fire Station, Citizenship Ceremony and the Anniversary of the Australian Women's Army Service.

[6:07:38 PM](#) Councillor Hollingworth

Summary of key points:

- Attended Business After Hours and reported excellent feedback received about the City.
- Attended tour of City of Busselton.
- Attended Vancouver Street Festival.
- Thanked staff for a very informative presentation of the City's Business Plans.

[6:09:13 PM](#) Councillor Terry

Summary of key points:

- Suggested that the City and the Lower Great Southern Economic Alliance should lobby the State government for a full time paediatrician at Albany Regional Hospital.

[6:10:45 PM](#) Councillor Hammond

Summary of key points:

- Continuing support from Friends of Emu Point and Boat Pen users for the future of the Emu Point Boat Pens.
- Attended the opening of the new Fire Station.
- Gave an update on the Heartsafe project.

6:12:31 PM Mayor Wellington

Summary of engagements carried out since the April 2017 Ordinary Council Meeting:

- Meeting with the Chinese Consulate to discuss tourism.
- Meeting with the Ministers for Small Business and Veterans Affairs.
- Wished Cameron Woods, Executive Director Commercial Services, all the best on his new appointment as Chief Executive Officer at the Shire of Exmouth.

6. RESPONSE TO PREVIOUS PUBLIC QUESTIONS TAKEN ON NOTICE Nil.

7. PUBLIC QUESTION TIME

6:14:12 PM Mr Tony Harrison, Little Grove

Summary of key points:

- Addressed Council regarding the recent cleaning of the shoreline in front of the Albany Entertainment Centre.

Mr John Saville-Wright, Garrison Restaurant.

Mr Saville-Wright addressed Council behind closed doors prior to consideration and discussion of CCCS027: Surrender of Lease and New Lease-Imperial Group Pty Ltd – Garrison Restaurant.

6:18:34 PM There being no further speakers the Mayor declared Public Question Time Closed.

8. APPLICATIONS FOR LEAVE OF ABSENCE Nil.

9. PETITIONS AND DEPUTATIONS Nil

10. CONFIRMATION OF MINUTES

RESOLUTION

VOTING REQUIREMENT: SIMPLE MAJORITY

MOVED: COUNCILLOR SHANHUN

SECONDED: COUNCILLOR SMITH

THAT the minutes of the Ordinary Council Meeting held on 26 April 2017, as previously distributed, be CONFIRMED as a true and accurate record of proceedings.

CARRIED 11-1

Record of Vote

Against the Motion: Councillor Sutton

11. PRESENTATIONS Nil.

12. UNRESOLVED BUSINESS FROM PREVIOUS MEETINGS Nil.

CCCS024: FINANCIAL ACTIVITY STATEMENT – MARCH 2017

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

Responsible Officer's Signature:



RECOMMENDATION

CCCS024: RESOLUTION
VOTING REQUIREMENT: SIMPLE MAJORITY

MOVED: COUNCILLOR TERRY
SECONDED: COUNCILLOR SMITH

THAT Council RECEIVE the Financial Activity Statement for the period ending 31 March 2017.

CARRIED 12-0

CCCS024: COMMITTEE RECOMENDATION

MOVED: COUNCILLOR SMITH
SECONDED: COUNCILLOR HOLLINGWORTH

THAT the Responsible Officer Recommendation be ADOPTED.

CARRIED 11-0

CCCS024: RESPONSIBLE OFFICER RECOMMENDATION

THAT Council RECEIVE the Financial Activity Statement for the period ending 31 March 2017.

BACKGROUND

1. The Statement of Financial Activity for the period ending 31 March 2017 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 \$50,000 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 2016/17 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 31 March 2017 has been incurred in accordance with the 2016/17 proposed budget parameters.
11. Details of any budget variation in excess of \$50,000 (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.

File Number (Name of Ward)	FM.FIR.2 - All Wards
-----------------------------------	----------------------

CCCS025: LIST OF ACCOUNTS FOR PAYMENT – APRIL 2017

Proponent : City of Albany
Attachments : List of Accounts for Payment
Report Prepared by : Senior Accounting Officer (P Martin)
Responsible Officer : Executive Director Corporate Services (M Cole)

Responsible Officer's Signature:



RECOMMENDATION

CCCS025: RESOLUTION
VOTING REQUIREMENT: SIMPLE MAJORITY

MOVED: COUNCILLOR DOWLING
SECONDED: HOLLINGWORTH

That Council RECEIVE the list of accounts authorised for payment under delegated authority to the Chief Executive Officer for the period ending 15 April 2017 totalling \$6,917,031.35.

CARRIED 12-0

CCCS025: COMMITTEE RECOMMENDATION

MOVED: COUNCILLOR DOWLING
SECONDED: COUNCILLOR SMITH

That the Responsible Officer Recommendation be ADOPTED.

CARRIED 11-0

CCCS025: 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 April 2017 totalling \$6,917,031.35.

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 April 2017. Please refer to the Attachment to this report.

Municipal Fund

Trust	\$	0.00
Credit Cards	\$	10,308.11
Payroll	\$	1,220,351.87
Cheques	\$	108,634.95
Electronic Funds Transfer	\$	5,577,736.42
TOTAL		<u>\$ 6,917,031.35</u>

3. As at 15 April 2017, the total outstanding creditors, stands at \$375,630.01 and made up as follows:-

Current	\$	368,595.63
30 Days	\$	7,014.32
60 Days	\$	20.06
90 Days	\$	0.00
TOTAL		<u>\$ 375,630.01</u>

Cancelled cheques – Nil.

STATUTORY IMPLICATIONS

4. 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.
5. The Chief Executive Officer has delegated authority to make payments from the municipal and trust fund.
6. 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

7. Expenditure for the period to 15 April 2017 has been incurred in accordance with the 2016/2017 budget parameters.

FINANCIAL IMPLICATIONS

8. Expenditure for the period to 15 April 2017 has been incurred in accordance with the 2016/2017 budget parameters.

SUMMARY CONCLUSION

9. That list of accounts have been authorised for payment under delegated authority.
10. 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.

File Number (Name of Ward)	:	FM.FIR.2 - All Wards
-----------------------------------	---	----------------------

CCCS026: DELEGATED AUTHORITY REPORT

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)

Responsible Officer's Signature:



RECOMMENDATION

CCCS026: RESOLUTION
VOTING REQUIREMENT: SIMPLE MAJORITY

MOVED: COUNCILLOR SUTTON
SECONDED: COUNCILLOR STOCKS

THAT the Delegated Authority Reports 16 March 2017 to 15 April 2017 be RECEIVED.

CARRIED 12-0

CCCS026: COMMITTEE RECOMMENDATION

MOVED: COUNCILLOR STOCKS
SECONDED: MAYOR WELLINGTON

THAT the Responsible Officer Recommendation be ADOPTED.

CARRIED 11-0

CCCS026: RESPONSIBLE OFFICER RECOMMENDATION

THAT the Delegated Authority Reports 16 March 2017 to 15 April 2017 be RECEIVED.

**CCCS027: SURRENDER OF LEASE & NEW LEASE – IMPERIAL GROUP
PTY LTD – GARRISON RESTAURANT**

Land Description : Reserve 38226 and being Portion of Lot 555 on deposited Plan 75417 comprised in Certificate of Crown Land Title Volume LR3164 Folio 426

Proponent : Imperial Group Pty Ltd (ACN 152 740 728)
Directors: John Saville-Wright and Lynette Vincenti

Owner : Crown (City of Albany under Management Order)

Report Prepared by : Team Leader Property and Leasing (T Catherall)

Responsible Officer : Executive Director Corporate Services (M Cole)

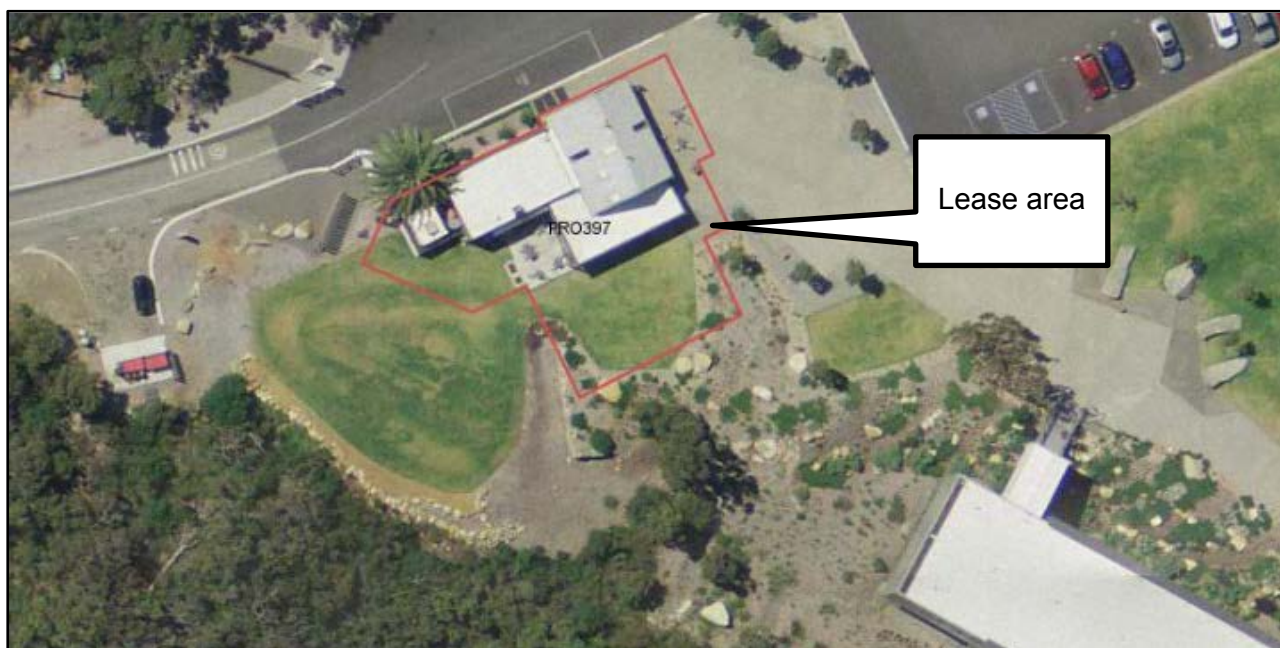
Responsible Officer's Signature:

This Report was considered behind closed doors as a confidential report in accordance with section 5.23 (2)(e) of the Local Government Act 1995, being a matter that if disclosed, would reveal information that has a commercial value to a person.

STRATEGIC IMPLICATIONS

1. This item relates to the following elements of the City of Albany Strategic Community Plan 2023 and Corporate Business Plan 2014-2018:
 - a. **Key Theme:** Civic Leadership
 - b. **Strategic Objective:** 5.1 To establish and maintain sound business and governance structures.
 - c. **Strategy:** 5.1.2 Develop informed and transparent decision making processes that meet our legal obligations

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 Imperial Group Pty Ltd for the Garrison restaurant.
- The tenant has cited continued ongoing financial issues and cash flow difficulties for the Garrison business attributed in part to the existing rental and the seasonal impact on income.
- As such, the tenant has requested the current lease rental formula of base rent plus turnover rent be reviewed and determined by a market valuation.
- In addition to documenting a market valuation rental, the new lease (Retail Shops) will incorporate the revised additional area of 17m². This area being part of the recently completed alfresco space beyond the current lease boundary.
- The lease will document special conditions around tenant exclusivity rights and payment of the outstanding debt.
- 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 Council approve the request to surrender the existing lease and approve a new lease to assist Garrison financial operating issues and support the ongoing operations at the Albany Heritage Park.

RESOLUTION

VOTING REQUIREMENT: SIMPLE MAJORITY

MOVED: COUNCILLOR HOLLINGWORTH

SECONDED: COUNCILLOR DOWLING

THAT the meeting is CLOSED TO THE PUBLIC in accordance with section 5.23 of the *Local Government Act 1995*, section 5.23(2)(e), being a matter that if disclosed, would reveal information that has a commercial value to a person, to consider:

CCCS027: Surrender of Lease and New Lease-Imperial Group Pty Ltd-Garrison Restaurant; and

CCCS030: Albany Regional Airport Regular Public Transport Proposed Fee Structure 2017-18.

CARRIED 12-0

All members of the public and media left the Chamber except for Mr John Saville-Wright and Ms Kerry Fry, who wished to address Council regarding CCCS027: Surrender of Lease and New Lease-Imperial Group Pty Ltd-Garrison Restaurant.

Mr Saville-Wright and Ms Fry left the Chamber after addressing Council, and were not present during the discussion of CCCS027 or CCCS030.

RESOLUTION

VOTING REQUIREMENT: SIMPLE MAJORITY

MOVED: COUNCILLOR DOWLING

SECONDED: COUNCILLOR TERRY

THAT the meeting be RE-OPENED to the public.

CARRIED 12-0

No members of the public or media returned to the Chamber.

RECOMMENDATION

**CCCS027: RESOLUTION (AMENDED COMMITTEE RECOMMENDATION)
VOTING REQUIREMENT: SIMPLE MAJORITY**

**MOVED: COUNCILLOR HOLLINGWORTH
SECONDED: COUNCILLOR PRICE**

That Council:

- 1. APPROVE the surrender of lease and simultaneously replace with a new lease for Imperial Group Pty Ltd within the Albany Heritage Park subject to:**
 - a. The surrender of lease will be effective only on the granting of a new lease;
 - b. Lease term being 2 years and 6 months plus two options to renew of 5 years each and a third option to renew of 6 years, commencing as soon practicable;
 - c. Lease rent being \$35,740 plus GST per annum as determined by a market valuation provided by a licensed Valuer plus outgoings;
 - d. Lease area being 601m²;
 - e. Lease permitted use being retail restaurant and associated functions, as amended or limited in accordance with the Management Order over the land and terms of any planning development consent.
 - f. Lease special condition to grant exclusive rights within the Albany Heritage Park to operate a café and permanent fine dining restaurant. The tenant acknowledges that rights with respect to functions facilities, retail takeaway sales, kiosk/lunch bar, tea rooms, vending machines, food trucks and pop ups for events may be allocated to third parties by the City, which rights do not form part of the exclusive rights of the tenant.
 - g. Lease special condition to document the tenant agrees to pay the debt of \$36,683.17 (GST inclusive) being rent and other payments due under the previous lease by making monthly repayments of \$1,173 plus GST until the debt is fully paid. Should the tenant default then interest of 11% per annum compounding will accrue against the outstanding debt and will be considered a breach of an essential term and a terminable event. Any unpaid debt and interest amounts will become payable in full to the City.
 - h. City has agreed to surrender its rights to turnover rent for the period commencing 1 January 2017 to the commencement date of the new lease.
 - i. Pursuant to Section 18 of the *Land Administration Act 1997*, Minister for Lands consent being obtained;
 - j. Pursuant to Section 3.58 of the *Local Government Act 1995* advertising requirements, the proposed new lease will be advertised;
 - k. All costs associated with the ongoing operations of the leased premises being payable by the Imperial Group;
 - l. All costs associated with the preparation, execution and completion of the surrender of lease being payable by the Imperial Group; and
 - m. All costs associated with the preparation, execution and completion of the new lease being payable by the City of Albany, in line with Section 14B of the *Commercial Tenancy (Retail Shops) Agreements Act 1985*.
- 2. NOTE that the Debt Management Reserve will not be reimbursed from turnover rent as per Council Resolution OCM 12 April 2016 Item CSF324.**

CARRIED 8-4

Record of Vote

Against the Motion: Councillors Goode, Smith, Dowling and Hammond

**CCCS027: AMENDMENT
VOTING REQUIREMENT: SIMPLE MAJORITY**

**MOVED: COUNCILLOR HOLLINGWORTH
SECONDED: COUNCILLOR PRICE**

THAT clause f of the Committee Recommendation be AMENDED to read:

f. Lease special condition to grant exclusive rights within the Albany Heritage Park to operate a **café and permanent fine dining restaurant. The tenant acknowledges that rights with respect to functions facilities, retail takeaway sales, kiosk/lunch bar, **café**, tea rooms, vending machines, food trucks and pop ups for events may be allocated to third parties by the City, which rights do not form part of the exclusive rights of the tenant.**

CARRIED 8-4

Record of Vote

Against the Motion: Councillors Goode, Smith, Dowling and Hammond.

**CCCS027: COMMITTEE RECOMMENDATION
VOTING REQUIREMENT: SIMPLE MAJORITY**

That Council:

1. APPROVE the surrender of lease and simultaneously replace with a new lease for Imperial Group Pty Ltd within the Albany Heritage Park subject to:
 - a. The surrender of lease will be effective only on the granting of a new lease;
 - b. Lease term being 2 years and 6 months plus two options to renew of 5 years each and a third option to renew of 6 years, commencing as soon practicable;
 - c. Lease rent being \$35,740 plus GST per annum as determined by a market valuation provided by a licensed Valuer plus outgoings;
 - d. Lease area being 601m²;
 - e. Lease permitted use being retail restaurant and associated functions, as amended or limited in accordance with the Management Order over the land and terms of any planning development consent.
 - f. Lease special condition to grant exclusive rights within the Albany Heritage Park to operate a permanent fine dining restaurant. The tenant acknowledges that rights with respect to functions facilities, retail takeaway sales, kiosk/lunch bar, **café**, tea rooms, vending machines, food trucks and pop ups for events may be allocated to third parties by the City, which rights do not form part of the exclusive rights of the tenant.
 - g. Lease special condition to document the tenant agrees to pay the debt of \$36,683.17 (GST inclusive) being rent and other payments due under the previous lease by making monthly repayments of \$1,173 plus GST until the debt is fully paid. Should the tenant default then interest of 11% per annum compounding will accrue against the outstanding debt and will be considered a breach of an essential term and a terminable event. Any unpaid debt and interest amounts will become payable in full to the City.
 - h. City has agreed to surrender its rights to turnover rent for the period commencing 1 January 2017 to the commencement date of the new lease.
 - i. Pursuant to Section 18 of the *Land Administration Act 1997*, Minister for Lands consent being obtained;
 - j. Pursuant to Section 3.58 of the *Local Government Act 1995* advertising requirements, the proposed new lease will be advertised;
 - k. All costs associated with the ongoing operations of the leased premises being payable by the Imperial Group;
 - l. All costs associated with the preparation, execution and completion of the surrender of lease being payable by the Imperial Group; and
 - m. All costs associated with the preparation, execution and completion of the new lease being payable by the City of Albany, in line with Section 14B of the *Commercial Tenancy (Retail Shops) Agreements Act 1985*.
2. NOTE that the Debt Management Reserve will not be reimbursed from turnover rent as per Council Resolution OCM 12 April 2016 Item CSF324.

CCCS027: COMMITTEE RECOMMENDATION

MOVED: COUNCILLOR STOCKS
SECONDED: COUNCILLOR SHANHUN

THAT the Responsible Officer Recommendation be ADOPTED.

CARRIED 9-2

Record of Vote

Against the Motion: Councillors Price and Hammond

CCCS027: RESPONSIBLE OFFICER RECOMMENDATION

That Council:

1. APPROVE the surrender of lease and simultaneously replace with a new lease for Imperial Group Pty Ltd within the Albany Heritage Park subject to:
 - a. The surrender of lease will be effective only on the granting of a new lease;
 - b. Lease term being 2 years and 6 months plus two options to renew of 5 years each and a third option to renew of 6 years, commencing as soon practicable;
 - c. Lease rent being \$35,740 plus GST per annum as determined by a market valuation provided by a licensed Valuer plus outgoings;
 - d. Lease area being 601m²;
 - e. Lease permitted use being retail restaurant and associated functions, as amended or limited in accordance with the Management Order over the land and terms of any planning development consent.
 - f. Lease special condition to grant exclusive rights within the Albany Heritage Park to operate a permanent fine dining restaurant. The tenant acknowledges that rights with respect to functions facilities, retail takeaway sales, kiosk/lunch bar, café, tea rooms, vending machines, food trucks and pop ups for events may be allocated to third parties by the City, which rights do not form part of the exclusive rights of the tenant.
 - g. Lease special condition to document the tenant agrees to pay the debt of \$36,683.17 (GST inclusive) being rent and other payments due under the previous lease by making monthly repayments of \$1,173 plus GST until the debt is fully paid. Should the tenant default then interest of 11% per annum compounding will accrue against the outstanding debt and will be considered a breach of an essential term and a terminable event. Any unpaid debt and interest amounts will become payable in full to the City.
 - h. City has agreed to surrender its rights to turnover rent for the period commencing 1 January 2017 to the commencement date of the new lease.
 - i. Pursuant to Section 18 of the *Land Administration Act 1997*, Minister for Lands consent being obtained;
 - j. Pursuant to Section 3.58 of the *Local Government Act 1995* advertising requirements, the proposed new lease will be advertised;
 - k. All costs associated with the ongoing operations of the leased premises being payable by the Imperial Group;
 - l. All costs associated with the preparation, execution and completion of the surrender of lease being payable by the Imperial Group; and
 - m. All costs associated with the preparation, execution and completion of the new lease being payable by the City of Albany, in line with Section 14B of the *Commercial Tenancy (Retail Shops) Agreements Act 1985*.
2. NOTE that the Debt Management Reserve will not be reimbursed from turnover rent as per Council Resolution OCM 12 April 2016 Item CSF324.

BACKGROUND

2. Garrison Restaurant is located within the Albany Heritage Park on Crown Reserve 38226. The reserve is under Management Order L836132 issued to the City of Albany with the power to lease, sub-lease or licence for the purpose of "Parklands, Recreation and Tourism" for any term not exceeding 21 years subject to the consent of the Minister for Lands.
3. As part of the Albany Heritage Park Infrastructure Project in 2014, the City converted the former Repository Store building into a café and restaurant space.
4. In May 2014, following completion of a Request for Proposal to Lease process, Council approved a new lease to Imperial Group Pty Ltd over the café and restaurant space now known as Garrison for a term totalling 21 years.
5. At this time, Council approved a variation to Council's Property Management (Leases and Licences) Policy to allow for an agreed rent formula of base rent plus rent based on turnover, noting this rent formula is common for Retail Shop leases. Council's Policy provides that commercial leases rent be determined by market valuation provided by a Licenced Valuer.
6. The commercial terms of the lease are subject to the provisions of the *Commercial Tenancy (Retail Shops) Agreements Act 1985 (WA)*.
7. The commencement base rent was \$26,000 plus GST per annum adjusted annually by CPI. The turnover component was calculated at 10% of annual gross receipts from \$260,001 to \$500,000 plus 7% of annual gross receipts over \$500,001 to \$1 million and payable quarterly.
8. In September 2014, during the initial conversion of the building the tenant requested additional building works be completed to facilitate its enhanced use of the building and its operational preferences. As a result, the tenant agreed to contribute \$228,250.50 (GST inclusive) for additional building works. Under this arrangement the tenant would recover the contribution through non-payment of turnover rent.
9. In April 2016, the tenant approached the City requesting for the value of the remainder financial contribution to be paid as a lump sum cash payment. The tenant raised cash flow difficulties attributed to the financial contribution towards the additional building works, instead of being held for operating cash.
10. In reply, Council at its meeting held on 12 April 2016, resolved to approve the request. It is noted that outstanding rent and outgoings for March and April 2016 were withheld from the lump sum payment, with the remaining amount of \$116,065.21 (GST inclusive) being paid to the tenant.
11. Since this time, the City has been in discussions with the tenant regarding Garrison operations. In particular the City has been seeking payment of the outstanding amounts for rent and outgoings under the Lease. It is noted that there was a partial payment of \$6,421 for rent and outgoings between the months of May and September 2016.
12. In October 2016, an agreement was reached with the tenant for the remaining outstanding amounts to be paid through a payment plan of \$1,000 per week. However by mid November 2016 no payments had been received.
13. When City contacted the tenant with regard to non-payment, the tenant advised that Garrison income does not cover running costs as in their view the rent is too high. At this time the tenant requested that the City consider a review of the rent and that rent be based on market valuation. It is noted this request is in line with Council Policy – Property Management (Leases and Licences). In response the City advised they would consider the request.

14. In December 2016, the City undertook works to extend the alfresco area by paving and providing glass screen windbreaks to further support Garrison operations. The extended alfresco resulted in an area of 17m² beyond the existing lease boundary.
15. The tenant currently occupies the additional area under a Letter of Agreement until the area is formalised under a new lease or until 30 April 2017, whichever is the earlier.
16. The Department of Lands advised that the additional area of 17m² would either need to be a new lease for the additional area or a surrender of the existing lease and a new lease over the entire area, in order to gain the Department's consent. A variation to the existing lease area is not considered acceptable by the Department.
17. In January 2017, the tenant advised they had engaged Firm Vision Advisory / Chartered Accountant to implement business improvement and turnaround strategies to improve Garrison operations.
18. Following a further meeting between the City, tenant and Garrison financial advisor to discuss the current financial situation and best way forward for both parties, the tenant provided audited financial figures in order to support their request for a review to the rent.
19. It was agreed by the City's Executive Team to take a report to Council to consider a surrender of the existing lease and replace with a new lease. The new lease would formalise the revised area and detail a rent based on market valuation rather than the current rent formula of base rent plus turnover rent.
20. A market rental valuation was completed and returned a rental of \$35,740 plus GST per annum. This is based on the main building area of 207m² at \$150 per m² and alfresco area of 67m² at \$70 per m².

DISCUSSION

Rent and outstanding debt

21. The current lease rent is \$26,262 plus \$9,600 for outgoings per annum, being \$3,224 (GST inclusive) per month. In addition turnover rent is payable at the end of each quarter. On average yearly turnover rent has been approximately \$53,500 (GST inclusive). At present the estimated total annual rental is \$79,792 plus outgoings.
22. Since the commencement of the lease in October 2014, an amount of \$107,040 has been levied for turnover rent. Noting that turnover rent due and payable since June 2016 remains outstanding.
23. The tenant continues to operate in arrears with the total amount outstanding of \$36,683.17 (GST inclusive) under the lease at the time of preparing this report 26 April 2017. In addition rent and outgoings for April 2017 of \$3,224 plus GST is due and payable on 1 May 2017.
24. No formal action has been taken to issue a notice of default under the lease for unpaid rent and outgoings given the ongoing negotiations with the tenant.
25. Throughout the negotiations it is the City's view that any outstanding amounts due under the existing lease should be paid in full prior to entering into any new lease. However, given the financial burden this will place on the tenant a repayment schedule has been agreed. The outstanding debt will be paid by the tenant making monthly payments of \$1,173 plus GST until fully paid, in 2 years and 6 months.
26. It is noted the City has agreed to surrender its rights to turnover rent for the period commencing 1 January 2017 to the commencement date of the proposed new lease, anticipated to be 1 July 2017.

Exclusive rights

26. Under the previous lease, the tenant had a right of exclusivity for provision of cafe and restaurant service (excluding takeaway service) over the Heritage Park. It is recommended to include a special condition in the lease to document a revised permitted use and a new exclusive rights provision as follows:

The permitted use being Retail restaurant and associated functions, as amended or limited in accordance with the Management Order over the Land and the terms of any planning

The tenant is granted exclusive rights within the Albany Heritage Precinct to operate a permanent fine dining restaurant. The tenant acknowledges that rights with respect to functions facilities, retail takeaway sales, kiosk/lunch bar, cafe, tea rooms, vending machines, food trucks and pop ups for events may be allocated to third parties by the City, which rights do not form part of the exclusive rights of the Tenant.

27. The above provision supports the City's intention to provide food trucks and pop ups for events, tea rooms and other activities within the Heritage Park without being limited by the Garrison tenant.

28. The tenant has further proposed the following exclusivity wording:

The tenant is granted exclusive rights within the Albany Heritage Precinct to operate a permanent fine dining restaurant, retail takeaway sales, kiosk/lunch bar, cafe, tea rooms, and acknowledges that rights with respect to functions facilities, vending machines, food trucks and pop ups for events may be allocated to third parties by the Landlord, which rights do not form part of the exclusive rights of the Tenant.

29. The point of difference being the inclusion of retail takeaway sales, kiosk/lunch bar, cafe, tea rooms in tenant exclusive rights.

30. City staff do not support this change as it is unreasonable and to the detriment of the Heritage Park, particularly given how the masterplan will change the structure and use of the precinct over the next 5-10 years with the potential for multiple nodes of activity and activation. The City is willing to allow the tenant to operate the kiosk and retail takeaways but needs the option to bring another operator in if the tenant chooses not to service that market.

31. It is noted the City has previously considered developing the 'Married Quarters' as a tea rooms and sought the right to conduct an expression of interest for a suitable operator. The City has discussed this opportunity with the tenant, which was rejected by the tenant in favour of extending the existing premises.

32. In recent discussions the tenant proposed that the City consider purchasing the kitchen steel benches and equipment by paying out the tenants current rental agreements with Silver Chef. The payout amount as at 6 April 2017 was \$83,040.60. However the City declined the offer as it couldn't justify the additional expense from City funds.

33. In recent feedback from the tenant they have requested that December 2016 turnover rent totalling \$14,837.50 be waived. This is not supported by City staff.

Surrender and new lease

34. 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.

35. The new lease will document new provisions with regards to the rental, payment of outstanding debt and exclusive rights detailed above.

36. The City has negotiated the terms of the surrender and proposed new lease with the tenant and in principle agreement has been reached on the following terms:

- a. Lease term being for the remainder of the existing lease – 2 years and 6 months, plus two options to renew and a third option to renew for 6 years (to align with the remainder term of the current lease), commencing as soon as practicable.
 - b. Rental being \$35,740 plus GST per annum. Based on market valuation for the main building area of 207m² at \$150 per m² and alfresco area of 67m² at \$70 per m².
 - c. Rent reviews will be undertaken on the anniversary of the lease by Market Valuation every three years and by CPI, All Groups (Perth) for intervening years.
 - d. Lease area being 601m² including the additional alfresco area of 17m².
 - e. Lease special condition to grant exclusive rights within the Albany Heritage Park to operate a permanent fine dining restaurant. The tenant acknowledges that rights with respect to functions facilities, retail takeaway sales, kiosk/lunch bar, cafe, tea rooms, vending machines, food trucks and pop ups for events may be allocated to third parties by the City, which rights do not form part of the exclusive rights of the tenant.
 - f. Lease special condition to document the tenant agrees to pay the debt of \$36,683.17 (GST inclusive) being rent and other payments due under the previous lease by making monthly repayments of \$1,173 plus GST until the debt is fully paid. Should the tenant default then interest of 11% per annum compounding will accrue against the outstanding debt and will be considered a breach of an essential term and a terminable event. Any unpaid debt and interest amounts will become payable in full to the City.
 - g. Costs associated with the surrender of lease and new lease to in line with Section 14B of the *Commercial Tenancy (Retail Shops) Agreements Act 1985*.
37. In addition it is proposed that payment of tenant turnover rent obligations will cease as of 1 January 2017.
38. Other than as set out above, the existing lease terms will apply, including payment of outgoings currently set at \$800 per month. The tenant will be provided the tenant documentation for Retail Shops Act purposes and the usual approvals will be lodged with the State Administration Tribunal.

City building works

39. In an effort to increase the amenity and formalise the current patterns of use of visitors to the Heritage Park, the City lodged a Development Application (P2160416) in August 2016 for the Garrison building and surrounding lease area detailing the following works:
- New lightweight alfresco seating area and glass windbreak for the restaurant.
 - New rear storage addition for the Kitchen.
 - New enclosed small function room for the restaurant.
40. It was agreed the works, with an estimated value of \$102,500 would be undertaken in a staged approach.
41. Stage 1 works for the alfresco area were completed December 2016. Noting that portion of these works outside of the lease area.
42. Stage 2 proposed works include extending the alfresco area; new dining/function room and constructing a new storage area at the rear of the premises. Stage 2 works are subject to further negotiations and budget allocation.
43. It is noted the City has scheduled the replacement of the Garrison roof in this year's capital works programme. This work is scheduled to begin on Monday 1 May 2017 and it is anticipated to take about 5 days to complete the work.

GOVERNMENT & PUBLIC CONSULTATION

44. The Department of Lands has been consulted regarding the additional area and advised they have no objection to the proposed use of the additional land by the tenant subject to formalising the use under a lease arrangement.
45. Once prepared, the surrender and new lease documentation will be provided to the Department for Minister for Land's consent as required under Section 18 of the *Land Administration Act 1997*.
46. 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.
47. The new lease will be advertised to comply with the requirements of Section 3.58 of the *Local Government Act 1995*.

STATUTORY IMPLICATIONS

48. Section 18 the *Land Administration Act 1997* states that a person shall not assign, sell, transfer or otherwise deal with interests on Crown land or create or grant an interest in Crown land without the prior approval in writing of the Minister for Lands.
49. As this is Crown land, under Management Order held by the City, the Minister's consent will be sought.

POLICY IMPLICATIONS

50. Council adopted a revised Property Management (Leases and Licences) Policy in July 2015.
51. 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.
52. The recommendation is consistent with Council Policy – Property Management (Leases and Licences).

RISK IDENTIFICATION & MITIGATION

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

Risk	Likelihood	Consequence	Risk Rating	Mitigation
Reputation: Change of rental formula not approved	Possible	Moderate	Medium	City to manage lessee reaction in a measured way and ensure open communication with lessee.
Reputation: Closure of the restaurant in a tourism precinct – potential for negative attention	Possible	Moderate	Medium	Seek to negotiate terms to Council satisfaction.
Reputation: Increase in lease area not approved	Unlikely	Minor	Low	Seek to negotiate terms to Council satisfaction, as portion of the new alfresco area occurs outside of the existing lease area and use is required to be formalised.
Financial: Reduction in rental income	Almost Certain	Moderate	High	Seek to negotiate terms to Council satisfaction.
Financial: Non-payment of outstanding debt	Possible	Moderate	Medium	Pursue tenant for payment of debt and interest in full.

FINANCIAL IMPLICATIONS

54. Given it is proposed that turnover rent is not applied in the new lease, the Debt Management Reserve will not be reimbursed the \$115,000 (financial contribution payment) in total over the next three years as noted in Council Resolution of OCM 12 April 2016 Item CSF324.
55. The Finance team advise the long term implication will be the reduction in the ability to pay off debt more effectively in future years, however this risk is considered very low.
56. The City has agreed that turnover rent for the period 1 January 2017 to the commencement of the new lease (anticipated 1 July 2017) be waived. This amount would be approximately \$21,200 based on previous turnover figures provided for the same period last year.
57. All costs associated with the preparation, execution and completion of the surrender of lease being payable by the Imperial Group. Anticipated cost will be \$400 plus GST and disbursements.
58. All costs associated with the preparation, execution and completion of the new lease being payable by the City of Albany, in line with Section 14B of the Commercial Tenancy (Retail Shops) Agreements Act 1985. Anticipated cost will be \$1,200 plus GST and disbursements.
59. To date, the City has met the costs associated with the Garrison lease plan and market valuation of \$300 and \$600 respectively, plus GST.

LEGAL IMPLICATIONS

60. There is no legal obligation to approve the tenant's request to surrender the lease and approve a new lease for a new rental method. Noting there is a legal requirement to formalise the additional lease area and this could be by way of a new lease for the additional area only, not requiring a surrender of the existing lease.
61. The Deeds will be prepared by City's lawyers.

ENVIRONMENTAL CONSIDERATIONS

62. There are no environmental considerations.

ALTERNATE OPTIONS

63. Council may:
 - a. Approve the surrender of lease and new lease; or
 - b. Make an alternate recommendation on the proposed rental method and/or the exclusivity clause; or
 - c. Decline the surrender of lease and new lease; and
 - d. Approve a new lease for the additional area only, with the existing lease to remain as is. Noting this option would require further negotiation with Garrison.
64. Should Council decline the new lease, it is understood the tenant will continue to experience cash flow issues and will have difficulties in continuing to operate Garrison café, restaurant and takeaway and meet lease payment obligations. This may result in the closure of Garrison.
65. Should the premises become vacant the City could conduct an Expression of Interest process to identify a suitable lessee to provide café services within the Heritage Park.

SUMMARY CONCLUSION

- 66. The City has been in negotiations with the tenant regarding the Garrison operations and in particular to resolve outstanding rent and outgoings since June 2016.
- 67. The City has been made aware that the tenant has been experiencing ongoing financial difficulties and requested a review of the current rental formula of base rent plus turnover rent in favour of a rental based on market valuation.
- 68. A repayment schedule has been agreed for the tenant to repay the outstanding debt in full.
- 69. Terms have been negotiated and agreed by the tenant and it is recommended that the surrender of lease and proposed new lease be supported.

Consulted References	:	<ul style="list-style-type: none"> • Council Policy – Property Management (Leases and Licences) • <i>Local Government Act 1995</i>
File Number (Name of Ward)	:	PRO397, A230314 (Frederickstown Ward)
Previous Reference	:	SCM 23/01/2014 SCM008 OCM 8/04/2014 CSF073 OCM 27/05/2014 Item CSF088 OCM 12/04/2016 Item CSF234

CCCS028: COUNCIL REVIEW OF DELEGATIONS REGISTER

Proponent	: City of Albany
Attachments	: Delegations Register 2017 Council Policy Listing – 5 May 2017
Report Prepared by	: Manager Governance & Risk Management (S Jamieson)
Responsible Officer(s)	: Executive Director Corporate Services (M Cole)

Responsible Officer's Signature:



STRATEGIC IMPLICATIONS

1. This item relates to the following elements of the City of Albany Strategic Community Plan 2023 and Corporate Business Plan 2014 - 2018:
 - a. **Key Theme:** 5. Civic Leadership.
 - b. **Strategic Objectives:** 5.1. To establish and maintain sound business and governance structures.
 - c. **Strategy:** Nil

In Brief:

- Council review and approve the Register of Delegations 2017.

RECOMMENDATION

CCCS028: RESOLUTION
VOTING REQUIREMENT: ABSOLUTE MAJORITY
MOVED: COUNCILLOR GOODE
SECONDED: COUNCILLOR SHANHUN

That the delegations detailed in the Register of Delegations be **ADOPTED**, noting the associated Council Policy positions and amendments:

- (a) **Delegation 2017:031 – Animal Control. Specifies sections 16(3), 17A & 17 of the Dog Act 1976, being:**
 - (i) **The local government may direct the registration officer to refuse to effect or renew the registration of a dog, and may direct that the registration of a dog shall be cancelled.**
 - (ii) **A local government may give written notice to the owner of a dog that the dog cannot be registered by the local government.**
 - (iii) **Where a local government refuses to effect or renew the registration of a dog, or cancels a registration or gives a written notice under section 17A(2), the applicant or the registered owner or owner of the dog, as the case may be, may apply to the State Administrative Tribunal for a review of the decision.**
- (b) **2017:033 – Public Health. Updated to reflect new Public Health Act 2016 and Health (Miscellaneous) Provisions Act 1911.**

CARRIED 12-0
ABSOLUTE MAJORITY

Officer Comment: Requested at CCCS Committee for changes to be included in the Committee Recommendation.

CCCS028: COMMITTEE RECOMMENDATION

MOVED: COUNCILLOR SMITH
SECONDED: COUNCILLOR HOLLINGWORTH

That the delegations detailed in the Register of Delegations be ADOPTED.

CARRIED 10-1

Record of Vote

Against the Motion: Councillor Price

CCCS028: RESPONSIBLE OFFICER RECOMMENDATION

That the delegations detailed in the Register of Delegations be ADOPTED.

BACKGROUND

2. Under the provisions of the *Local Government Act 1995*, a local authority may delegate some of its powers and duties to the Chief Executive Officer or Committees of Council to help facilitate the many services it provides to the community.
3. At least once every financial year, the powers and duties delegated under the Local Government Act are required to be reviewed by the delegator.

DISCUSSION

4. A register of Delegations of Authority is essential in order to inform the public of the activities, functions, powers and duties of the Local Government as well meeting the requirements of Section 5.46 of the *Local Government Act 1995* (the Act).
5. This Act requires the Chief Executive Officer (CEO) of the Local Government to keep a Register of Delegations made by the Council to a Committee or the Chief Executive Officer, and by the CEO to other employees.
6. The compilation of the content of this Register was prepared through references to the Act, the Complete Guide to The Local Government Act 1995 (which is a joint production of the Western Australian Municipal Association, the Institute of Municipal Management (WA Division) and the Western Australia Department of Local Government).
7. Section 5.42 of the Act allows Council to delegate to the Chief Executive Officer and/or Committee.
8. Proposed amendments are detailed in the document control section of the register (attachment C).
9. Council Policies and their associated delegation(s) are listed at attachment C to the Delegations Register and a hyperlink listing extract from the City of Albany's website is detailed at attachment 2 to this report.
10. Council may choose to select specific Council Policy positions for separate review.

GOVERNMENT AND PUBLIC CONSULTATION

11. Detailed in the discussion section of the report.

STATUTORY IMPLICATIONS

12. Detailed in the discussion section of the report.

Delegation to CEO

13. Section 5.42 of the Act enables the delegation of some powers and duties to the Chief Executive Officer:

“1) A local government may delegate to the Chief Executive Officer the exercise of any of its powers or the discharge of any of its duties under this Act other than those referred to in section 5.43.

A delegation under this section is to be in writing and may be general or as otherwise provided in the instrument of delegation.”

Delegation to Committees

14. Section 5.16 and 5.17 of the Act enables the delegation of some powers and duties to a committee:

“1) Under and subject to section 5.17, a local government may delegate to a committee any of its powers and duties other than the power to delegate;

2) A delegation under this section is to be in writing and may be general or as otherwise provided in the instrument of delegation.”

Delegations to be reviewed every financial year

15. Under the provisions of section 5.46 (2) of the Act, delegations must be reviewed by the delegator at least once every financial year.

Appointment of authorised persons

16. Section 9.10 of the Act. The local government may, in writing, appoint persons or classes of persons to be authorised for the purposes of performing particular functions.

Transfer of Authority Due to Absence

17. Where an Officer not named has been appointed by Council or by an Officer authorised to make the appointment to act in a position to which the named Officer is appointed, the authority shall transfer to the Officer acting as appointed, for the duration of Council authorisation.
18. Where a named Officer holding a delegation is temporarily absent and no Officer has been appointed to act in the position, the authority will transfer to the relevant Executive Director or Senior Manager for the period of absence.

Proposed, Amended Delegations

19. New, deleted and proposed amendments are detailed in the version control section of the register.

POLICY IMPLICATIONS

20. Nil

RISK IDENTIFICATION & MITIGATION

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

Risk	Likelihood	Consequence	Risk Analysis	Mitigation
<i>Legal & Compliance. Non-compliance with the City’s statutory requirement to review the delegations every financial year.</i>	<i>Unlikely</i>	<i>Moderate</i>	<i>Medium</i>	<i>Review and bring back to Council for adoption prior to 30 June 2017.</i>

FINANCIAL IMPLICATIONS

22. Nil.

LEGAL IMPLICATIONS

23. Refer to statutory implication section of report.

ENVIRONMENTAL CONSIDERATIONS

24. There are no direct environmental considerations related to this report.

SUMMARY CONCLUSION

25. That the reviewed delegations register (attached) be adopted and if required identify specific Council Policy positions for separate review.

Consulted References	:	<ul style="list-style-type: none"> • <i>Local Government Act 1995</i> • Local Government: Operational Guidelines Number 17.
File Number (Name of Ward)	:	PE.AUT.1 (All Wards)
Previous Reference	:	OCM 28 June 2016 Resolution CSF248

**CCCS030: ALBANY REGIONAL AIRPORT REGULAR PUBLIC
TRANSPORT PROPOSED FEE STRUCTURE 2017/18**

Proponent : City of Albany
Attachments : Regional Express Correspondence - 1 May 2017
Report Prepared By : Manager Tourism Development Services (M Bird)
Responsible Officer(s) : Executive Director Community Services (C Woods)

Responsible Officer's Signature:



In accordance with section 5.23 (2)(c) of the Local Government Act 1995, being: a contract which may be entered into by the local government was discussed behind closed doors as a confidential report.

STRATEGIC IMPLICATIONS

1. This item directly relates to the following elements from the City of Albany Community Strategic Plan – Albany 2023 and the Corporate Business Plan 2014-2018.
 - a. **Key Themes:**
 - 1. Smart Prosperous and Growing.
 - 3. A Connected Built Environment
 - b. **Strategic Objectives:**
 - 1.2 To strengthen our region's economic base.
 - 1.3 To develop and promote Albany as a unique and sought after destination.
 - 3.1 To advocate, plan and build friendly and connected communities.
 - c. **Strategy:**
 - 1.2.2. Strengthen our economy by support by supporting business innovation and diversity
 - 1.3.2. Promote the Albany region as a sought after and iconic tourism destination.
 - 3.1.1 Improve connectedness and traffic flows.

In Brief:

- The City of Albany has been negotiating future fees and charges with Regional Express (REX) for Regular Passenger Transport (RPT) operations at Albany Regional Airport for the period 2017/18 to 2019/20 inclusive.
- The current \$129 Community Fare and fee waiver on promotional holiday and leisure packaged fares are only available for travel up until 30 June 2017 due to the partnership agreements between REX and the City being applicable only for the 2016/17 period.
- This paper recommends the City enter into a 3 year partnership agreement with REX to ensure the continuation of these Community and holiday and leisure fares for the stated 3 year period.

RECOMMENDATION

**CCCS030: RESOLUTION
VOTING REQUIREMENT: ABSOLUTE MAJORITY**

**MOVED: COUNCILLOR MOIR
SECONDED: COUNCILLOR TERRY**

THAT Council:

- 1. ENDORSE the previous resolution that agreed to a fixed annual fee to REX for the 2017/18 period based on Perth CPI increase to the 2016/17 fixed fee of \$1,645,920 plus GST; and**
- 2. GIVE IN PRINCIPLE SUPPORT for a fixed annual fee with REX for periods 2018/19 and 2019/20 (based on 2017/18 fee plus Perth CPI annual increases) on the condition that REX continues to provide a Community Fare based on \$128.91 and continues to honour the leisure package fares of \$99.**
- 3. Subject to (1) and (2) above, DELEGATE AUTHORITY to the CEO to negotiate this agreement with REX that incorporates an annual increase based on an agreed Perth CPI cost index, has monthly equal payment instalments and ensures the continuation of both the Community Fare and the Leisure Package Fares.**

**CARRIED 12-0
ABSOLUTE MAJORITY**

**CCCS030: COMMITTEE RECOMMENDATION
VOTING REQUIREMENT: ABSOLUTE MAJORITY**

**MOVED: COUNCILLOR HAMMOND
SECONDED: COUNCILLOR HOLLINGWORTH**

THAT the Responsible Officer Recommendation be ADOPTED.

CARRIED 11- 0

**CCCS030: RESPONSIBLE OFFICER RECOMMENDATION
VOTING REQUIREMENT: ABSOLUTE MAJORITY**

THAT Council:

- 1. ENDORSE the previous resolution that agreed to a fixed annual fee to REX for the 2017/18 period based on Perth CPI increase to the 2016/17 fixed fee of \$1,645,920 plus GST; and**
- 2. GIVE IN PRINCIPLE SUPPORT for a fixed annual fee with REX for periods 2018/19 and 2019/20 (based on 2017/18 fee plus Perth CPI annual increases) on the condition that REX continues to provide a Community Fare based on \$128.91 and continues to honour the leisure package fares of \$99.**
- 3. Subject to (1) and (2) above, DELEGATE AUTHORITY to the CEO to negotiate this agreement with REX that incorporates an annual increase based on an agreed Perth CPI cost index, has monthly equal payment instalments and ensures the continuation of both the Community Fare and the Leisure Package Fares.**

BACKGROUND

2. On 13 November 2015 the WA Department of Transport (DoT) awarded Regional Express Airlines (REX) the sole rights to operate Regular Public Transport (RPT) aviation services on the Perth to Albany route for a 5 year period. REX replaced Virgin Australia Regional Airlines (VARA) who did not re-tender for the route.
3. At the 15 December 2015 Ordinary Council Meeting Council resolved to remove security screening and to provide REX with an airport fee structure based on an all-inclusive per passenger fee basis of \$30.48 plus GST effective from 28 February 2016 until 30 June 2017.
4. In response to a request from REX at the 24 May 2016 Ordinary Council Meeting Council approved the introduction of a fixed annual fee for the 2016/17 financial period of \$1,645,920 plus GST based on 54,000 RPT passengers paying the approved RPT per passenger fee of \$30.48 plus GST. The rationale of the above was to provide a financial incentive for REX to grow the annual passenger numbers.
5. In August 2016 REX lowered their base line one way fare from \$151 to \$129 called the Rex Promo or Community Fare available for purchase with the conditions being purchases made either within 24 hours or 60 days before flight departure. This fare has been well received by the marketplace.
6. The City has also been working with REX to identify strategies to grow new market segments and at the 22 November 2016 Ordinary Council Meeting, Council approved the waiver of Airport passenger handling fees on holiday and leisure air packages sold via the travel wholesale distribution system for the 2016/17 financial period.
7. At the February 2017 Ordinary Council Meeting Council approved a fixed annual fee approach for the 2017/18 period only based on Perth CPI increases applied to the agreed 2016/17 fixed annual fee.
8. Since this time the City has negotiated in good faith with REX to secure commitments and conditions for future fee arrangements for the periods 2018/19 to 2019/20. These future fee arrangement are now presented to Council for consideration.

DISCUSSION

9. The City supports the growth in RPT passenger numbers for both the benefit of regional economic growth and to generate sufficient revenue to ensure the Airport remains a financially sustainable business unit that does not require financial subsidy by the Albany ratepayer.
10. The City and REX have developed a mutually beneficial commercial relationship and this collaborative approach has resulted in strong growth in passenger numbers since REX commenced services in late February 2016.
11. The fixed annual fee approach being requested for future years 2018/19 to 2019/20 is a continuation of the current financial arrangement between the City of Albany and REX and will provide a financial incentive for REX to increase passengers carried over the next three years.
12. The City received correspondence from Regional Express (REX) dated 1 May 2017 titled "*Regional Express (REX) 3 year partnership proposal*". In this letter REX agrees in principle to the officer recommendation stated in this report on the condition that Council agreement is in place no later than 30 June 2017.
13. A key condition of the fixed annual fee arrangement for the next three years is that REX continues to offer the current Community and holiday promotional fares at baseline levels for these periods. This is considered a major benefit for Albany and surrounding region resident and business communities.

14. Adopting a fixed annual fee approach provides the City with some benefits including head tax revenue certainty over the next three years and also ensuring the continued delivery of the low \$129 community fare.
15. Benefits from adopting the officer recommendation include the City;
 - continuing to support the growth of the RPT passenger service and delivering improved socio economic benefits to the region,
 - ensuring REX continue to provide a low Community Fare around the \$129 level for the next three years,
 - supporting and actively promoting growth in new inbound holiday and leisure air travel markets.
16. The principal disadvantage of adopting the officer recommendation is that the Airport will not share in any potential financial benefits attached to any significant gains in RPT passenger numbers if achieved.
17. The City will review the success of the fixed annual fee and holiday packaged airfare incentives and discounts and report back to Council on level of success.

GOVERNMENT & PUBLIC CONSULTATION

18. Current service provider REX has been consulted in the preparation of this paper.
19. The City of Albany has also consulted with the Aviation section of the Western Australian Government's Department of Transport.

STATUTORY IMPLICATIONS

20. Section 6.19 of the *Local Government Act 1995* states:
"If a local government wishes to impose any fees or charges under this Subdivision after the annual budget has been adopted it must, before introducing the fees or charges, give local public notice of —
 - (a) its intention to do so; and*
 - (b) the date from which it is proposed the fees or charges will be imposed."*

POLICY IMPLICATIONS

21. There are no policy implication related to this report.

RISK IDENTIFICATION & MITIGATION

22. The risk identification and categorisation relies on the [City's Enterprise Risk & Opportunity Management Framework](#).

Risk	Likelihood	Consequence	Risk Analysis	Mitigation
Reputational. Negative public perception towards the City may result if Rex does not continue the Community Fare at current \$129 levels.	Possible	Moderate	Medium	Financial scenarios and impacts of continuing with a fixed fee approach be considered. Work with Rex Airline to ensure a mutually beneficial arrangement is agreed to.
Financial. By agreeing to CPI increases for the next 3 years on the 2016/17 fixed fee level the City could potentially forego additional RPT fee income.	Likely	Major	High	Offset any foregone revenue by generating new revenue sources and rationalising operational expenses so no net loss to airport operational surplus experienced.

FINANCIAL IMPLICATIONS

23. An agreed fixed annual RPT fee will provide certainty for the Airport in forward financial planning for the next 3 years.
24. Combined with new paid parking revenue and rationalised operational expenses associated with the recent retirement of the Instrument Landing System, the Airport business unit is forecast to generate an increased operational surplus that will offset any potential lost revenue from increases in RPT passengers.

LEGAL IMPLICATIONS

25. Nil.

ENVIRONMENTAL CONSIDERATIONS

26. Nil.

ALTERNATE OPTIONS

27. The Officer Recommendation is asking Council to commit to a 3 year fixed annual fee plus CPI annual increases. Alternate options include:
 - Agree to fixed fee approach only for 2017/18: approve a fixed fee for 2017/18 and review arrangement prior to any future yearly commitments.
 - Revert back to per passenger fee basis: Reject proposal and revert back to the previous per passenger fee structure.
28. REX have stated that they will not continue the Community and holiday fares at current levels beyond 30 June 2017 if a 3 year commitment is not endorsed.

SUMMARY CONCLUSION

29. The City welcomes the invitation from REX to continue to work collaboratively to increase passenger numbers through delivering lower fares to the City of Albany and surrounding region.
30. REX's correspondence dated 1 May 2017 details REX Board approval to progress the fee arrangement based on adoption of the officer recommendation on the condition that agreement is finalised no later than 30 June 2017.
31. The officer recommendation supports the REX proposal to continue the fixed annual fee for the next three years 2017/18 to 2019/20 inclusive based on 2016/17 levels plus CPI with the condition that the community fare remains at current \$129 levels.

Consulted References	:	<ul style="list-style-type: none"> • <i>Local Government Act 1995</i> • Delegations Register 2016
File Number (Name of Ward)	:	All Wards
Previous Reference	:	OCM 24/05/2016 Resolution ED033 OCM 29/11/2016 Resolution ED044 OCM 28/02/2017 Resolution CCCS005

DIS018: ALBANY CITY 2017 URBAN TREE STRATEGY

Land Description : City of Albany
Proponent / Owner : City of Albany
Attachments : Albany City 2017 Urban Tree Strategy (electronic)
Supplementary Information & Councillor Workstation : Albany City 2017 Urban Tree Strategy
Report Prepared By : Environmental Sustainability Officer (M Holt)
Responsible Officers: : Executive Director Works & Services (M Thomson)

Responsible Officer's Signature:



STRATEGIC IMPLICATIONS

1. This item relates to the following elements of the City of Albany Strategic Community Plan 2023 and Corporate Business Plan 2014 - 2018:-

Key Theme: 2. Clean, Green & Sustainable.

Strategic Objectives: 2.2 To maintain and renew city assets in a sustainable manner.

Strategy: Carbon Footprint Reduction Strategy.

In Brief:

- The City of Albany has undertaken the development of the Albany City 2017 Urban Tree Strategy.
- The strategy provides framework for the expansion, protection and management of trees in our urban environment.
- The strategy has been developed using a combination of research and internal stakeholder engagement together with field data collection and analysis.

RECOMMENDATION

DIS018: RESOLUTION
VOTING REQUIREMENT: SIMPLE MAJORITY

MOVED: COUNCILLOR DOWLING
SECONDED: COUNCILLOR TERRY

THAT Council ADOPT the Albany City 2017 Urban Tree Strategy.

CARRIED 12-0

DIS018: COMMITTEE RECOMMENDATION

MOVED: COUNCILLOR HOLLINGWORTH
SECONDED: COUNCILLOR DOWLING

THAT the Responsible Officer Recommendation be ADOPTED.

CARRIED 8-0

DIS018: RESPONSIBLE OFFICER RECOMMENDATION

THAT Council ADOPT the Albany City 2017 Urban Tree Strategy.

BACKGROUND

2. The Urban Tree Strategy (UTS) is a strategic plan providing framework for the expansion, protection and management of trees located within the City's urban environment.
3. An Action Plan, Management Plan and 18 Street Tree Enhancement Plans will be developed in line with the UTS. Operational documents will be available on request.
4. In the 2016-2017 budget, Council allocated funding for street tree infill planting. Street tree infill planting has commenced after extensive consultation with the community which took place in early 2017. Tree planting will commence in Lockyer in June 2017.

DISCUSSION

5. The Carbon Footprint Reduction Strategy (CFRS), adopted in 2014 (WS045), outlines 5 key areas that the City can reduce its carbon footprint. The 5 key objectives of the CFRS included:
 - a. Carbon Offsets
 - b. Energy Efficiency
 - c. Water Management
 - d. Fleet and Plant Management
 - e. Waste Management
6. The Carbon Offsets objective identified the important role that trees have in urban environment by providing many positive social, economic and environmental benefits.
7. Extensive research in urban forestry, collaboration with other local governments, in the field data collection of existing City of Albany urban street trees, and a review of customer feedback and actions was conducted by internal staff.
8. The development of the UTS is also in line with the '2020 Vision Plan', an Australian urban forestry document that provides framework to assist local government to create 20% more green spaces by 2020.
9. The UTS identifies 5 key focus areas that will enable the effective and sustainable expansion, management and protection of trees in the urban environment. These are:
 - a. Greener urban streets and pathways networks
 - b. Identification of Biodiverse Green Links
 - c. Maintaining and protecting trees
 - d. Greener urban parklands
 - e. Valuing urban trees in the community

GOVERNMENT & PUBLIC CONSULTATION

10. Consultation with internal key stakeholders was conducted through a project control group from early 2016.
11. The UTS is only the first phase of a three phase process.
12. More internal consultation will continue during the development of the Urban Tree Management Plan (second phase).
13. Community consultation has already commenced through a range of presentations to community groups, and extensive community consultation will be undertaken during the street tree enhancement and replacement design phase (third phase).

STATUTORY IMPLICATIONS

14. There are no statutory implications related to this report

POLICY IMPLICATIONS

15. This Urban Tree Strategy contributes to the achievement of the following key Australian and Western Australian Government policies, plans and legislative requirements:
 - a. Australian Standards
 - b. State Heritage Register
 - c. Aboriginal Site and Other Heritage Place Register
16. It also builds on and informs a number of local City plans, strategies and policies including:
 - a. Carbon Footprint Reduction Strategy
 - b. Albany Local Planning Strategy
 - c. Environmental Policy
 - d. Environmental Weed Strategy for City of Albany Reserves (2005-2010)
 - e. Asset Management Plan: Developed Reserves

RISK IDENTIFICATION & MITIGATION

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

Risk	Likelihood	Consequence	Risk Analysis	Mitigation
<p>Organisation operations</p> <p><i>Risk: Without a tree strategy, both the management of trees and vision of healthy trees in the urban environment will be undertaken in an ad-hoc manner without overarching guiding principles.</i></p>	<i>Likely</i>	<i>Moderate</i>	<i>High</i>	<i>If the proposed strategy is not endorsed, officers can implement systems and processes that follow principles endorsed by the organisation.</i>
<p>Opportunities:</p> <p><i>Having an adopted strategy with clear principles will assist in future funding submissions.</i></p>				

FINANCIAL IMPLICATIONS

18. In the 2016-17 budget, \$50,000 has been allocated for the first year of street tree planting, which will be conducted in Lockyer in consultation with the Lockyer Action Network (LAN). Approximately 130 trees will be planted in the first year of the program.
19. In the 2017-18 budget, money has been allocated for street tree planting (\$25,000) and street tree replacement (\$20,000). Street tree planting and replacement will be conducted in accordance with the proposed management plan.
20. Once the Urban Tree Management Plan has been completed, future urban tree priority planting and replacement will be allocated within the 10-year forward capital works program, so that the proposed future works can be undertaken as staged implementation program.

LEGAL IMPLICATIONS

21. There are no legal implications related to report.

ENVIRONMENTAL CONSIDERATIONS

22. There are no direct environmental considerations related to this item.

ALTERNATE OPTIONS

23. Nil.

CONCLUSION

24. The Urban Tree Strategy provides the City with direction in its future practices by expanding, enhancing and protecting green assets.

Consulted References	:	1. Council Environmental Policy 2. Carbon Footprint Reduction Strategy
File Number (Name of Ward)	:	EM.PLA.26 (All Wards)
Previous Reference	:	OCM 26.11.13

DIS024: REGIONAL ROAD GROUP 2018-19 PROJECT APPLICATIONS

Land Description	: Road Reserve – various locations
Proponent / Owner	: City of Albany
Business Entity Name	: N/A
Attachments	: Revised 5-year Great Southern Regional Road Group Funding Application Program
Supplementary Information & Councillor Workstation	: N/A
Report Prepared By	: Manager City Engineering (D King)
Responsible Officers:	: Executive Director Works & Services (M Thomson)

Responsible Officer's Signature:



STRATEGIC IMPLICATIONS

1. This item relates to the following elements of the City of Albany Strategic Community Plan 2023 and Corporate Business Plan 2014 - 2018:
 - a. **Key Theme:** 2. Clean, Green and Sustainable
 - b. **Strategic Objectives:** 2.2. To maintain and renew city assets in a sustainable manner.
 - c. **Strategy:** By scheduling maintenance, servicing and renewal in a timely manner that maximises the life and performance of infrastructure.

In Brief:

- Both state and federal funding is involved and is administered through the Great Southern Regional Road Group (GSRRG).
- Approval is sought to make applications for funding these proposed works in accordance with the attached program.

RECOMMENDATION

**DIS024: RESOLUTION
VOTING REQUIREMENT: SIMPLE MAJORITY**

**MOVED: COUNCILLOR HAMMOND
SECONDED: COUNCILLOR HOLLINGWORTH**

THAT Council APPROVE the Great Southern Regional Road Group Funding Application for the 2018-19 financial year.

CARRIED 12-0

DIS024: COMMITTEE RECOMMENDATION

MOVED COUNCILLOR HAMMOND
SECONDED COUNCILLOR GOODE

THAT the Responsible Officer Recommendation be ADOPTED.

CARRIED 8-0

DIS024: RESPONSIBLE OFFICER RECOMMENDATION

THAT Council APPROVE the Great Southern Regional Road Group Funding Application for the 2018-19 financial year.

BACKGROUND

2. The State provides road funds for a number of programs administered by the State Road Funds to Local Government Advisory Committee. The Great Southern Regional Road Group (GSRRG) co-ordinates an annual application process to determine the distribution of these funds. Currently, there are four sources of road funding available through this process.
3. Identified Roads of Regional Significance (Roads 2030) are eligible for Road Project Grants. State funding is spread across 10 WA Regional Road Groups.
4. Funding provides two thirds (67%) of total project costs with the other third coming from Council's own resources. The GSRRG has also enacted a cap of 20% which limits the amount that any one Council can receive from the funding pool each year.
5. The GSRRG Policy and Procedure Guideline and Project Prioritisation Guidelines govern the assessment of projects put forward for funding. Projects are scored and then ranked into four broad categories – preservation, concluding, continuing, and new projects.
6. State Black Spot Program funds are allocated to individual Regional Road Groups for distribution. The GSRRG also processes the National Black Spot Program which sources federal funding for complying projects.
7. State Program funding covers two thirds (67%) and the National Program covers all (100%) of total project costs. For the national program, crash criteria is required to demonstrate a benefit cost ratio (BCR) of over 2 to comply. For the state program, either a BCR or a road safety audit is required to comply.
8. The Great Southern Technical Working Group members each assess the applications and rank them on being the most appropriate and cost effective.
9. Commodity Routes Supplementary Funding (CRSF) is provided for roads which are not Roads of Regional Significance (Roads 2030) but where there is a significant high priority transport task associated with the transport of a commodity.
10. \$2.5 million is provided statewide and distributed according to project ranking with no regional constraints. CRSF funding provides two thirds (67%) of total project costs and is limited to a maximum of \$250,000 per submitted project.

DISCUSSION

11. State funding provides a reliable and consistent source of income for maintaining and improving the City's road network. In the current financial year (2016-17), the City of Albany has been allocated \$1.419 million for its road network. This is made up of:
 - a. RRG Road Projects - \$1 million;
 - b. Black Spot Projects – \$214,000; and
 - c. CRSF Projects - \$205,000.
12. Funding applications for the 2017-18 financial year have already been submitted and are likely to total \$1.076 million.
13. Road Project Grants for individual Local Governments are capped at 20% of the total pool.
14. With the preparation and annual review of the Long Term Financial and Asset Management Plans a 10-year Forward Capital Works Program has been prepared identifying projects and allocating grant funding and the City's own resources in successive financial years.

15. RRG Road Projects are the most likely to secure funding as the scoring system more heavily weights traffic volumes and the City is well placed in this regard compared with other Local Government areas in the Great Southern. However, the ranking system of placing new projects low can mean that new projects can take some time before they become funded.
16. The State Black Spot funding allocation for the Great Southern has been dramatically reduced in the last couple of years (based on accident statistics) and now equates to approximately \$361,000. This funding is aimed at low cost / high benefit safety improvements, for which the City has been reasonably successful in recent years. Each year, the City re-assesses possible projects and has road safety audits conducted on those short-listed as being suitable. With new projects being identified and considered, applications can vary from year to year.

GOVERNMENT & PUBLIC CONSULTATION

17. The annual applications comply with the rules and guidelines governing the Great Southern Regional Road Group allocations for road funding and therefore no additional government or public consultation is required.

STATUTORY IMPLICATIONS

18. Nil.

POLICY IMPLICATIONS

19. Project applications are consistent with Councils Asset Management Policy.

RISK IDENTIFICATION & MITIGATION

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

Risk	Likelihood	Consequence	Risk Analysis	Mitigation
Finance. Failure to make funding application would result in the City of Albany missing out on a State funding contribution to the road renewal program.	Likely	Moderate	High	Forward planning through adoption of 10 year financial plan to identify opportunities for funding in advance.
Business Operation. Funding application is unsuccessful resulting in the project either being deferred or funded entirely by general revenue	Possible	Moderate	Medium	City maintains network within its resources and directs resources to areas of highest need.

FINANCIAL IMPLICATIONS

21. Costs associated with this item will be included in the 2017-18 review of the 10-year financial plan and will be incorporated into the 2018-19 budget. Future projects will also be identified in the 10-year financial plan for consideration.

LEGAL IMPLICATIONS

22. There are no legal implications related to report.

ENVIRONMENTAL CONSIDERATIONS

23. Works are conducted in accordance with the City of Albany Environmental Code of Conduct (2006).

ALTERNATE OPTIONS

24. Nil.

CONCLUSION

25. The approval of 2018-19 project applications ensure Council is consistent with its direction for the management of its road assets in coming years.

Consulted References	:	Nil
File Number (Name of Ward)	:	GS.PRG.22; GS.PRG.23. (Various Wards)
Previous Reference	:	OCM 24 March 2015 Item WS066

**DIS025: CONTRACT C17013 – SPORTS FIELD LIGHTING INSTALLATION
– CENTENNIAL PARK FIELDS T/U AND COLLINGWOOD PARK.**

Land Description : Centennial Park Sporting Precinct and Collingwood Park
Proponent : City of Albany
Owner : City of Albany
Attachments : Nil
Supplementary Information & Councillor Workstation: : Nil
Report Prepared by : Manager City Engineering (David King)
Responsible Officer : Executive Director Works & Services (M Thomson)

Responsible Officer's Signature:



STRATEGIC IMPLICATIONS

1. This item relates to the following elements of the City of Albany Strategic Community Plan 2023 and Corporate Business Plan 2014-2018:
 - a. **Key Theme:** 2. Clean Green & Sustainable
 - b. **Strategic Objective:** 2.2. To maintain and renew City assets in a sustainable manner.
 - c. **Strategy:** 2.2.1. Asset management

In Brief:

- Submissions have been reviewed for contract C17013 – Sports Field Lighting Installation – Centennial Park Fields T/U and Collingwood Park.
- J&S Castlehow Electrical Services are recommended to be awarded the contract.

RECOMMENDATION

**DIS025: RESOLUTION
VOTING REQUIREMENT: SIMPLE MAJORITY**

**MOVED: COUNCILLOR HAMMOND
SECONDED: COUNCILLOR STOCKS**

THAT Council ACCEPT the tender from J&S Castlehow Electrical Services and award contract C17013 – Sports Field Lighting Installation – Centennial Park Fields T/U and Collingwood Park separable portions 1 and 2.

CARRIED 12-0

DIS025: COMMITTEE RECOMMENDATION

**MOVED: COUNCILLOR HAMMOND
SECONDED: MAYOR WELLINGTON**

THAT the Responsible Officer Recommendation be ADOPTED.

CARRIED 8-0

DIS025: RESPONSIBLE OFFICER RECOMMENDATION

THAT Council ACCEPT the tender from J&S Castlehow Electrical Services and award contract C17013 – Sports Field Lighting Installation – Centennial Park Fields T/U and Collingwood Park separable portions 1 and 2.

BACKGROUND

2. As part of the Centennial Park Sporting Precinct (CPSP) construction, lighting of training fields T and U were included in the project scope and funding from Department of Infrastructure and Regional Development Community Development.
3. Collingwood Park lights have passed the end of their useful life and require renewal. Funding from DSR – CSRFF has been secured to complete the works.

DISCUSSION

4. A total of 19 tender documents were issued by the City of Albany.
5. One (1) completed conforming tender document was submitted on or before the stipulated closing date and time.
6. The weighted attributes methodology is the adopted means of tender evaluation. This method scores the evaluation criteria and weights their importance to determine an overall points score for each tender. The criteria are tabled below:

Criteria	% Weighting
Cost	60%
Relevant Experience	20%
Key Personnel Skills & Experience	15%
Corporate Social Responsibility	5%
Total	100%

7. As only one conforming tender was received it was evaluated and scored as follows:
 - a. J & S Castlehowe Electrical Services. Score = 577.94

GOVERNMENT & PUBLIC CONSULTATION

8. All relevant Government departments including Department of Indigenous Affairs and SWALSC have been consulted on the project.
9. A request for tenders was published in the West Australian on 12 April 2017 and the Albany Weekender 13 April 2017.

STATUTORY IMPLICATIONS

10. Regulation 11 of the *Local Government (Functions and General) Regulations 1996 (Regulations)* requires Council to publicly tender if the contract is, or is expected to be, more, or worth more than \$150,000.
11. Regulation 18 of the Regulations outlines a number of requirements relating to choice of tender. Council is to decide which of the acceptable tenders is the most advantageous to Council. It may also decline to accept any tender.
12. Regulation 19 of the Regulations requires Council to advise each tenderer in writing the result of Council's decision.

POLICY IMPLICATIONS

13. Council's Purchasing Policy (Tenders and Quotes) and Buy Local Policy (Regional Price Preference) are applicable to this item.

RISK IDENTIFICATION & MITIGATION

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

Risk	Likelihood	Consequence	Risk Analysis	Mitigation
Finance Not meeting funding deadlines.	Unlikely	Severe	High	Appropriate management of contract. Liquidated damages for non-completion.
Finance Non-compliance with contract or business failure.	Unlikely	Moderate	Medium	Contractor to ensure that all insurance of the works is provided

FINANCIAL IMPLICATIONS

15. The value of this tender is in excess of \$500,000 and therefore the approval is referred to Council for consideration.
16. Funding for Field T and U is part of the Department of Infrastructure and Regional Development Community Development Grant of \$8.25 million.
17. Funding for Collingwood Park is from DSR - CSRFF
18. Total budget for the contract is \$820,000 and the recommended tender is within budget.

LEGAL IMPLICATIONS

19. There are no legal implications associated with this item.

ENVIRONMENTAL CONSIDERATIONS

20. There are no environmental considerations associated with this report.

ALTERNATE OPTIONS

21. Council can accept or reject tenders as submitted.

SUMMARY CONCLUSION

22. On reviewing the submissions, the evaluation team assessed J&S Castlehow Electrical Services as being the most suitable tenderer across the evaluation criteria in terms of cost, relevant experience, key personnel (skills & experience), and corporate social responsibility. J&S Castlehow Electrical Services are recommended to be awarded the contract.

Consulted References	:	<ul style="list-style-type: none"> • Local Government (Functions and General) Regulations 1995 • Council Policy – Purchasing • Council Policy – Buy Local (Regional Price Preference)
File Number (Name of Ward)	:	C16017 (Kalgan Ward, Yakamia Ward)
Previous Reference	:	Not applicable

DIS026: PLANNING AND BUILDING REPORTS APRIL 2017

Proponent : City of Albany
Attachment : Planning and Building Reports April 2017
Report Prepared By : Administration Officer-Planning (V Martin)
Administration Officer-Development Services (J Corcoran)
Responsible Officer(s): : Executive Director Development Services (P Camins)

Responsible Officer's Signature



RECOMMENDATION

DIS026: RESOLUTION
VOTING REQUIREMENT: SIMPLE MAJORITY

MOVED: COUNCILLOR TERRY
SECONDED: COUNCILLOR SMITH

THAT Council NOTE the Planning and Building Reports for April 2017.

CARRIED 12-0

14. **NEW BUSINESS OF AN URGENT NATURE INTRODUCED BY DECISION OF COUNCIL Nil.**
15. **MOTIONS OF WHICH PREVIOUS NOTICE HAS BEEN GIVEN Nil.**
16. **REPORTS OF CITY OFFICERS Nil.**
17. **MEETING CLOSED TO PUBLIC**
 - CCCS027: SURRENDER OF LEASE AND NEW LEASE-IMPERIAL GROUP PTY LTD-GARRISON RESTAURANT
 - CCCS030: ALBANY REGIONAL AIRPORT REGULAR PUBLIC TRANSPORT PROPOSED FEE STRUCTURE 2017-18

18. **CLOSURE**

There being no further business the Mayor declared the meeting closed at [7:33:38 PM](#)



Dennis W Wellington
MAYOR