

## **Bunbury City Council**

### **Minutes**

**25 November 2014**



**CITY OF BUNBURY**  
4 Stephen Street  
Bunbury WA 6230  
Western Australia

*Correspondence to:*  
Post Office Box 21  
Bunbury WA 6231

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## GLOSSARY OF ABBREVIATED TERMS

Term	Explanation
1:100	Ratio of 'one in one hundred'
AD	Acceptable Development
ARI	Annual Recurrence Interval
AHD	Australian Height Datum
ANEF	Australian Noise Exposure Forecast
AWARE	All West Australians Reducing Emergencies (grant funding)
BCA	Building Code of Australia
BCCI	Bunbury Chamber of Commerce & Industries
BCRAB	Bunbury Community Recreation Association Board
BEAC	Built Environment Advisory Committee
BESAC	Bunbury Environment and Sustainability Advisory Committee
BHRC	Bunbury Harvey Regional Council
BPA	Bunbury Port Authority
BRAG	Bunbury Regional Art Galleries
BRAMB	Bunbury Regional Arts Management Board
BREC	Bunbury Regional Entertainment Centre
BSSC	Big Swamp Steering Committee
BWEA	Bunbury Wellington Economic Alliance
CALM	Department of Conservation and Land Management
CBD	Central Business District
CCAFF	Community Cultural and Arts Facilities Fund
CERM	Centre of Environmental and Recreation Management
CPI	Consumer Price Index
CSRFF	Community Sport and Recreation Facilities Fund
DADAAWA	Disability in the Arts Disadvantage in the Arts Australia, Western Australia
DAP	Detailed Area Plan (required by WA Planning Commission)
DCU	Development Coordinating Unit
DEC	Department of Environment and Conservation (formerly CALM)
DEWCP	Department for Environment, Water and Catchment Protection
DLI	Department of Land Information
DoE	Department of Environment
DOLA	Department of Land Administration
DoPI	Department of Primary Industry
DoW	Department of Water
DPI	Department for Planning and Infrastructure
DSR	Department of Sport and Recreation
DUP	Dual-use Path
ECT	Enforcement Computer Technology
EDAC	Economic Development Advisory Committee
EDWA	Education Department of Western Australia
EIA	Environmental Impact Assessment
EPA	Environmental Protection Authority
ERMP	Environmental Review and Management Program
ESL	Emergency Services Levy
FESA	Fire and Emergency Services Authority
FFL	Finished Floor Level
GBPG	Greater Bunbury Progress Group
GBRP	Greater Bunbury Resource Plan report
GBRS	Greater Bunbury Region Scheme
GL	Gigalitres
GRV	Gross Rental Value
GST	Goods and Services Tax
HCWA	Heritage Council of Western Australia
ICLEI	International Council for Local Environmental Initiatives
ICT	Information and Communications Technology
IP	Internet Protocol
IT	Information Technology

## GLOSSARY OF ABBREVIATED TERMS

Term	Explanation
ITC	In Town Centre
ITLC	Former In-Town Lunch Centre (now the "In Town Centre")
LAP	Local Action Plan
LCC	Leschenault Catchment Council
LEMC	Bunbury Local Emergency Management Committee
LIA	Light Industrial Area
LN (2000)	Liveable Neighbourhoods Policy (2000)
LSNA	Local Significant Natural Area
MHDG	Marlston Hill Design Guidelines
MRWA	Main Roads Western Australia
NDMP	National Disaster Mitigation Program
NEEDAC	Noongar Employment & Enterprise Development Aboriginal Corp.
NRM	Natural Resource Management
NRMO	Natural Resource Management Officer
ODP	Outline Development Plan
PAW	Public Access Way
PHCC	Peel-Harvey Catchment Council
PR	Plot Ratio
R-IC	Residential Inner City (Housing) - special density provisions
RDC	Residential Design Codes
RDG	Residential Design Guidelines
Residential R15	Town Planning Zone – up to 15 residential dwellings per hectare
Residential R20	Town Planning Zone – up to 20 residential dwellings per hectare
Residential R40	Town Planning Zone – up to 40 residential dwellings per hectare
Residential R60	Town Planning Zone – up to 60 residential dwellings per hectare
RFDS	Royal Flying Doctor Service
RMFFL	Recommended Minimum Finished Floor Levels
ROS	Regional Open Space
ROW	Right-of-Way
RSL	Returned Services League
SBCC	South Bunbury Cricket Club Inc.
SCADA	Supervisory Control and Data Acquisition
SGDC	Sportsgrounds Development Committee
SW	South West
SWACC	South Western Area Consultative Committee
SWAMS	South West Aboriginal Medical Service
SWBP	South West Biodiversity Project
SWCC	South West Catchments Council
SWDC	South West Development Commission
SWDRP	South West Dolphin Research Program
SWEL	South West Electronic Library
SWSC	South West Sports Centre
TME	Thompson McRobert Edgeloe
TPS	Town Planning Scheme
USBA	Union Bank of Switzerland Australia
VGO	Valuer General's Office
VOIP	Voice-Over Internet Protocol
WALGA	Western Australian Local Government Association
WAPC	Western Australian Planning Commission
WAPRES	Western Australian Plantation Resources
WAWA	Water Authority of Western Australia
WC	Water Corporation
WML	WML Consultants
WRC	Waters and Rivers Commission

## Bunbury City Council Minutes

Minutes of the Ordinary meeting of the Bunbury City Council held in the Council Chambers, City of Bunbury Administration Building, 4 Stephen Street Bunbury held Tuesday 25 November 2014.

### Minutes

25 November 2014

**Note: These minutes are subject to confirmation at the next Ordinary meeting of the Council.**

#### 1. Declaration of Opening / Announcements of Visitors

The meeting was declared open by the Mayor Mr Gary Brennan at 5.30pm.

#### 2. Disclaimer

All persons present are advised that the proceedings of this meeting will be recorded for record keeping purposes and to ensure accuracy in the minute taking process, and will also be streamed live via the internet to the public.

#### 3. Announcements from the Presiding Member

The Mayor advised that he had spent \$115.61 on fuel. The Mayor congratulated Cr McCleary, the Committee and staff involved in the National Sister Cities Conference, which by all accounts had been a great success. The Mayor also acknowledged the White Ribbon function held at Anzac Park this morning, along with the awarding of the 2014 Regional Achievement and Community Award to Bunbury resident Mrs Alison Comparti.

#### 4. Attendance

Present:

Council Members:	
Presiding Member	Mayor G Brennan
Deputy Presiding Member	Deputy Mayor Cr B Kelly
Members	Councillor J Hayward
	Councillor B McCleary
	Councillor S Morris
	Councillor J Jones

	Councillor S Morris
	Councillor J Miguel
	Councillor M Steck
	Councillor K Steele
	Councillor W Giles
	Councillor D Prosser
	Councillor M Cook
<b>Executive Leadership Team (Non-Voting)</b>	
Chief Executive Officer	Mr A Brien
Director Community Development	Ms S Addison-Brown
Acting Director Corporate Services	Mr D Ransom
Director Planning and Development Services	Mr B Karaszkewych
Director Works and Services	Mr P Harris
<b>Council Officers (Non-Voting)</b>	
Media and Communications Officer	Ms L Gallo
Manager Governance	Mr G Golinski
Senior Project Officer	Mr M Stewart
Manager Finance	Mr D Ransom
Council Meeting Support Officer	Ms K Halbert
<b>Others (Non-Voting)</b>	
Members of the Public	23
Members of the Press	1

#### 4.1 Apologies

Nil

#### 4.2 Approved Leave of Absence

Nil

## 5. Declaration of Interest

Members should fill in Disclosure of Interest forms for items in which they have a financial, proximity or impartiality interest and forward these to the Presiding Member before the meeting commences.

Section 5.60A: *“a person has a **financial interest** in a matter if it is reasonable to expect that the matter will, if dealt with by the local government, or an employee or committee of the local government or member of the council of the local government, in a particular way, result in a financial gain, loss, benefit or detriment for the person.”*

Section 5.60B: *“a person has a **proximity interest** in a matter if the matter concerns –*

- (a) a proposed change to a planning scheme affecting land that adjoins the person’s land; or*
- (b) a proposed change to the zoning or use of land that adjoins the person’s land; or*
- (c) a proposed development (as defined in section 5.63(5)) of land that adjoins the person’s land.”*

Regulation 34C (Impartiality): *“**interest** means an interest that could, or could reasonably be perceived to, adversely affect the **impartiality** of the person having the interest and includes an interest arising from kinship, friendship or membership of an association.”*

Cr Steck declared an impartiality interest in item 10.3.1 titled *“Proposed Deed of Lease Bunbury City Band Incorporated and South West Wind and Jazz Orchestra, over portion of Reserve 31563 “Queens Gardens”, Lot 534 Stirling Street, Bunbury”* as she is a patron of the Bunbury City Band. Cr Steck will remain in the chamber for the discussion and the vote on the matter.

## 6. Public Question Time

In accordance with Reg. 7(4)(a) of the Local Government (Administration) Regulations 1996, members of the public in attendance at the meeting may stand, state aloud their name and address, and ask a question in relation to any matter over which the municipality of Bunbury has jurisdiction or involvement.

In accordance with Standing Order 6.7(3)(a) a person wishing to ask a question, must complete a question form which is provided in the trays at the back of the public gallery and on the City’s website. The completed form must include your name and address and contain no more than three (3) questions. If your question requires research or cannot be answered at the meeting, it will be taken on notice and you will receive a written response and a summary of your question (and any responses provided) will be printed in the minutes of the meeting.



## 6.1 Public Question Time

Mr David Smith of 8 Picton Crescent, Bunbury, submitted four questions to Council on the 25 November 2014. In accordance with the provision of the City of Bunbury Standing Orders Local Law 2012, the Mayor determined to treat these questions as correspondence, and a response will be provided to Mr Smith. The questions are as follows:

- Question 1: I refer to the survey results on the performance of Council in 2013-2014 and ask do the results include any responses from the Mayor, Councillors and staff of the City of Bunbury and if so how many were received from each?
- Question 2: I refer to the loss of a pre-season AFL game because of the substandard change rooms at Hands Oval and ask when Council intends to proceed with each of the remaining stages of works recommended in the Hands Oval report and in particular the replacement of the change rooms?
- Question 3: Can Council advise what the current timetable for the Hay Park South Pavilion is and what remaining funds are available for this project and the sources of funding for these works over and above the grants of \$335,000 and \$2,833,657 from the State Government announced on the 26th June, 2012 and what are the reasons for the ongoing delay of over two and a half years in progressing this project and the resultant uncertainty on the future of soccer and rugby in Bunbury and the South West?
- Question 4: I refer to the announcement that Council and the Department of Lands have agreed to sell Lot 70 College Grove at a value that is several Hundred Thousands of Dollars less than the values placed on this land by the Valuer General (Landgate) following on from Councils signing an acceptance of an offer on Lot 66 Ocean Drive which was also at several Hundred Thousand Dollars less than valuations in September of this year and ask what are the reasons for these less than value sales and what is the proposed timetable for the settlement of these sales.

## 6.2 Responses to Public Questions Taken 'On Notice'

Nil

## 7. Confirmation of Previous Minutes and other Meetings under Clause 19.1

### 7.1 Minutes

#### 7.1.1 Minutes – Ordinary Council Meeting

The minutes of the Ordinary meeting of the Bunbury City Council held 11 November 2014 have been circulated.

#### Recommendation

The minutes of the Ordinary meeting of the Bunbury City Council held 11 November 2014 be confirmed as a true and accurate record.

#### **Outcome – Council Meeting 25 November 2014**

The recommendation (as printed) was moved Cr Cook, seconded Cr Hayward.

The Mayor put the motion to the vote and was adopted to become the Council's decision on the matter.

#### **Council Decision 425/14**

*The minutes of the Ordinary meeting of the Bunbury City Council held 11 November 2014 be confirmed as a true and accurate record.*

CARRIED  
13 votes "for" / Nil votes "against"

#### 7.1.2 Minutes – Council Advisory Committees and Working/Project Groups

<b>File Ref:</b>	Various
<b>Applicant/Proponent:</b>	Internal Report
<b>Author:</b>	Various
<b>Executive:</b>	Various
<b>Attachments:</b>	Appendix MTBN-1 – Audit Committee Minutes 30.10.14 Appendix MTBN-2 – Roadwise Committee Minutes 5.11.14

#### **Summary**

The following Advisory Committee Meetings were held and the minutes are presented for noting:

1. Title: Audit Committee Minutes 30.10.14  
Author: Leanne French, Senior Governance and Risk Officer  
Appendix: MTBN-1
2. Title: Roadwise Committee Minutes 5.11.14

Author: Rachel Griffiths, Engineering Transport & Traffic Management Officer  
Appendix: MTBN-2

**Council Committee Recommendation**

The following Advisory Committee meeting minutes listed in the report be accepted and noted:

1. Audit Committee Minutes 30.10.14
2. Roadwise Committee Minutes 5.11.14

**Outcome – Council Meeting 25 November 2014**

The recommendation (as printed) was moved Cr Miguel, seconded Cr Hayward.

The Mayor put the motion to the vote and was adopted to become the Council's decision on the matter.

**Council Decision 426/14**

***The following Advisory Committee meeting minutes listed in the report be accepted and noted:***

- 1. Audit Committee Minutes 30.10.14***
- 2. Roadwise Committee Minutes 5.11.14***

CARRIED

12 votes "for" / 1 votes "against"

## 8. Petitions, Presentations, Deputations and Delegations

### 8.1 Petitions

A petition from J Yasmina and Cole Jackson regarding the proposed disposal of Lot 70 Winthrop Avenue College Grove was tabled by Cr McNeill.

#### **Outcome – Council Meeting 25 November 2014**

Pursuant to Clause 6.10(2) of the City of Bunbury Standing Orders 2012, Cr McNeill moved that the petition received from J Yasmina and Cole Jackson regarding the sale of land located at Lot 70 Winthrop Avenue, College Grove is to be received and referred to the relevant officer for a report to be submitted within the next two (2) rounds of Council meetings. The motion was seconded Cr Cook.

The Mayor put the motion to the vote and it was CARRIED to become Council's decision on the matter.

#### **Council Decision 427/14**

***That the petition received from J Yasmina and Cole Jackson regarding the sale of land located at Lot 70 Winthrop Avenue, College Grove is to be received and referred to the relevant officer for a report to be submitted within the next two (2) rounds of Council meetings.***

CARRIED

13 votes "for" / Nil votes "against"

### 8.2 Presentations

Nil

### 8.3 Deputations

#### **Mr David Smith, 8 Picton Crescent, Bunbury**

Mr Smith requested to address item 10.1.1 titled "Internal Audit Programme HR and IT – Recommendations Update", item 10.2.4 titled "Major Projects Update Report for the period 1 July 2014 to 31 October 2014" and item 10.2.5 titled "Review of Elected Member Representation".

#### **Council Decision 428/14**

***Pursuant to clause 6.9 (2)(b) of Councils Standing Orders, Council approves Mr Smith's deputation request to address address item 10.1.1 titled "Internal Audit Programme HR and IT – Recommendations Update", item 10.2.4 titled "Major Projects Update Report for the period 1 July 2014 to 31 October 2014" and item 10.2.5 titled "Review of Elected Member Representation".***

LOST

Cr Steele requested that the votes be recorded. Councillors Steele, Steck, McCleary and Giles votes "for", all other Councillors and the Mayor voted "against".

**Mr John Sherwood, 53A Stockley Road, Bunbury**

Mr Sherwood requested to address item 10.2.5 titled “*Review of Elected Member Representation*”.

**Council Decision 429/14**

*Pursuant to clause 6.9 (2)(b) of Councils Standing Orders, Council approves Mr Sherwood’s deputation request to address item 10.2.5 titled “Review of Elected Member Representation”.*

CARRIED

**Mr Gordon Pattendon , Hands Oval, Bunbury**

Mr Pattendon requested to address item 10.3.2 titled “*Hay Park Master Plan*”.

**Council Decision 430/14**

*Pursuant to clause 6.9 (2)(b) of Councils Standing Orders, Council approves Mr Pattenden’s deputation request to address item 10.3.2 titled “Hay Park Master Plan”.*

CARRIED

## **8.4 Council Delegates’ Reports**

Nil

## **8.5 Conference Delegates’ Reports**

Nil

## **9. Method of Dealing with Agenda Business**

Standing Order 5.5 permits the Council to adopt the recommendations “by exception” (en-bloc). The Mayor put the matters listed in Section 10 to be “adopted by exception” to the vote.

Pursuant to Standing Order 5.5, the Council “*adopted by exception*” (i.e. without discussion) those recommendations listed for items 10.1.1, 10.1.2, 10.2.2, 10.2.3, 10.2.4, 10.3.3 and 10.6.1

Items 10.2.1, 10.2.5, 10.3.1, 10.3.2 and 10.5.1 of the meeting agenda were then discussed and voted on separately and in the order that they appeared on the agenda. The items have been renumbered with the items voted “by exception” listed first.

The items “*adopted by exception*” was moved Cr Cook, seconded Cr Jones.

## 10. Reports

### 10.1 Internal Audit Programme HR and IT – Recommendations Update *(was listed as item 10.1.1 of the Council Agenda)*

<b>Applicant/Proponent:</b>	Audit Committee
<b>Author:</b>	Aileen Clemens, Manager Organisational Development and HR Adam Ewing, Manager Information Technology
<b>Executive:</b>	Andrew Brien, Chief Executive Officer
<b>Attachments:</b>	Appendix RAC-1: Internal Audit Recommendations Update – HR Appendix RAC-2: Internal Audit Recommendations Update – IT

#### Summary

The purpose of this item is to present Council with an update as to the implementation of the recommendations from the Human Resource (HR) and Information Technology (IT) audits conducted by AMD Chartered Accountants (AMD) between March and May 2014.

#### Committee Recommendation

That Council:

1. Receive the information as presented.
2. Recommend that Council dismisses recommendations FN04-02 and FN06-02.
3. Request that a subsequent report be provided to the next meeting of the Audit Committee detailing progress for the recommendations that remain outstanding.
4. Request the CEO provide the Audit Committee with a list of accrued leave in excess of 4 weeks at each subsequent meeting.

#### Background

At the Audit Committee meeting held on 30 October 2014, Officers provided an update as to progress made in implementing recommendations from the HR and IT internal audits conducted by AMD Chartered Accountants (AMD) earlier in 2014.

In addition, Mr Tim Partridge from AMD attended the last meeting of the Audit Committee, to address any specific queries that Members may have had.

#### Council Policy Compliance

N/A

#### Legislative Compliance

N/A

#### Officer Comments

##### HR Audit

The Human Resources Audit encompassed the following areas:

- Identification of HR requirements;
- Recruitment procedures and processes including identification of new positions, advertising; interviewing and related procedures, communication to existing staff and setting up of new employees;
- Basis of remuneration;
- Staff induction procedures and processes;
- Procedures and assessment of staff feedback; performance management and pay reviews;
- Payroll recording and payment procedures, including timesheet authorisation, timesheet data entry; payroll processing and payment authorisation procedures;
- Leave accruals, including use of leave forms, authorisation of leave forms, processing and reconciliation of employee provisions on a regular basis;
- Payroll deductions, including employee authorisation and documentation;
- Superannuation and group tax deduction payments; and
- Termination payments, including use of termination checklist and review and authorisation prior to termination payment.

Nine recommendations were made, the progress of which is attached at Appendix RAC-1. Of these, 3 have been completed and 4 are in train as detailed within the appendix. Two of the recommendations, FN04-02 and FN06-02 are recommended to be dismissed as follows:

*FN04-02 – Two cheque signatories be required to authorise cheque payments from the advance bank account.*

The City for many years has used an Advance Account Cheque system which requires one signature. Payments from the advance account are recouped from the Municipal Account which requires two people to authorise. The internal controls over this system have not changed from past audits where it has been concluded that strong internal controls exist in the creditors internal control procedures. Superannuation payments are no different to other creditor payments and are subject to the same internal controls.

It is contended that no further action is necessary as past audits have concluded that strong internal controls exist in the creditors internal control procedures, and this recommendation be considered for dismissal.

*FN06-02 – Leave forms completed by employees should be signed off by an appropriate level of management as evidence of approval.*

All leave is currently shown on staff timesheets that are retained as evidence of leave taken. Leave forms are completed and appropriately authorised where applications for leave are made. Retrospective authorisation of leave is not considered pragmatic when it is already recorded and authorised on the timesheet. It is therefore recommended that this recommendation be considered for dismissal.

#### IT Audit

The Information and Communication Technology Audit encompassed the following areas:

- Planning the IT environment;
- Development and delivery services;
- Operation of the IT environment;
- Organising and monitoring IT processes;

- Ensure appropriateness of internal control policies and procedures and ensure these are adhered to in respect to IT systems, including access controls, backup procedures and recovery procedures;
- Review system security ensuring access restricted based on level of personnel;
- Assess identification and risk in respect to IT planning;
- Document procedures in respect to identifying IT needs and related procurement procedures;
- Review system support and ensure appropriate back-up personnel trained and available;
- Review of virus detection procedures; and
- Review procedures and plans for determining the needs for changes/improvements to existing IT systems and processes in place to implement such changes.

Fourteen recommendations were made, the progress of which is **attached** at Appendix RAC-2.

Of these, 10 have been completed and 4 are in train as detailed within the appendix.

#### **Analysis of Financial and Budget Implications**

Nil

#### **Councillor/Officer Consultation**

This report is provided to Council by the Audit Committee.

#### **Outcome – Council Meeting 25 November 2014**

Pursuant to Standing Order 5.5 the recommendation (as printed) from the Executive was moved Cr Cook seconded Cr Jones and adopted ('en bloc') to become the Council's decision on the matter.

#### **Council Decision 431/14**

##### ***That Council:***

- 1. Receive the information as presented.***
- 2. Recommend that Council dismisses recommendations FN04-02 and FN06-02.***
- 3. Request that a subsequent report be provided to the next meeting of the Audit Committee detailing progress for the recommendations that remain outstanding.***
- 4. Request the CEO provide the Audit Committee with a list of accrued leave in excess of 4 weeks at each subsequent meeting.***

CARRIED

13 votes "for" / Nil votes "against"



## 10.2 Audit Regulation 17 (was listed as item 10.1.2 of the Council Agenda)

<b>Applicant/Proponent:</b>	Audit Committee
<b>Author:</b>	Leanne French, Senior Governance and Risk Officer
<b>Executive:</b>	Andrew, Brien Chief Executive Officer
<b>Attachments:</b>	Appendix RAC-3: Audit Regulation 17 Findings

### Summary

The purpose of this report is to provide Council with the results of a review regarding the appropriateness and effectiveness of the City's systems and procedures in relation to risk management, internal controls and legislative compliance.

### Committee Recommendation

That Council receive the Audit Regulation 17 findings as presented.

### Strategic Relevance

Goal 1 Accountable and Transparent Governance  
Objective 1.2 Maintain a high standard of corporate governance and improve access to information.  
Strategy 1.2.2 Ensure compliance with corporate legislation and regulations.

### Background

On 8 February 2013, amendments to the *Local Government (Audit) Regulations 1996* extended the functions of local government Audit Committees. These functions (Regulation 17) now include receiving a biennial report on the appropriateness and effectiveness of the local government's systems in regard to risk management, internal control and legislative compliance.

This report (and Appendix) fulfils the requirements of Regulation 17.

At the Ordinary Council meeting held on 5 August 2014, Council received information relating to how compliance with Audit Regulation 17 would be met. This stemmed from an earlier decision of Council (refer decision 214/14) requesting the Chief Executive Officer to prepare a report to be presented to the Council meeting of 5 August 2014, outlining how compliance will be achieved with Audit Regulation 17 by December 2014.

The "outline" that was received by Council on 5 August was used as the basis for which the findings **attached** at Appendix RAC-3 have been prepared.

The findings were presented to the Audit Committee on 30 October 2014, and are now presented to Council for information.

### Council Policy Compliance

There is no Council policy consideration impacting on this report.

## **Legislative Compliance**

This report relates to Regulation 17 of the *Local Government (Audit) Regulations 1996*, which reads as follows:

### **17. CEO to review certain systems and procedures**

- (1) *The CEO is to review the appropriateness and effectiveness of a local government's systems and procedures in relation to –
  - (a) risk management; and
  - (b) internal control; and
  - (c) legislative compliance.*
- (2) *The review may relate to any or all of the matters referred to in subregulation (1)(a), (b) and (c), but each of those matters is to be the subject of a review at least once every 2 calendar years.*
- (3) *The CEO is to report to the audit committee the results of that review.*

## **Officer Comments**

Audit Regulation 17 requires the CEO to review the appropriateness and effectiveness of the City's systems and procedures in relation to risk management, internal control and legislative compliance every two calendar years. As Regulation 17 was not gazetted until 2013, the first review of each of these three areas must be completed by 31 December 2014.

The Local Government Operational Guidelines provide a comprehensive list of issues to be included in any review of risk management, internal control and legislative compliance, and these have been used as a guide to systematically conduct the internal review.

The information provided in the review delivers an assessment of the City's current practices, outlines the appropriateness and effectiveness of those practices and presents recommendations for improvement. A copy of the findings is presented at Appendix RAC-3.

It is important to note that this is the City's first pass at reporting against Regulation 17. The intent is that the current report/findings are a high level audit of the City's processes within the areas of risk management, internal controls, and legislative compliance. Appendix RAC-3 contains a summary of these findings and makes recommendations to facilitate improvement in areas where deficiencies have been identified. Each subsequent report presented to the Audit Committee will build on, and report against, the work done to date.

In summary, 27 areas were assessed with 107 recommendations made overall. The majority of areas audited have appropriate and effective systems and procedures in place. More specifically, 21 areas were assessed as having appropriate and effective controls in place, with 6 areas identified as requiring further improvement. Of the 107 recommendations, 34 relate to the 6 areas identified as requiring further attention.

In considering these results, the Audit Committee requested that Officers highlight to Council those issues identified as having "room for improvement". These 6 areas are summarised in the table below, and will be included in a recurring progress report to the Committee. A full overview of all issues is contained within the appendix.

#	Issue	Effectiveness of initiatives	Comments	Respondent	Recommendations	Timeframes for implementation
<b>Risk Management</b>						
1	Are the City's risk management systems effective, and are material operating risks considered appropriately?	Room for improvement	<ul style="list-style-type: none"> <li>Risk Management Policy adopted 24 June 2014.</li> <li>Risk Management Framework under development.</li> </ul>	Senior Governance & Risk Officer	<ul style="list-style-type: none"> <li>Complete risk management framework</li> <li>Implement risk management framework and risk assessment within business units.</li> </ul>	30/06/15 30/12/15
4	Are regular risk reports provided? Reports to outline: <ul style="list-style-type: none"> <li>Key risks;</li> <li>Status and effectiveness of the risk management systems;</li> <li>Identified risks are monitored;</li> <li>New risks are identified, mitigated and reported.</li> </ul>	Room for improvement	<ul style="list-style-type: none"> <li>Currently no regular risk reports are provided.</li> </ul>	Manager Governance/Senior Governance & Risk Officer	Risk Management Framework action plan will recommend: <ul style="list-style-type: none"> <li>A Risk Committee established to oversee risk management process; monitor risk register; provide mechanism for new risks to be reported.</li> <li>Regular risk reports from Risk committee provided to the Audit Committee</li> </ul>	30/12/15
6	Is the City's internal control system with management and the internal and external auditors effective?	Room for improvement	<b>The Human Resources internal audit included:</b> <ul style="list-style-type: none"> <li>Identification of HR requirements;</li> <li>Recruitment procedures and processes including identification of new positions, advertising; interviewing and related procedures, communication to existing staff and setting up of new employees;</li> <li>Basis of remuneration;</li> <li>Staff induction procedures and processes;</li> <li>Procedures and assessment of staff feedback; performance management and pay reviews;</li> <li>Payroll recording and payment procedures, including timesheet authorisation, timesheet data entry; payroll processing and payment authorisation procedures;</li> <li>Leave accruals, including use of leave forms, authorisation of leave forms, processing and reconciliation of employee provisions on a regular basis;</li> <li>Payroll deductions, including employee authorisation and documentation;</li> <li>Superannuation and group tax deduction</li> </ul>	Manager Organisational Development	<b>Human Resources Audit</b> - nine recommendations were made. <ul style="list-style-type: none"> <li>That all HR work procedures be reviewed annually.</li> <li>Review code of conduct and have employees and Councillors sign an acknowledgement or receipt.</li> <li>Ensure that all employee performance reviews are completed by the target date.</li> <li>All monthly wages reconciliations be signed as evidence of independent review.</li> <li>Two cheque signatories be required to authorise cheque payments from the advance bank account.</li> <li>That a formal termination check-list be developed, which is required to be completed on termination and signed off once completed.</li> <li>Employee provision reconciliation's be completed quarterly, with completed reconciliation's reviewed by someone</li> </ul>	Ongoing 16/10/14 – PRDC committee 91.5% Completed Completed 11/06/14 Completed 11/06/14 Completed 22/07/14 Completed 22/07/14

#	Issue	Effectiveness of initiatives	Comments	Respondent	Recommendations	Timeframes for implementation
			<p>payments; and</p> <ul style="list-style-type: none"> <li>Termination payments, including use of termination checklist and review and authorisation prior to termination payment.</li> </ul>		<p>independent of the reconciliation function.</p> <ul style="list-style-type: none"> <li>Leave forms completed by employees should be signed off by an appropriate level of management as evidence of approval.</li> <li>Employees should take regular leave and leave balances should be reviewed quarterly by management to identify employees with excessive leave.</li> </ul>	<p>Completed 11/06/14</p> <p>30/06/15</p>
	Room for Improvement		<p><b>The Information and Communication Technology audit included:</b></p> <ul style="list-style-type: none"> <li>Planning the IT environment;</li> <li>Development and delivery services;</li> <li>Operation of the IT environment;</li> <li>Organising and monitoring IT processes;</li> <li>Ensure appropriateness of internal control policies and procedures and ensure these are adhered to in respect to IT systems, including access controls, backup procedures and recovery procedures;</li> <li>Review system security ensuring access restricted based on level of personnel;</li> <li>Assess identification and risk in respect to IT planning;</li> <li>Document procedures in respect to identifying IT needs and related procurement procedures;</li> <li>Review system support and ensure appropriate back-up personnel trained and available;</li> <li>Review of virus detection procedures; and</li> <li>Review procedures and plans for determining the needs for changes/improvements to existing IT systems and processes in place to implement such changes.</li> </ul>	Manager Information and Technology	<p><b>Information and Communication Technology Audit</b> - fourteen recommendations were made.</p> <ul style="list-style-type: none"> <li>That all IT policies and guidelines be reviewed.</li> <li>Recommend that documented policies and procedures in respect of the areas identified be documented, approved, implemented and monitored on an ongoing basis.</li> <li>Formal project reviews to be completed following project implementation.</li> <li>Undertake a review of the IT equipment register</li> <li>Register of remote access users be maintained and a policy for remote access be developed.</li> <li>IT disaster recovery plan be reviewed and a testing schedule created.</li> <li>Back up procedures to be formally documented and a testing schedule created.</li> <li>Analysis of root cause of IT queries to be completed quarterly.</li> </ul>	<p>31/12/14</p> <p>30/06/15</p> <p>Completed 20/10/14</p> <p>31/12/14</p> <p>Completed 20/10/14</p> <p>31/03/15</p> <p>Completed 30/09/14</p> <p>Completed 20/10/14</p>

#	Issue	Effectiveness of initiatives	Comments	Respondent	Recommendations	Timeframes for implementation
		Room for improvement	Ongoing Audit Programme.	Manager Governance	<ul style="list-style-type: none"> <li>Formal procedure to be developed with respect to return of IT equipment.</li> <li>Security logs to be retained and reviewed on a regular basis.</li> <li>Schedule of known required software maintenance and updates be prepared and complied with.</li> <li>Formal review of service level agreements to be completed prior to renewal.</li> <li>Feedback on performance of IT department to be sourced through annual staff performance reviews.</li> <li>A register of software and program licences be created and maintained.</li> <li>Prepare an internal audit programme to be considered annually during project budget considerations. Audited areas to be defined at initial implementation and rotated biannually.</li> </ul>	<p>Completed 20/10/14</p> <p>Completed 20/10/14</p> <p>Completed 20/10/14</p> <p>Completed 20/10/14</p> <p>Completed 13/06/14</p> <p>Completed 20/10/14</p> <p>15/16 Budget allocation</p>
10	Is the management of fraud and misconduct effective, with risks identified, analysed, evaluated, treated and reported.	Room for Improvement	The City maintains a schedule of hierarchy for purchasing limits and reviews the purchasing and tendering policies in accordance with the Policy & Review Development Committee schedule.	Senior Contracts And Procurement Officer	As per the recommendation by WALGA under issue #8: Introduce a Risk Management Program as part of an overall contract management framework; establish and maintain a risk log; establish a process for regularly reviewing risks; develop and monitor mitigation plans for serious risks.	30/06/15
		Room for Improvement	The City has recently reviewed and updated its Code of Conduct. The Code was considered by the Policy Review and Development Committee at its meeting on 16 October and will be presented to Council for adoption on 11 November.	Senior Governance and Risk Officer	Reissue Code to staff with mandatory acknowledgement.	December 2014
		Room for Improvement	City Fraud Control Plan		Based on the adopted Risk Management Framework, prepare and implement a City	01/12/15

#	Issue	Effectiveness of initiatives	Comments	Respondent	Recommendations	Timeframes for implementation
Fraud Control Plan.						
Internal Control						
2	Is there a control of approval of documents, letters and financial records?	Room for improvement	<ul style="list-style-type: none"> <li>All documents created and stored by the City of Bunbury are governed in accordance with the State Records Act of Western Australia, including the Record Keeping Plan.</li> <li>The City is currently working with both paper based and electronic records. These documents are controlled within two electronic document management systems – although in future the City will only use one. Users have access to these systems and documents are controlled in accordance with security privileges determined by their role within the organisation.</li> <li>Financial records are covered by the aforementioned controls.</li> </ul>	Manager Information, Libraries & Customer Support	The City recognises that more work needs to be done in relation to the creation and control of records. It is expected that these measures will be implemented as part of the current document management system deployment.	30/12/16
Legislative Compliance						
3	Does the management and the Audit Committee communicate to ensure the Audit Committee is informed in respect to the effectiveness of the City's compliance and recommendations for changes as required?	Room for improvement	<ul style="list-style-type: none"> <li>Bi monthly meetings are held with senior management and the audit committee.</li> <li>Minutes of meetings are recorded and presented to Council for notation. Individual reports are presented to Council for consideration and recommendation. Council decisions are captured in Sycle and monitored for action.</li> </ul>	Manager Governance	<ul style="list-style-type: none"> <li>Regular risk updates to Audit Committee</li> <li>Regular insurance/possible claims updates to Audit Committee</li> </ul>	30/06/15 30/06/15

**Analysis of Financial and Budget Implications**

There are no financial implications arising from the recommendations contained within this report.

**Community Consultation**

N/A

**Councillor/Officer Consultation**

This report is provided to Council by the Audit Committee.

**Outcome – Council Meeting 25 November 2014**

Pursuant to Standing Order 5.5 the recommendation (as printed) from the Executive was moved Cr Cook seconded Cr Jones and adopted ('en bloc') to become the Council's decision on the matter.

**Council Decision 432/14**

***That Council receive the Audit Regulation 17 findings as presented.***

CARRIED

13 votes "for" / Nil votes "against"

**10.3 Financial Management Report for the Period Ending 31 October 2014** (was listed as item 10.2.2 of the council agenda)

<b>Applicant/Proponent:</b>	Internal Report
<b>Author:</b>	David Ransom, Manager Finance
<b>Executive:</b>	Andrew Brien, Chief Executive Officer
<b>Attachments:</b>	Appendix CEO-2: Statement of Comprehensive Income Appendix CEO-3: Statement of Financial Activity Appendix CEO-4: Statement of Net Current Assets Appendix CEO-5: Balance Sheet Appendix CEO-6: Capital Works Expenditure Summary Appendix CEO-7: Operating Projects Summary

**Summary**

The following comments are provided on the key elements of Council’s financial performance.

1. Statement of Comprehensive Income (**attached** at Appendix CEO-2)  
Actual Financial Performance to 31 October 2014
  - Actual income of \$42.21M is \$23.8K greater than the year-to-date budgeted income of \$42.18M.
  - Actual expenditure of \$13.49M is \$1.43M less than the year-to-date budgeted expenditure of \$14.92M (refer explanation on next page).
  - Actual operating surplus of \$28.72M is \$1.46M greater than the year-to-date budgeted operating surplus of \$27.26M.

2. Balance Sheet (**attached** at Appendix CEO-5)

Council’s year-to-date and forecast balances are as follows:

	Year-to-date	Forecast
• Current Assets of \$45.84M includes:		
- Cash and Investments	\$28.83M	\$14.16M
- Rates	\$15.31M	\$0.24M
- Other Current Assets	\$ 1.70M	\$2.02M
• Current Liabilities of \$9.18M includes:		
- Trade and Other Payables	\$4.11M	\$4.30M
- Annual Leave and LSL Provisions	\$3.24M	\$3.70M
• Working Capital (Current Assets less Current Liabilities)	\$36.66M	\$6.41M
• Equity (Total Assets less Total Liabilities)	\$454.48M	\$426.03M

3. Capital Works (**attached** at Appendix CEO-6)
  - Actual capital works of \$3.18M is \$2.79M less than the year-to-date budgeted capital works of \$5.97M, (refer explanation within report).



4. Operating Project Expenditure (**attached** at Appendix CEO-7)
  - Actual operating project expenditure of \$520.4K is \$616.7K less than the year-to-date budgeted operating project expenditure of \$1.137M, (refer explanation within report).

### **Executive Recommendation**

The Financial Management Report for the period ending 31 October 2014 be received.

### **Background**

A financial management report is provided to Councillors on a monthly basis which includes the following summaries:

- Statement of Comprehensive Income (**attached** at Appendix CEO-2)
- Statement of Financial Activity (**attached** at Appendix CEO-3)
- Statement of Net Current Assets (**attached** at Appendix CEO-4)
- Balance Sheet (**attached** at Appendix CEO-5)
- Capital Works Expenditure Summary (**attached** at Appendix CEO-6)
- Operating Projects Summary (**attached** at Appendix CEO-7)

These summaries include end-of-year forecasts based on a monthly review of year-to-date income and expenditure for all accounts.

### **Council Policy Compliance**

Not Applicable.

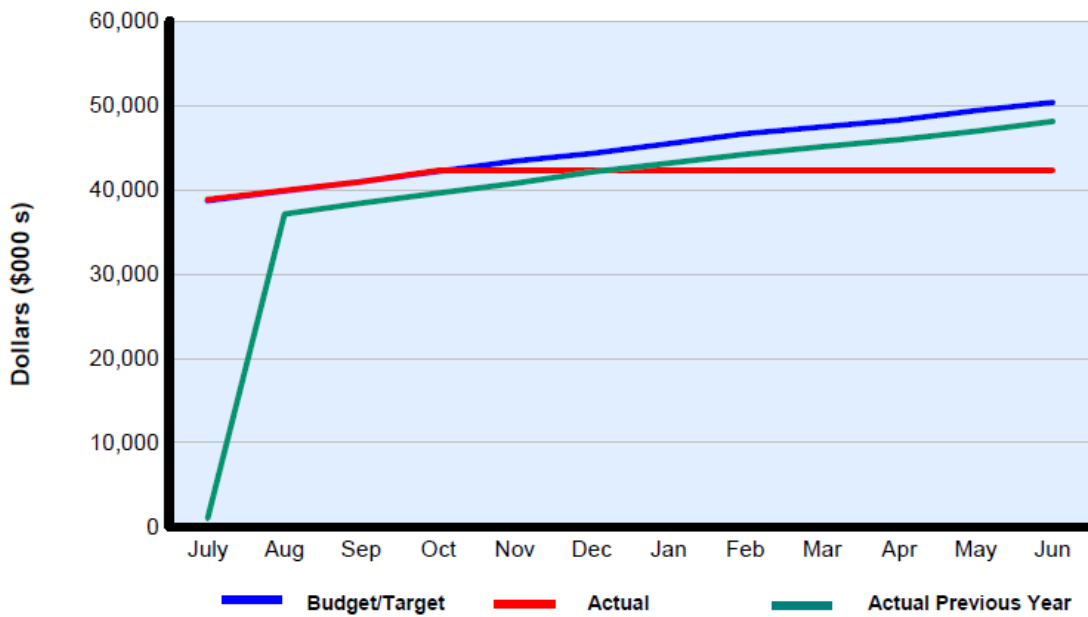
### **Legislative Compliance**

In accordance with the provisions of Section 6.4 of the Local Government Act 1995 and Regulation 34 (1) of the Local Government (Financial Management) Regulations 1996, a Local Government is to prepare each month a Statement of Financial Activity (**attached** at Appendix CEO-2) reporting on the revenue and expenditure as set out in the annual budget under Regulations 22 (1) (d) for this month.

### **Officer Comments**

The Operating Income, Operating Expenditure and Capital Expenditure graphs provide an overview on how actual income/expenditure is tracking to budget and the previous financial year. Comments are provided on each graph regarding the current financial position.

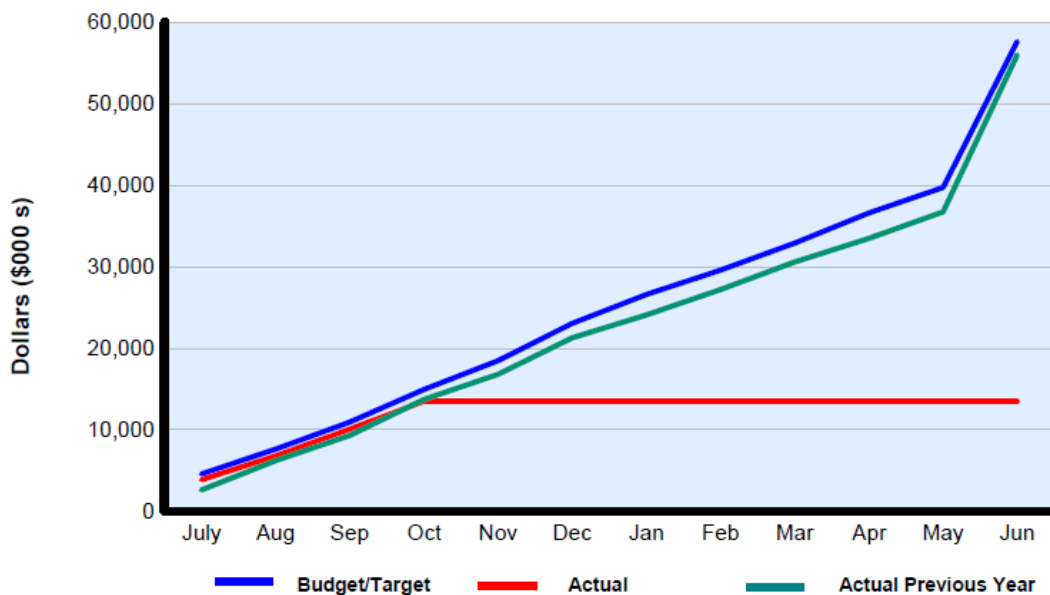
### Operating income (\$000's)



**Note:** Operating income includes: rates, fees and charges, operating grants and subsidies, contributions reimbursements and donataions, interest and other revenue.

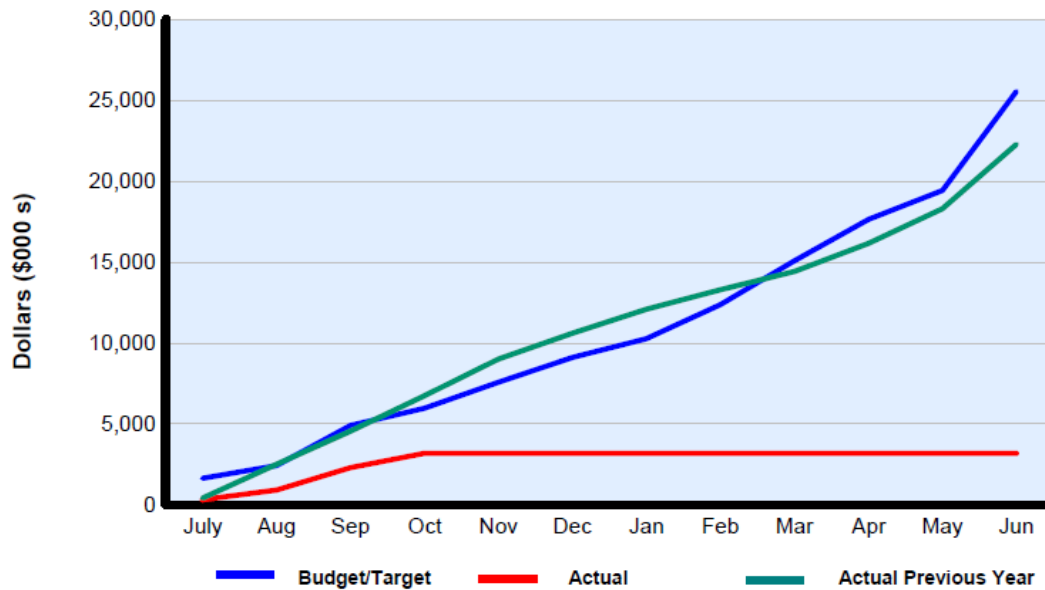
There is a favourable actual to budget variance of \$24K to 31 October 2014 mainly due to fees and charges received sooner than anticipated.

### Operating expenditure (\$000's)



**Note:** Actual operating expenditure is \$1.43M under the year-to-date budget, this is due to the timing of operating projects.

### Capital Expenditure (\$ 000's)



**Note:** The capital expenditure variance to the end of October 2014 of \$2.79M is due to the delay in commencement or progress of various projects as reported in the monthly Capital Works Expenditure Summary Report to Council.

The following is an explanation of significant Operating and Capital variances identified in the Statement of Comprehensive Income and Statement of Financial Activity:

Statement of Comprehensive Income	YTD Actual to Budget Variance
<b>Operating Income</b>	
<b>Rates</b> <i>Rate Interim Income</i> – Due to an error with a Landgate GRV valuation this resulted in a rates refund of \$50K. No change anticipated to the end of year forecast.	(\$33,602) (50%)
<b>Contributions Reimbursements and Donations</b> <i>Contribution Income</i> – Contribution income received earlier than anticipated, currently a favourable variance. This will be monitored on a monthly basis.	\$35,522 50%
<b>Operating Expenditure</b>	
<b>Employee Costs</b> <i>Salary Expenses</i> - Actual Employee Costs are \$359,329 above budget-to-date. This is due to payments of employee annual leave, long service leave and other entitlements. Annual leave and long service leave entitlements will not affect the end of year surplus as this expenditure has a matching provision in the balance sheet. This will even out over the financial year and does not affect the end of year forecast for employee costs.  <i>Other Employee Related Expense</i> – Actual Employee Related expenses are currently \$226,645 under budget due to the final	(\$132,987) (2%)

workers compensation insurance invoice not yet received.	
<b>Materials and Contracts</b> <i>Materials Expense</i> – Favourable variance of \$421,805. This is monitored on a monthly basis.  <i>Contract Employment Expense</i> – Currently over year-to-date budget by \$13,077. This will be monitored on a monthly basis.  <i>Contractors Expense</i> – Favourable variance of \$898,216 due to timing of operating projects.  <i>Software Licence or Maintenance Expenses</i> – Favourable variance of \$129,506 due to timing of invoices. Account to be monitored on a monthly basis.	\$1,450,984 28%
<b>Insurance</b> <i>Insurance Expenses</i> – Currently under year-to-date budget due to the final insurance invoices not yet received.	\$64,418 12%
<b>Non Operating Income and Expenditure</b>	
<b>Proceeds from Disposal of Assets</b> <i>Proceeds Plant and Vehicles Disposed</i> – Higher than expected proceeds early in the financial year. Increase income included in October 2014 Budget Review.	\$33,955 19%

<b>Statement of Financial Activity</b>	<b>YTD Actual to Budget Variance</b>
<b>Operating Revenues</b>	
See explanation above included in the Statement of Comprehensive Income variances.	\$60,381 0.1%
<b>Operating Expenses</b>	
See explanation above included in the Statement of Comprehensive Income variances.	\$1,432,892 10%
<b>Capital Expenses</b>	
<b>Acquisition of Assets</b> – Variance due to delay in progress of various projects. Note that there is committed expenditure of \$2.06M. Refer to Capital Expenditure report for project details.  All projects have been reviewed during October and any estimated changes to expenditure requirements has been included in the October Budget review.	\$2,791,316 47%

### **Analysis of Financial and Budget Implications**

This Financial Management Report on the financial performance of the City is provided for Councillors information and does not have any financial or budget implications.

### **Community Consultation**

There is no requirement for community consultation on this report.

### **Councillor/Officer Consultation**

Council's Executive Leadership Team, Department Managers and Finance staff monitor the City's monthly revenue and expenditure and (as required) refer any variances requiring remedial action to Council.

Approved budget amendments are recorded in the financial statements to reflect Council's current budget and financial position at all times.

### **Outcome – Council Meeting 25 November 2014**

Pursuant to Standing Order 5.5 the recommendation (as printed) from the Executive was moved Cr Cook seconded Cr Jones and adopted ('en bloc') to become the Council's decision on the matter.

#### **Council Decision 433/14**

***The Financial Management Report for the period ending 31 October 2014 be received.***

CARRIED

13 votes "for" / Nil votes "against"

**10.4 Schedule of Accounts Paid for the Period 1 October 2014 to 31 October 2014** (*was listed as item 10.2.3 of the Council Agenda*)

<b>Applicant/Proponent:</b>	Internal Report
<b>Author:</b>	David Ransom, Manager Finance
<b>Executive:</b>	Andrew Brien, Chief Executive Officer
<b>Attachments:</b>	Appendix CEO-8– Schedule of Accounts Paid

The City of Bunbury "*Schedule of Accounts Paid*" covering the period 1 October 2014 to 31 October 2014 is **attached** at Appendix CEO-8. The schedule contains details of the following transactions:

1. Municipal Account – payments totalling \$10,881,505.88
2. Advance Account – payments totalling \$8,662,912.15
3. Trust Account – payments totalling \$19,556.45
4. Visitor Information Centre Trust Account – payments totalling \$13,628.20
5. Bunbury-Harvey Regional Council Municipal Account – payments totalling \$870,254.28
6. Bunbury-Harvey Regional Council Advance Account – payments totalling \$841,200.39

**Executive Recommendation**

The Schedule of Accounts Paid for the period 1 October 2014 to 31 October 2014 be received.

**Outcome – Council Meeting 25 November 2014**

Pursuant to Standing Order 5.5 the recommendation (as printed) from the Executive was moved Cr Cook seconded Cr Jones and adopted ('en bloc') to become the Council's decision on the matter.

**Council Decision 434/14**

***The Schedule of Accounts Paid for the period 1 October 2014 to 31 October 2014 be received.***

CARRIED

13 votes "for" / Nil votes "against"

**10.5 Major Projects Update Report for the period 1 July 2014 to 31 October 2014** *(was listed as item 10.2.4 of the Council Agenda)*

<b>Applicant/Proponent:</b>	Internal
<b>Author:</b>	Andrew Brien, Chief Executive Officer
<b>Executive:</b>	Andrew Brien, Chief Executive Officer
<b>Attachments:</b>	Appendix CEO-9: Major Projects Report 1 July 2014 to 31 October 2014

**Summary**

The Major Projects Committee was formed to provide an opportunity for elected members to have an oversight role in relation to the major projects. It was considered that these matters could more appropriately be dealt with through a formalised reporting arrangement direct to Council.

As an outcome of the Council Decision to disband the Major Projects Committee, the report **attached** at Appendix CEO-9 provides an overview of Councils endorsed major projects for the 2014/15 financial year, being the period 1 July 2014 to 31 October 2014.

As a result of Elected Member requests, the report now contains additional minor expenditure projects which when added together, act as major commitments (including various Withers projects).

**Executive Recommendation**

That Council receives and notes the circulated Major Projects update report for the period ending 31 October 2014.

**Background**

The Major Projects report is a positive tool to help effectively manage and report on current year Major Projects being undertaken by the City of Bunbury, and will be submitted to Council on a six weekly interval and to allow time for works to be actioned.

It should be noted that in the list of projects identified in this report that not every project will have an update due to project delivery and consultation at different stages.

**Council Policy Compliance**

Not Applicable.

**Legislative Compliance**

Not Applicable

**Officer Comments**

This report will be circulated to Council for noting and receiving on a 6 weekly basis. It should be noted that if any Elected Member wishes to receive an update on any major project outside of this timeframe, this option is still available.

**Analysis of Financial and Budget Implications**

Not Applicable.

**Community Consultation**

There is no requirement for community consultation.

**Councillor/Officer Consultation**

Not Applicable.

**Outcome – Council Meeting 25 November 2014**

Pursuant to Standing Order 5.5 the recommendation (as printed) from the Executive was moved Cr Cook seconded Cr Jones and adopted ('en bloc') to become the Council's decision on the matter.

**Council Decision 435/14**

***That Council receives and notes the circulated Major Projects update report for the period ending 31 October 2014.***

CARRIED

13 votes "for" / Nil votes "against"



**10.6 Proposed Deed of License over portion of Lot 829 Anchorage Cove, Bunbury – Matthew Lee Holdings Pty Ltd t/as 1300 YOURPARTY (was listed as item 10.3.3 of the Council Agenda)**

<b>File Ref:</b>	CAP-COBO-00018
<b>Applicant/Proponent:</b>	Matthew Lee Holdings Pty Ltd t/as 1300 YOURPARTY
<b>Author:</b>	Kristen Anderson, Administration Officer Property and Procurement
<b>Executive:</b>	Stephanie Addison-Brown, Director Community and Corporate Services
<b>Attachments:</b>	Appendix DCCS-3 Location Plan License Area Appendix DCCS-4 Images of Proposed Types of Inflatable Water Units

**Summary**

The City of Bunbury (the “City”) has received an application from Matthew Lee Holdings Pty Ltd t/as 1300 YOURPARTY (the “Applicant”) to license a portion of Lot 829 Anchorage Cove, Bunbury, also known as Koombana Beach (the “Premises”), for the purpose of establishing an outdoor amusement venture, specifically for the hire of water sport inflatable equipment, also known as a Water Bounce Playground.

The proposed Deed of License is now referred to Council for consideration, where the Officer requests Council to resolve to approve a Deed of License for a period of one (1) year with a first further term of one (1) year and a second further term of one (1) year.

A location plan for the licensed area is **attached** at Appendix DCCS-3 and images of the proposed types of inflatable water units are **attached** at Appendix DCCS-4.

**Executive Recommendation**

Council agrees to grant a new Deed of License to the Matthew Lee Holdings Pty Ltd t/a 1300 YOURPARTY over portion of Lot 829 Anchorage Cove, Bunbury for a term of one (1) year with a first further term of one (1) year and a second further term of one (1) year subject to the terms and conditions as specified in the report, and the following:

1. The Applicant to pay all costs associated with the license application including document preparation.
2. Advertising in accordance with the provisions of Section 3.58 of the Local Government Act 1995.

**Background**

The proposed venture would include of approximately 2,500sqm of water space which would accommodate the various inflatable water equipment and associated buoys and weights. The water space has been approved and subsequently licensed through the Department of Transport (DOT) by the Applicant.

The land component, which is proposed to be licensed through the City, is comprised within Lot 829 Anchorage Cove, Bunbury and is a Crown Reserve vested under Management Order to the City. The Premises would consist of a 50sqm area utilised to accommodate a marquee, safety equipment, lifeguard viewing chair and associated equipment.

The proposed venture will operate seasonally between November and April pending demand and weather permitting. It would be operational on a daily basis from 10.00am – 4.00pm with staff on site to set up equipment from 8.00am and to remove equipment until 6.00pm.

The Applicant has identified plan key dates in the operation of the Water Bounce Playground to commence December 2014 with 4-6 inflatable units and a maximum occupancy of 20-25 patrons at any one time which would require 2-3 staff to be present.

Dependant on the success of the first season, operations commencing November-December 2015 would require up to 10 inflatable units to cater for a maximum of 50-60 patrons at any one time, requiring 5-6 staff to be present.

It is proposed that a 1+1+1 year license be granted to enable the Applicant to annually review the viability of this newly established venture commercially and to also enable the City to review the cohesive nature of this operation.

Similar operations are currently being conducted at Just 4 Fun Aqua Park in Rottneest Island and Mandurah, Aquatastic in Busselton and Aqua Splash on the Gold Coast, Queensland. It is envisioned that the Bunbury Water Bounce Park concept will be well received in Bunbury as it has been in these locations.

#### Proposed New License Details

Commencement:	12 December 2014
Term:	One (1) year with a First Further Term of one (1) year and a Second Further Term of one (1) year
Expiry Date:	11 December 2015
Rental:	\$1,000.00 + GST per annum
Rent Review:	Increase in rent to \$1,500.00 + GST per annum for the First Further Term Increase in rent by CPI for the Second Further Term
Outgoings:	Responsibility of the Licensee
Insurance:	Licensee to maintain Public Risk and General Insurance cover over the premises with Public Liability to be set at \$10 million
Special Conditions:	The Redevelopment Clause has been included
Document preparation:	The Lessee to pay full cost of document preparation and advertising where applicable

Two market rental valuations were procured for this proposal from Landgate and LMW Hegney to gauge a broader understanding of rent payable for an activity that is new to Bunbury. The valuation received from Landgate indicated an annual rental fee of \$1,000.00 exclusive of GST and the valuation procured from LMW Hegney indicated an annual rental fee of \$1,500.00 exclusive of GST.

The Officer and the Applicant have agreed to adopt the lower of the two valuations for the initial term of the License, determining the higher figure of \$1,500.00 would be adopted as the rental fee payable if and when the First Further Term was exercised with CPI to increase if and when the Second Further Term was exercised.

#### **Legislative Compliance**

Section 3.58 of the Local Government Act 1995

### **Officer Comments**

The Applicant has submitted to the City a detailed and comprehensive application outlining the proposed venture, demonstrating a concise understanding of what is required to enable this venture to operate as a successful business and attraction in the City of Bunbury.

The Applicant has prepared, in conjunction with the Dolphin Discovery Centre (DDC), a Marine Wildlife Procedure which has been incorporated in the induction process for all patrons.

The safety of all patrons is the responsibility of the Applicant. The Applicant has undertaken extensive risk management assessments and has incorporated this into a detailed customer induction which includes an emergency response procedure for inclement weather conditions, personal accident, equipment failure, marine wildlife in the area, swimmers entering the water park without an induction, incident on the beach or electrical storm.

Under the terms and conditions of the License, the Applicant is required to maintain, with reputable insurers, Public Risk and General Insurance cover over the Premises with Public Liability set at \$10,000,000 (ten million Dollars). The Department of Transport also requires the Applicant to maintain a minimum cover of \$10,000,000 (ten million Dollars) Public Liability Insurance.

The Applicant has also addressed all Occupational Health and Safety requirements, including the Australian Standards for amusement rides and devices and relevant training, qualifications and competencies required by staff.

It is anticipated that this venture will operate in collaboration with the DDC in attracting residents and tourists alike to Koombana Beach, which has recently had the ablution block and change rooms upgraded.

### **Community Consultation**

Advertising in accordance with the provisions of Section 3.58 of the Local Government Act 1995 will take place following Council endorsement.

Extensive consultation has been undertaken with various Government agencies and local groups and organisations. These include the following:

- The Department of Parks and Wildlife (DPAW);
- The Department of Water (DoW);
- The Department of Transport (DoT);
- The Dolphin Discovery Centre (DDC) and;
- The Bunbury Marine Alliance

No objections have been received, however DPAW required that consultation be undertaken with the DDC and that a Marine Wildlife Procedure be prepared for their approval and be incorporated in the Applicant's patron induction process. This process has been undertaken and complied with in conjunction with the Applicant and the Officer.

The Department of Transport has confirmed that the City's jurisdiction terminates at the high water mark.

### **Councillor/Officer Consultation**

Comment was sought from the Development Coordination Unit with no objections having been received and a positive response in general to the potential for another attraction in Bunbury.

Further consultation with Parking and Works and Services was also conducted, with all parties agreeable to monitor any increased use of the Koombana Beach area and impacts on the requirements for additional waste collection, cleaning of ablution blocks and change rooms and parking.

### **Outcome – Council Meeting 25 November 2014**

Pursuant to Standing Order 5.5 the recommendation (as printed) from the Executive was moved Cr Cook seconded Cr Jones and adopted ('en bloc') to become the Council's decision on the matter.

#### **Council Decision 436/14**

***Council agrees to grant a new Deed of License to the Matthew Lee Holdings Pty Ltd t/a 1300 YOURPARTY over portion of Lot 829 Anchorage Cove, Bunbury for a term of one (1) year with a first further term of one (1) year and a second further term of one (1) year subject to the terms and conditions as specified in the report, and the following:***

- 1. The Applicant to pay all costs associated with the license application including document preparation.***
- 2. Advertising in accordance with the provisions of Section 3.58 of the Local Government Act 1995.***

CARRIED

13 votes "for" / Nil votes "against"

**10.7 Contract Variation for: Program Maintenance Painting to Various Council Buildings (Paisley Centre) RFQ1213 00013** (was listed as item 10.6.1 of the Council Agenda)

<b>File Ref:</b>	RFQ1213 – 00013
<b>Applicant/Proponent:</b>	Internal Report
<b>Author:</b>	David Russell, Senior Contracts and Procurement Officer
<b>Executive:</b>	Phil Harris – Director Works and Services
<b>Attachments:</b>	Nil

**Summary**

In March 2013 a quotation was awarded to Programmed Property Services for programmed maintenance painting to various Council buildings for a seven (7) year contract period. The City requested the addition of the Paisley Centre Building to the existing contract as provided for in the quotation document.

A contract variation in excess of the Chief Executive Officers delegated authority is required to cover the additional works. Variations in excess of \$50,000 or 10% of the contract value require Council approval.

The expiry date of the variation commitment would be December 2021.

**Executive Recommendation**

That Council authorises the Chief Executive Officer to enter into a variation to contract with Programmed Property Services for an amount of \$87,038 exclusive of GST (\$12, 434 exclusive of GST per annum for seven (7) years).

**Background**

The City issued the following request for quotation in November 2012;

*The Principal is seeking Quotations from suitably experienced and qualified painting contractors for the provision of quality painting services to various Council buildings. This includes, but is not limited to, the cleaning, preparation and painting in a thorough and tradesman like manner, and with first quality materials and workmanship, the whole of the works described in the Scope of Works and in the manner and to the extent provided in the Specification, in a manner considered satisfactory by the Council's representative. The Principal reserves the right to include additional buildings, as required, but by mutual agreement between the parties on scope and pricing, throughout the life of the Contract.*

The quotation requested painting services to fourteen different Council buildings. This comprised of eleven buildings for initial external painting application and three buildings on a seven year annual maintenance program.

***Council Decision 80/13 (26 March 2013)***

***Council accepts the annual fee of \$25,902 submitted by Programmed Property Services being for an initial full external repaint to the three nominated buildings followed by the provision of a seven (7) year maintenance painting programme and commits to providing continued funding each year until 2018 for the following buildings.***

- 1. Southwest Sport Centre: 1 Rotary Drive**
- 2. Old Train Station Building: Carmody Place**
- 3. Graham Bricknell Music Shell: Blair Street**

**CARRIED**

**10 votes “for” / nil votes “against”**

**Council Policy Compliance**

The variation request is made in accordance with Delegation Register Instrument of Delegation – DAG4 Contract Price Variations

**Legislative Compliance**

The proposed contract variation exceeds the delegation provided to the Chief Executive Officer under section 5.42 of the *Local Government Act 1995*.

**Officer Comments**

Programmed Property Services have undertaken work for the City to a high standard on the buildings that they were awarded. They were also competitively awarded this year’s annual painting program (RFQ 2014-15-0018) for painting to various buildings. The company is structured for this type of work and have successfully maintained major council assets such as the South West Sports Centre and the Old Train Station.

A regular programme of maintenance painting to the interior of the Paisley Centre will result in a high standard of finish and offer maximum protection to the fabric of the facility.

**Analysis of Financial and Budget Implications**

Funding for this project has been allocated in the budget for 2014/15 under Project PR-1684.

Funding of the maintenance work for the period from 2015/16 to 2021/22 will need to be allocated through the following projects as part of each year’s budget deliberations: PR-1733, PR-1752, PR-1765, PR-1772, PR-1781 and PR-1795.

**Community Consultation**

Not Applicable

**Councillor / Officer Consultation**

The Executive Leadership Team is aware of the variation request. The Manager Building and Trades has liaised with the Director – Works and Services.

**Delegation of Authority**

This tender has been dealt with in accordance with Local Government (Functions and General) Regulations 1996.

**Relevant Precedents**

Council has dealt with variations previously since DAG4 Contract Price Variations has been updated.

**Outcome – Council Meeting 25 November 2014**

Pursuant to Standing Order 5.5 the recommendation (as printed) from the Executive was moved Cr Cook seconded Cr Jones and adopted ('en bloc') to become the Council's decision on the matter.

**Council Decision 437/14**

*That Council authorises the Chief Executive Officer to enter into a variation to contract with Programmed Property Services for an amount of \$87,038 exclusive of GST (\$12, 434 exclusive of GST per annum for seven (7) years).*

CARRIED

13 votes "for" / Nil votes "against"

**10.8 Budget Review October 2014** *(was listed as item 10.2.1 of the Council Agenda)*

<b>Applicant/Proponent:</b>	Internal
<b>Author:</b>	David Ransom, Manager Finance
<b>Executive:</b>	Andrew Brien, Chief Executive Officer
<b>Attachments:</b>	Appendix CEO-1: Budget Review October 2014 Appendix CEO-2: Statement of Comprehensive Income Appendix CEO-3: Statement of Financial Activity Appendix CEO-4: Statement of Net Current Assets Appendix CEO-5: Balance Sheet Appendix CEO-6: Capital Works Expenditure Summary Appendix CEO-7: Operating Projects Summary

**Summary**

Council adopted the 2014/15 Budget on 30 July 2014 of \$72.0M, comprising of \$25.6M capital works, \$1.8M debt reduction and \$44.6M in operating expenditure (excluding depreciation).

Budget reviews are conducted in October and February each year as part of the financial management processes within the City of Bunbury. In addition, it is also necessary to adjust the current budget for projects either not commenced or not completed in 2013/14 and carried forward into 2014/15; and for the budgeted financial position at 30 June 2014 to be adjusted to agree with the actual financial position.

A budget review has been completed and the changes to operating income and expenditure will increase the Operating Deficit from \$7,307,971 to \$7,496,946, an increase of \$188,975. Capital Expenditure has decreased by \$3,899,651 and Capital Income decreased by \$2,689,374.

As a result of the above changes the budgeted surplus funds at 30 June 2015 will decrease by \$79,259 from a surplus of \$545,928 to a surplus of \$466,669.

The following supporting documents are **attached** at Appendix CEO-1 – 7 for the period ending 31 October 2014:

- |                                     |                |
|-------------------------------------|----------------|
| - Budget Review October 2014        | Appendix CEO-1 |
| - Statement of Comprehensive Income | Appendix CEO-2 |
| - Statement of Financial Activity   | Appendix CEO-3 |
| - Statement of Net Current Assets   | Appendix CEO-4 |
| - Balance Sheet                     | Appendix CEO-5 |
| - Capital Works Expenditure Summary | Appendix CEO-6 |
| - Operating Projects Summary        | Appendix CEO-7 |



### **Executive Recommendation**

Council adopt the October 2014 Budget Review with the following budget variations and amends the current budget accordingly:

Decrease in Opening Funds (to adjust budgeted position at 30 June 2014 to agree with actual financial position)	(\$561)
Operating Revenue:	
- Increase Grants and Subsidies	\$87,000
- Increase Contributions Reimbursements	\$81,640
- Decrease Fees and Charges	<u>(\$75,000)</u>
	\$93,640
Operating Expenses:	
- Decrease Employee Costs	\$41,539
- Increase Material and Contracts	(\$227,354)
- Increase Utilities	(\$5,000)
- Increase Other Expense	<u>(\$91,800)</u>
	(\$282,615)
Increase in Deferred Debtors (SES Self Supporting Loan)	(\$1,100,000)
Capital Revenue:	
- Decrease Grant Contributions for Assets	(\$3,887,926)
- Increase Proceeds from Disposal of Assets	\$1,029,941
- Increase in Loan Borrowing (Self Supporting Loan)	\$1,100,000
- Decrease Transfers from Restricted Cash	<u>(\$931,389)</u>
	(\$2,689,374)
Capital Expenditure:	
- Decrease in Materials and Contracts	<u>\$3,899,651</u>
Decrease in Closing Funding Surplus 30 June 2015	(\$79,259)

*\*Note: An Absolute Majority Vote is required by Council*

### **Background**

The Executive Leadership Team and Finance Staff have reviewed the 2014/15 Budget for the period ending 31 October including projects that either were not commenced or not completed from 2013/14 and are required to be transferred to the 2014/15 Budget (i.e. 7 projects totalling \$5,922). The budgeted financial position at 30 June 2014 has also been adjusted to agree with the actual financial position (\$561).

Budget review items have been identified and supporting financial statements prepared incorporating year to date budget forecasts to 30 June 2015.

The October 2014 Budget Review is presented to Council for consideration.

### Legislative Compliance

Regulation 33A of the *Local Government (Financial Management) Regulations* 1996 requires:

- (1) *Between 1 January and 31 March in each year a local government is to carry out a review of its annual budget for that year.*
- (2) *Within 30 days after a review of the annual budget of a local government is carried out it is to be submitted to the council.*
- (3) *A council is to consider a review submitted to it and is to determine\* whether or not to adopt the review, any parts of the review or any recommendations made in the review.*

*\*Absolute majority required.*

This budget review is in addition to the above legislative requirement and a February Budget Review will be presented to Council in March 2015.

### Officer Comments

Council's Executive Leadership Team together with Finance staff monitor the City's monthly revenue and expenditure activities and (as required) refer any variances requiring remedial action to Council.

Approved budget amendments are recorded in the financial statements to reflect Council's current budget and financial position at all times.

### Analysis of Financial and Budget Implications

The changes to operating income and expenditure will increase the Operating Deficit from \$7,307,971 to \$7,496,946, an increase of \$188,975. Capital Expenditure has decreased by \$3,899,651 and Capital Income decreased by \$2,689,374.

As a result of the above changes the budgeted surplus funds at 30 June 2015 will decrease by \$79,259 from \$545,928 to a surplus of \$466,669 as shown below:

Decrease in Opening Funds (to adjust budgeted position at 30 June 2014 to agree with actual financial position)	(\$561)
Plus Surplus from Budget Review Report ( <b>attached</b> at CEO-1)	\$852,691
Less Decrease in Transfer from Restricted Cash Grants Funds Carried Forward to 2015/16 (PR-3734)	(\$30,800)
Transfers to/from Reserves:	
College Grove Reserve (Land Proceeds and disposal costs)	(\$976,000)
Withers Reserve (Funds returned to reserve, pending decision from Withers Advisory Committee)	<u>\$75,411</u>
Reduction in Closing Funds from Budget Review	(\$79,259)

Details of the budget changes contained within this budget review are shown in the Budget Review October 2014 Report **attached** at Appendix CEO-1 and the Financial Statements **attached** at Appendices CEO-2 – CEO-7.

### **Councillor/Officer Consultation**

The Executive Leadership Team have reviewed the October 2014 Budget Review.

### **Outcome – Council Meeting 25 November 2014**

The recommendation (as printed) was moved Cr Kelly, seconded Cr McCleary.

The Mayor put the motion to the vote and was adopted to become the Council's decision on the matter.

#### **Council Decision 438/14**

***Council adopt the October 2014 Budget Review with the following budget variations and amends the current budget accordingly:***

***Decrease in Opening Funds (to adjust budgeted position at 30 June 2014 to agree with actual financial position)*** ***(\$561)***

#### ***Operating Revenue:***

- <b><i>Increase Grants and Subsidies</i></b>	<b><i>\$87,000</i></b>
- <b><i>Increase Contributions Reimbursements</i></b>	<b><i>\$81,640</i></b>
- <b><i>Decrease Fees and Charges</i></b>	<b><i><u>(\$75,000)</u></i></b>
	<b><i>\$93,640</i></b>

#### ***Operating Expenses:***

- <b><i>Decrease Employee Costs</i></b>	<b><i>\$41,539</i></b>
- <b><i>Increase Material and Contracts</i></b>	<b><i>(\$227,354)</i></b>
- <b><i>Increase Utilities</i></b>	<b><i>(\$5,000)</i></b>
- <b><i>Increase Other Expense</i></b>	<b><i><u>(\$91,800)</u></i></b>
	<b><i>(\$282,615)</i></b>

***Increase in Deferred Debtors (SES Self Supporting Loan)*** ***(\$1,100,000)***

#### ***Capital Revenue:***

- <b><i>Decrease Grant Contributions for Assets</i></b>	<b><i>(\$3,887,926)</i></b>
- <b><i>Increase Proceeds from Disposal of Assets</i></b>	<b><i>\$1,029,941</i></b>
- <b><i>Increase in Loan Borrowing (Self Supporting Loan)</i></b>	<b><i>\$1,100,000</i></b>
- <b><i>Decrease Transfers from Restricted Cash</i></b>	<b><i><u>(\$931,389)</u></i></b>
	<b><i>(\$2,689,374)</i></b>

#### ***Capital Expenditure:***

- <b><i>Decrease in Materials and Contracts</i></b>	<b><i><u>\$3,899,651</u></i></b>
<b><i>Decrease in Closing Funding Surplus 30 June 2015</i></b>	<b><i>(\$79,259)</i></b>

#### **CARRIED**

**13 votes "for" / Nil votes "against"**

\*Absolute majority obtained

**10.9 Review of Elected Member Representation** (was listed as item 10.2.5 of the Council Agenda)

<b>Applicant/Proponent:</b>	Internal
<b>Author:</b>	Greg Golinski, Manager Governance
<b>Executive:</b>	Andrew Brien, Chief Executive Officer
<b>Attachments:</b>	Appendix CEO-10: Copy of Submissions

**Summary**

The purpose of this report is for Council to consider submissions received in relation to the Review of Elected Member Representation that was initiated by resolution of Council on 19 August 2014 (refer Decision 330/14).

On completing the review, Council is required to report in writing to the Local Government Advisory Board (the Board) the outcome of the review, and may propose to the Board the making of an order under section 2.18(3) of the *Local Government Act 1995* (the Act) if it thinks fit. For reference, section 2.18(3) of the Act relates to changing the number of offices of Councillor on a Council.

**Executive Recommendation**

That Council:

1. In accordance with clause 9 of Schedule 2.2 of the *Local Government Act 1995*, reports to the Local Government Advisory Board the results of the current review of Elected Member Representation, the consultation for which concluded on 31 October 2014.
2. Advises the Local Government Advisory Board its position to maintain the status quo in relation to Elected Member numbers as a result of feedback received during the review process.
3. Notes that this position will supersede Council's earlier resolutions in relation to this matter.
4. Request the Chief Executive Officer to undertake all necessary arrangements to enable the holding of a referendum relating to Elected Member numbers in conjunction with the 2015 ordinary local government elections.

**Background**

In June 2014, Council sought to reduce the number of Councillors from 12 to 8 over the next two ordinary elections (2015 and 2017), and requested that the Board consider such a proposal as a minor matter.

The proposal was rejected by the Board in August 2014, who subsequently requested the City undertake a formal review under clause 5(a) of Schedule 2.2 of the Act if it wished to progress the matter further.

Subsequently, at its ordinary meeting held on 19 August 2014, Council resolved to undertake a review of Council Representation in accordance with section 2.18 and clause 5(a) of Schedule 2.2 of the Act. Public consultation in accordance with the provisions of the Act was conducted during September and October 2014.

### **Council Policy Compliance**

There is no Council Policy applicable to this proposal.

### **Legislative Compliance**

Schedule 2.2 of the *Local Government Act 1995* deals with representation.

### **Officer Comments**

By resolution, Council's current preferred option in relation to this review is a reduction in the number of Councillors from 12 to 8 over the next two ordinary elections (2015 and 2017).

The community consultation phase of the review was undertaken to elicit the community's views in relation to this option, and to also invite alternative proposals for consideration. Written submissions were called between 10 September and 31 October 2014, and an online survey was also developed to facilitate the consultation process. A summary of submissions received is outlined below, and copies of all submissions received are **attached** at Appendix CEO-10.

#### Online Survey

- 102 online submissions were received, 73 of which (72%) were against a reduction in Councillor numbers, and 29 of which (28%) were in support.
- Of the 102 online submissions, 10 responses were from non-City of Bunbury correspondents, 5 of which were for a reduction in numbers, and 5 against.
- Discounting non-residents/ratepayers from the survey results in 68 submissions (74%) against reduction, and 24 submissions (26%) in support.

#### Written Submissions

- 17 written/emailed submissions were received, one of which was supported by 236 additional signatories.
- All written submissions were against a reduction in Councillor numbers, with the exception of 2 that were neither supportive, opposed or conditional.
- The submission with 236 additional signatories contained 4 signatures from non-City of Bunbury correspondents.
- Discounting non-residents/ratepayers from the written submissions results in 247 submissions (99%) against reduction, zero submissions (0%) in support, and 2 submissions (1%) neither supportive or not supportive, or conditional.

In total 355 submissions (including the 236 signatures) were received, 324 of which (91.3%) were against a reduction in Councillor numbers, 29 in support (8.2%), and 2 no committed to any course of action (0.6%).

Discounting non-residents/ratepayers from the number of submissions received results in a total of 341 submissions, 315 of which (92.4%) were against a reduction in Councillor numbers, 24 in support (7.0%), and 2 neither (0.6%).

### Overview of Comments Received

There were a number of distinct themes cited as reasons for or against a reduction in Councillor numbers. These are summarised in the tables below. The numbers represent the number of times a reason was stated, with some respondents stating several reasons within the one submission.

Greater efficiency and ease of decision-making were the primary reasons respondents voted for a reduction, followed by cost savings and greater cohesion amongst Council. Other reasons cited include: having higher quality or more skilled Elected Members; more accountability; and that Bunbury is a geographically small area to represent.

Diminished diversity was the main reason respondents were against a reduction in Councillor numbers, followed by a fear of dominance by key interest groups or those with a vested interest. Respondents also commonly cited increased workloads of Councillors, and the growing population of Bunbury requiring greater representation as reasons against.

Suggestions for other systems of representation were also provided, with some support for the re-introduction of the Ward system. Other recurring suggestions included: reducing to 10 Councillors plus the Mayor; encouraging more diverse representation; and the introduction of Councillor portfolios.

#### ***In support of reduction***

Greater efficiency/easier for decision to be made	10
Cost savings	6
Shared vision/cohesion	6
Higher quality/skilled elected members	4
Small area to represent	2
More accountability	2
Improved governance and leadership	1

#### ***Against reduction***

Less diversity	34
Dominance by interest groups/vested interests	25
Increased workloads	15
Growing population in Bunbury requires greater representation	13
Less democratic	7
Lack of quorum/consensus	5
More executive power	3
Less due diligence	2

#### ***Other suggestions***

Re-introduce Ward system	18
Reduction to 10 Councillors plus the Mayor	6
More diverse representation: multicultural, younger, female Councillors	6
Councillor portfolios	4

Councillor number decided by referendum at October 2015 elections	3
Resident/suburb committees (precinct committees)	3
More committees/sub-committees to advise Council	3
Participatory democracy and governance	1
Internal ombudsman	1

What is clear is that of the 355 submissions received, the vast majority of respondents do not support an unconditional reduction in Councillor numbers. With the available information, there is a *prima facie* case for Council to report the results of its review of Elected Member Representation to the Board with a recommendation to maintain the status quo.

Notwithstanding the above results, another option is for Council to consider holding a referendum in conjunction with the 2015 ordinary local government elections to ascertain a greater proportion of the community's views. This would provide for a greater percentage of engagement and would provide a definitive position moving forward for the City.

Of the submission received as part of this review, 355 represent approximately 1.5% of the total electors within the City of Bunbury. The turnout rate for City of Bunbury postal Councillor elections has been an average of 33.4% for the past three elections. Extrapolated, holding a referendum in conjunction with a postal election in October 2015 could reasonably be expected to attract a return of one third of the City's electors (currently 21,278).

In terms of cost, the WA Electoral Commission has advised that holding a referendum in conjunction with the 2015 ordinary elections would cost an additional \$7,000 over and above the cost of the election itself. To hold a standalone referendum would cost in the vicinity of \$42,500.

### **Analysis of Financial and Budget Implications**

The financial implications of this matter are varied, and are dependent on Council's (and ultimately the Minister's) decision in this regard.

### **Community Consultation**

The following marketing and communications were undertaken in relation to this matter:

- Media release 10 September 2014
- Article SW Times 11 September 2014
- City Focus 10 September; 17 September; 24 September; 1 October; 8 October; 15 October; 22 October; 29 October
- City of Bunbury website 10 September to 31 October (including discussion paper and submission information)
- Information/material available at City of Bunbury Customer Service Centre
- Facebook post on City's page and Mayor's page 10 September – 31 October
- E-newsletter 12 September (548 subscribers) and 17 October (609 subscribers)
- Household panel

### **Councillor/Officer Consultation**

The issue of Elected Member representation was discussed at the Ordinary Council Meetings of 4 March, 10 June 2014, and 19 August 2014.

### **Outcome – Council Meeting 25 November 2014**

Mr John Sherwood addressed Council on the matter.

The recommendation (as printed) was moved Cr McCleary, who requested that each item of the Executive Recommendation be taken separately. Cr Giles seconded the motion. The Mayor agreed to take each motion separately, and proposed that the matters be considered with Item 1 first, Item 4 second, Item 2 third and Item 3 fourth, as Item 4 would make Item 2 redundant if carried.

The Mayor put each point of the Executive Recommendation to the vote. Listed below are the results of the vote.

#### Point 1

*In accordance with clause 9 of Schedule 2.2 of the Local Government Act 1995, reports to the Local Government Advisory Board the results of the current review of Elected Member Representation, the consultation for which concluded on 31 October 2014.*

CARRIED 11 votes “for” / 2 votes “against”

#### Point 2

*Advises the Local Government Advisory Board its position to maintain the status quo in relation to Elected Member numbers as a result of feedback received during the review process.*

LOST 6 votes “for” / 7 votes “against”

It was requested that the votes “for” be recorded

- Votes “for”: Cr Kelly, Cr Giles, Cr Miguel, Cr McCleary, Cr Steck, Cr Steele

#### Point 3

*Notes that this position will supersede Council’s earlier resolutions in relation to this matter.*

CARRIED 10 votes “for” / 3 votes “against”

#### Point 4

*Request the Chief Executive Officer to undertake all necessary arrangements to enable the holding of a referendum relating to Elected Member numbers in conjunction with the 2015 ordinary local government elections.*

CARRIED 8 votes “for” / 5 votes “against”

It was requested that the votes “against” be recorded

- Votes “against”: Cr Steele, Cr Giles, Cr Steck, Cr Prosser, Cr Jones

Three of the four points were carried, and these formed Council’s decision on the matter. For ease of Reference, the full motion is listed below.

#### **Council Decision 439/14**

##### ***That Council:***

- 1. In accordance with clause 9 of Schedule 2.2 of the Local Government Act 1995, reports to the Local Government Advisory Board the results of the current review of Elected Member Representation, the consultation for which concluded on 31 October 2014.***



- 2. Request the Chief Executive Officer to undertake all necessary arrangements to enable the holding of a referendum relating to Elected Member numbers in conjunction with the 2015 ordinary local government elections.***
- 3. Notes that this position will supersede Council's earlier resolutions in relation to this matter.***

CARRIED

**10.10 Proposed Deed of Lease Bunbury City Band Incorporated and South West Wind and Jazz Orchestra, over portion of Reserve 31563 “Queens Gardens”, Lot 534 Stirling Street, Bunbury (was listed as item 10.3.1 of the Council Agenda)**

<b>Applicant/Proponent:</b>	Bunbury City Band Inc. and South West Wind and Jazz Orchestra
<b>Author:</b>	Jane Dawson, Senior Property Officer
<b>Executive:</b>	Stephanie Addison-Brown, Director Corporate and Community Services
<b>Attachments:</b>	DCCS-1 Location Plan

**Summary**

The Bunbury City Band Inc. and the South West Wind and Jazz Orchestra (“the Applicants”) have occupied a portion of Reserve 31563, Lot 534 Stirling Street, Bunbury for the use of playing music and associated activities, for over ten (10) years on a Peppercorn rent.

The Applicants have requested Council grant a new lease for a period of five (5) years with a further option of five (5) years on a Peppercorn rent. A location plan is **attached** at Appendix DCCS-1.

**Executive Recommendation**

Council agrees to grant a new Deed of Lease to the Applicant’s over portion of Reserve 31563, Lot 534 Stirling Street, Bunbury for a period of five (5) years with a further option of five (5) years, subject to the terms and conditions as specified in the report, and the following:

1. Advertising in accordance with the provisions of Section 3.58 of the Local Government Act 1995.
2. Approval of the Minister for Lands.

**Background**

The Bunbury City Band can be traced back to the late nineteenth century with soldiers from the Bunbury section of the W.A. Rifles group forming a band. This group of instrumentalists took up the name Bunbury Band in 1908 and performed most Sundays at the Jetty Rotunda.

Due to restructuring within the military this band broke up shortly after.

In 1911-12 reconstruction of the band took place and it became a citizens band supported by the Council and prominent trades people. The Council employed the bandmaster a Mr Tom Brittain and Thomas Hayward & Sons and the Narrogin Trading Company employed band members.

A history of events is as follows:

- Queens Gardens Rotunda supported in 1912 - The Mayor supported a practise facility to be built for the Band.
- Bunbury City Band Reforms June 1913 - An Eisteddfod or music committee had formed in Bunbury to co-ordinate the various music groups in town, for major events.

The Council Agenda included building a practise centre in Queens Gardens.

- October 1913 - Funding was received by the State.

- Practice Rooms built by July 1914 - Queens Gardens practise rooms (a Rotunda) were completed.
- In 1925 clubrooms were built on Queens Gardens. These were demolished in 1974 when new rooms were completed in 1974 near the Stirling Street Arts Centre. This is where the existing Bunbury City Band rooms are today.

The Club has been providing entertainment and musical support to the greater Bunbury Community for over 100 years. Band members come from all walks of life and are widely varied in age and musical expertise.

A formal Deed of Management was agreed to between the Bunbury City Band and the City of Bunbury in 2004 for a period of five (5) years with a further option of five (5) years. Discussions have been held with the Applicant's negotiating the terms of a new Lease and the Applicants are in agreement to the proposed term and conditions of a new Lease. The annual rental has been assessed as a Peppercorn rent, in recognition of the Club's efforts and contributions to the Community. This gives a discount of 100%, taking into account:-

- The building/facility itself;
- Maintenance and lifecycle of the building/clubrooms; and
- Community Benefit Services.

#### ***Current Lease***

Commencement:	1 January 2004
Term:	Five (5) years with a further five (5) year option
Expiry Date:	31 December 2014
Rental:	Annual lease rental for the premises "Peppercorn" waived in recognition of the Club's efforts and contribution to the Community.
Rent Review:	Not Applicable
Outgoings:	Responsibility of the Lessee
Insurance:	Lessee to maintain Public Risk, Building Insurance and General Insurance cover over the premises with Public Liability to be set at \$10 million
Document Preparation:	The Lessee to pay full cost of document preparation

#### ***Proposed New Lease Details***

Commencement:	1 January 2015
Term:	Five (5) years with a further five (5) year option
Expiry Date:	31 December 2025
Rental:	Annual lease rental for the premises "Peppercorn" waived in recognition of the Club's efforts and contributions to the Community.
Rent Review:	Not Applicable
Outgoings:	Responsibility of the Lessee
Insurance:	Lessee to maintain Public Risk and General Insurance cover over the premises with Public Liability to be set at \$10 million
Document	The Lessee to pay full cost of document preparation

Preparation:	
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### **Legislative Compliance**

Advertising in accordance with Section 3.58 of the *Local Government Act 1995* for a period of two (2) weeks.

### **Officer Comments**

The Applicants have satisfactorily fulfilled their obligations and responsibilities under the current lease.

The premises are already being utilised by the Applicant's for its intended purpose, for the purpose of playing music and associated activities. The current lease expires on 31 December 2014. The proposed new lease to be 'Peppercorn'.

Standard conditions of a lease will apply such as the redevelopment clause, the requirement for the facility to be kept clean and tidy, not to cause a nuisance and to inform the City of any required maintenance.

Should the Stirling Street Art's Centre proceed with redevelopment of the site the redevelopment clause will be brought into effect, the City may terminate the Lease giving the Lessee written notice by Twelve (12) months, in writing, of the termination of the Lease.

### **Analysis of Financial and Budget Implications**

Peppercorn rent.

### **Community Consultation**

The Bunbury City Band advised the City, in writing, they wished to apply for a new lease on 8 June 2014 and the South West Wind & Jazz Orchestra advised the City on the 8 October 2014 by email.

The Draft Deed of Lease was forwarded to the Applicant's on 24 September for review and no changes have been made, the Applicants were also advised the Agenda Item is being prepared for presentation to Council.

Advertising in accordance with the provisions of Section 3.58 of the *Local Government Act 1995*.

### **Councillor/Officer Consultation**

The Development Coordination Unit has no objections to the proposed lease.

### **Outcome – Council Meeting 25 November 2014**

Cr Steck declared an impartiality interest (see Section 5)

The recommendation (as printed) was moved Cr Cook, seconded Cr McNeill.

The Mayor put the motion to the vote and was adopted to become the Council's decision on the matter.

**Council Decision 440/14**

***Council agrees to grant a new Deed of Lease to the Applicant's over portion of Reserve 31563, Lot 534 Stirling Street, Bunbury for a period of five (5) years with a further option of five (5) years, subject to the terms and conditions as specified in the report, and the following:***

- 1. Advertising in accordance with the provisions of Section 3.58 of the Local Government Act 1995.***
- 2. Approval of the Minister for Lands.***

CARRIED

13 votes "for" / Nil votes "against"

**10.11 Hay Park Master Plan (was listed as item 10.3.2 of the Council Agenda)**

<b>File Ref:</b>	SLAL
<b>Applicant/Proponent:</b>	Internal Report
<b>Author:</b>	Gary Thompson, Sport and Recreation Liaison Officer
<b>Executive:</b>	Stephanie Addison-Brown, Director Corporate and Community Services
<b>Attachments:</b>	Appendix DCCS-2: Hay Park Master Plan

**Summary**

The Hay Park Master Plan outlines the rationale for the development of the Master Plan prioritisations to enhance the current Hay Park facilities. As a result of extensive consultation, background research, needs analysis and creative thinking the proposed development of the Master Plan will ensure that the facilities at Hay Park are of a standard that is acceptable and appropriate to the Hay Park users.

The development works proposed in the Hay Park Master Plan will not only meet the Hay Park Users current needs and demands but will also cater for future needs and demands.

**Executive Recommendation**

That Council endorse the Hay Park Master Plan for public comment until 27 February 2015.

**Background**

The Hay Park Master Plan has been devised over the past 12 months with work having gone into researching past reports, reviews and studies into the condition of the facilities at Hay Park and comparing them to what the current condition of the Hay Park facilities are at present.

Reviewing past reports and comparing what recommendations were made in them, in terms of upgrades to the Hay Park facilities the Hay Park Master Plan has focused on highlighting how very little development work has been carried out over not just the last 50 years but even in the last 10 years when those reports, reviews and studies were carried out.

The Hay Park Master Plan demonstrates what development works need to be carried out at Hay Park for the facilities to be of a standard that is not only suitable for visitors to Hay Park but for the main Hay Park users. The development works outlined in the Hay Park Master Plan have been listed as priority needs which have been created by both reviewing internally the City of Bunbury's needs for Hay Park but also by carrying out community consultation with the Hay Park users.

The Hay Park Master Plan provides recommended dates for development works to be carried out along with cost of the development works and potential funding avenues to be sourced to contribute to the development works.

**Council Policy Compliance**

Not Applicable

**Legislative Compliance**

Not Applicable

### **Officer Comments**

There are a large number of sport and recreation clubs in Bunbury who believe that previously when reviews, reports and studies relating to sport and recreation have been carried out, the findings and priority needs that have been outlined have been dictated to them rather than being discussed with them to actually find out if the priority needs cater for their needs and requirements.

With the recommendation for Council to endorse the Hay Park Master Plan for public comment we believe that this will allow for the Bunbury community to review the Hay Park Master Plan and provide comment as to whether what has been outlined in this master plan caters for their needs.

### **Analysis of Financial and Budget Implications**

Not Applicable

### **Community Consultation**

In January 2014 all sport and recreation clubs located at Hay Park were asked to complete a Hay Park User Survey to get their views and opinions on the current Hay Park facilities as well asking them for what they believed were the required priority needs for Hay Park. The feedback received from these user's surveys was used when devising the priority needs for Hay Park.

Once the first draft of the Hay Park Master Plan was complete, the Hay Park users were asked to attend a Hay Park Users Group Prioritisation Meeting. At this meeting the Hay Park users were presented with a draft of what the Hay Park Master Plan showed as priority needs and users were asked to consider these and add any that they felt should be included.

Hay Park users were asked to base their opinions and views from how these priority needs would benefit firstly their club but secondly how it could also benefit all users of Hay Park.

At the end of the Hay Park Users Group Prioritisation Meeting all of the Hay Park users were satisfied with what the Hay Park Master Plan had outlined as priority needs for Hay Park and asked proposed several additional suggestions for inclusion in the Master Plan.

Another meeting is scheduled for Thursday 13 November 2014 where the City will provide the same presentation to the user group that was given to Council in October 2014.

### **Councillor/Officer Consultation**

Consultation took place between the following City of Bunbury Officers:

1. Sport, Leisure and Active Lifestyle Manager
2. Sport and Recreation Liaison Officer
3. Manager Building and Trades
4. Manager Civil and Open Space
5. Community Development Officer/Access Inclusion Officer
6. Environmental Health Officer

On Tuesday 18 October 2014 a power point presentation on the Hay Park Master Plan was presented at the Council Briefing Session.

**Outcome – Council Meeting 25 November 2014**

Mr Gordon Pattenden addressed Council on the matter.

The recommendation (as printed) was moved Cr McNeill, seconded Cr Hayward.

The Mayor put the motion to the vote and was adopted to become the Council's decision on the matter.

**Council Decision 441/14**

***That Council endorse the Hay Park Master Plan for public comment until 27 February 2015.***

CARRIED

13 votes "for" / Nil votes "against"



**10.12 Business Improvement District Working Group** (*was listed as item 10.5.1 of the Council Agenda*)

<b>Applicant/Proponent:</b>	Internal
<b>Author:</b>	Bob Karaszkewych
<b>Executive:</b>	Bob Karaszkewych, Director Planning and Development
<b>Attachments:</b>	Nil

**Summary**

The purpose of this report is for Council to consider whether it wishes to disband the Business Improvement Working Group given the host of initiatives currently under discussion and consideration between the BCCI and the City as detailed within this report.

**Executive Recommendation**

That Council:

1. Disband the Business Improvement Working Group.
2. Requests the CEO to write a letter of appreciation to the Bunbury Chamber of Commerce and Industry for hosting the BID public forum.
3. The City continues dialogue with the Bunbury Chamber of Commerce and Industry in relation to initiatives that contribute to the promotion and development of the City.

**Background**

The Business Improvement District (BID) model is becoming a mainstream policy and management tool in collaboration with business districts to apply entrepreneurship, social capital, and the management of a public/ private partnership at the heart of community revitalisation and development. The Council at its meeting on the 26 November 2013 resolved the following:

***Council Decision 356/13***

- 1. Council appoint Cr Hayward to accompany Councillor Michelle Steck as the second Councillor Representative on the Business Improvement District Working Group.***
- 2. The outcomes of the City of Bunbury CBD discussion forum including parking, traffic management and transport associated issues be incorporated into a draft report to come back to Council in January 2014.***

The Business Improvement (BID) Working Group (through the auspices of the City) has conducted a public forum.

The group's activities have not materialised and have been overtaken by interrelated Bunbury Chamber of Commerce and Industry initiatives, such as:

- City Heart Promotions and Marketing initiatives
- Planning and Development including CBD/ Marlston Car Parking Study/Strategy review
- Advertising Signs Policy
- BCCI paper - Planning and Development Stakeholders Feedback to Grow Bunbury
- BCCI review on any impediments to economic growth and development approval processes and planning policy

**Council Policy Compliance**

There is no Council Policy applicable to this item.

### **Legislative Compliance**

Not Applicable.

### **Officer Comments**

The first CBD discussion forum was held on 25 November 2013. Business owners and key stakeholders had been invited. The Bunbury Chamber of Commerce and Industry representatives were also in attendance.

Since January 2014, the BCCI has consulted on the Marlston Waterfront and Koombana North within the draft Terms of Reference to encapsulate adjacent complementary areas to the CBD, over time. The Group recommended additional time to complete a review of the draft Terms of Reference and the provision of a further report to Council.

In February the City wrote to the Fremantle BID executive as to the timing of the presentation to the Bunbury business community on its experiences on building business community enthusiasm; how did the private BID company form; its current structure and support from the Fremantle City Council and participation of the business community; achievements to date; and where to from here.

The BCCI had agreed to conduct the business forum on Friday 11 April. An invitation brochure was prepared for distribution to BCCI members and the wider business community to host presentations by:

- David West, Principal Consultant, Premier Retail Marketing on the benefits from a collective approach to improving the visual appeal, business growth, and performance of the CBD through: Business and Economic Development; Marketing and Promotion; Management and Organisation; and Business Improvement District (BID); and
- Ms Kim Low, Executive Manager, Fremantle Business Improvement District, her experiences on a public/private partnership in which property and business owners elected to make a collective financial contribution towards the revitalisation of their commercial district implementing initiatives for a more attractive and activated business district better able to compete with nearby retail and business centres, marketing/special events/public relations/promotional materials for the Fremantle CBD.

The City also wrote to the BCCI requesting it provide its review of the Advertising and Signs Policy, and the Car Parking Strategy. In June the BCCI made a presentation to the Council on planning and development, improvements to marketing and promoting our City, as well as car parking and local planning policies. This was followed-up with a request for discussion on its paper “Planning and Development Stakeholders Feedback to Grow Bunbury” to enable officers to prepare a report to the Council.

In August the City wrote to the BCCI regarding the proactive initiatives of the Fremantle BID group for its consideration. A big focus for the BID this year is Street Activation. Working closely with local businesses on a street by street approach, BID members have the opportunity to animate and revitalise their streets. To achieve this, the BID created online communities made up neighbouring businesses through the online communities we will regularly send ideas from around the world to stimulate thinking and to discuss within a private online group. Online communities are also a great

way to communicate any issues you are having with safety, antisocial behaviour, theft and anything else which affects your business.

Following on from this, the Director of Planning and Development and Manager Sustainability and Integrated Land Use Planning met with the BCCI members initiating discussions on what appeared to be more agreement than not, on matters previously raised by the BCCI to the Council, as matters of concern. The City has yet to receive a letter of consensus from the BCCI.

#### **Analysis of Financial and Budget Implications**

There are no financial or budgetary implications associated with this item.

#### **Community Consultation**

Not Applicable

#### **Councillor/Officer Consultation**

On 29 October 2014, Council representatives on the working group Councillors Steck and Hayward were invited to review the draft agenda item on the establishment of the working group. Councillors Steele, Morris and McNeil having interest in the water playground project requested to review the agenda item. An invitation was extended to elected members to provide comment to enable officers to incorporate elected members comments, prior to finalising the item to council. At the time of finalising this item (12 November 2014) no comments had been received.

#### **Outcome – Council Meeting 25 November 2014**

The recommendation (as printed) was moved Cr Jones, seconded Cr Kelly.

The Mayor put the motion to the vote and was adopted to become the Council's decision on the matter.

#### **Council Decision 442/14**

##### ***That Council:***

- 1. Disband the Business Improvement Working Group.***
- 2. Requests the CEO to write a letter of appreciation to the Bunbury Chamber of Commerce and Industry for hosting the BID public forum.***
- 3. The City continues dialogue with the Bunbury Chamber of Commerce and Industry in relation to initiatives that contribute to the promotion and development of the City.***

CARRIED

8 votes "for" / 5 votes "against"

**11. Applications for Leave of Absence**

Nil

**12. Motions on Notice**

Nil

**13. Questions on Notice**

**13.1 Response to Previous Questions from Members taken on Notice**

Nil

**13.2 Questions from Members**

Nil

**14. New Business of an Urgent Nature Introduced by Decision of the Meeting**

Nil

**15. Meeting Closed to Public**

Nil

**15.1 Matters for which the Meeting may be Closed**

Nil

**15.2 Public Reading of Resolutions that may be made Public**

## **16. Closure**

The meeting was declared closed at 6:20 pm.

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Confirmed this day 9 December 2014 to be a true and correct record of proceedings of the Bunbury City Council Meeting held 25 November 2014.

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**Mr Gary Brennan**  
**MAYOR**