



MISSION AND VALUES OF COUNCIL

"A Sustainable Community that is inclusive, attractive, healthy and pleasant to live in, that uses our land so as to preserve our history and environment, respects the rights and equality of our citizens and manages our future growth wisely."

AGENDA

FOR THE

SPECIAL MEETING OF COUNCIL

TO BE HELD IN THE COUNCIL CHAMBERS AT 5.00PM

13 JULY 2011

OUR MISSION

"To provide a quality range of affordable and sustainable services to our community with a strong commitment to customer focus so that our citizens and visitors enjoy a quality lifestyle."

CORE VALUES OF THE SHIRE

The core values that underpin the achievement of the mission will be based on a strong customer service focus and a positive attitude:

Communication

Respect

Integrity

Transparency

Courtesy

DISCLAIMER

The purpose of Council Meetings is to discuss, and where possible, make resolutions about items appearing on the agenda. Whilst Council has the power to resolve such items and may in fact, appear to have done so at the meeting, no person should rely on or act on the basis of such decision or on any advice or information provided by a Member or Officer, or on the content of any discussion occurring, during the course of the meeting.

Persons should be aware that the provisions of the Local Government Act 1995 (Section 5.25 (e)) establish procedures for revocation or rescission of a Council decision. No person should rely on the decisions made by Council until formal advice of the Council decision is received by that person. The Shire of Broome expressly disclaims liability for any loss or damage suffered by any person as a result of relying on or acting on the basis of any resolution of Council, or any advice or information provided by a Member or Officer, or the content of any discussion occurring, during the course of the Council meeting.

SHIRE OF BROOME

**SPECIAL COUNCIL MEETING
13 July 2011**

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NOTICE OF MEETING

Dear Council Member,

The next Ordinary Meeting of the Shire of Broome will be held on Wednesday 13 July 2011, in the Council Chambers, Corner Weld and Haas Streets, Broome, commencing at 5.00pm

Regards

K R DONOHOE
Chief Executive Officer

8 July 2011

1. OFFICIAL OPENING

2. ATTENDANCE AND APOLOGIES

Attendance

Leave of Absence

Apologies

Officers

Public Gallery

3. DECLARATIONS OF FINANCIAL INTEREST

Councillor	Item No	Page No	Item	Nature of Interest

4. PUBLIC QUESTION TIME

5. CONFIRMATION OF MINUTES

Nil.

6. ANNOUNCEMENTS BY PRESIDENT WITHOUT DISCUSSION

7. PETITIONS

8. MATTERS FOR WHICH MEETING MAY BE CLOSED

9.

REPORTS

OF

OFFICERS

9.1

LEADERSHIP / GOVERNANCE

AND

ORGANISATION



OUTCOME

*To provide open, transparent and good governance
to the community.*

9.2

BUSINESS ENTERPRISE / PROPERTY

AND

STRATEGY DEVELOPMENT

OUTCOME

9.2.1 BROOME MULTIPURPOSE ARTS & COMMUNITY VENUE (BMACV)

LOCATION/ ADDRESS:	Between Barker, Weld, Haas and Hamersley Streets
APPLICANT:	N/A
FILE:	CSP001.13
AUTHOR:	Deputy Chief Executive Officer
CONTRIBUTOR/S:	Senior Special Projects Officer
RESPONSIBLE OFFICER:	Chief Executive Officer
DISCLOSURE OF ANY INTEREST:	N/A
DATE OF REPORT:	11 July 2011

SUMMARY: To seek Council approval of:

- WALGA Tender Services Bureau recommendation for the preferred service provider for the construction of the BMACV;
- variation to project works; and
- the revised project budget.

BACKGROUNDPrevious Considerations

OCM 25 September 2008 -	Item 9.2.1
SCM 23 February 2009 -	Item 9.2.2
SCM 24 April 2009 -	Item 9.2.1
SCM 13 October 2009 -	Item 9.2.1
SCM 22 December 2009 -	Item 11.1
SCM 7 May 2010 -	Item 9.2.1
OCM 25 November 2010 -	Item 9.2.3

At a Special Meeting of Council held on 7 May 2010, Council approved the concept design by James Christou & Partners, now Christou Design Group (CDG) being Stage 2 of the tender process and subsequently committed to proceed with Stage 3 of the tender process. This was subject to the execution of the Department of Culture and Arts Grant Agreement.

At an Ordinary Meeting of Council on 25 November 2010, Council adopted the terms of the proposed Department of Culture and the Arts Grant Agreement for the redevelopment of the Broome Civic Centre as the BMACV.

COMMENT**Overall Project Review**

Commencing 30 May 2011, the newly appointed Deputy CEO and Senior Special Projects Officer (new Project Manager for BMACV) began a full review of the project. This was initiated by the Deputy CEO being the new responsible officer for the BMACV project and to ensure project hand over guidelines are met.

This internal review included the Tender Process, Project Works, Department of Culture and the Arts, Project Budget and Leverage Funding, Future Actions and liaising with architects.

Outlined below is a summary of these activities.

Tender Process

In preparation for the tender, the Shire of Broome appointed the Western Australian Local Government Association (WALGA) Tender Bureau Service in June 2010 to prepare, advertise, receive and independently evaluate tenders and recommend a successful tender for Councils consideration.

Request for Tender 11/05 – “*Construction of the Broome Multipurpose Arts & Community Venue*”, was advertised on the Tenderlink Website, the West Australian Newspaper on 2 April 2011 and the Broome Advertiser on 7 April 2011, with the closing date of 17 May 2011 with evaluations concluding June 24 2011.

After completion of the evaluation process, WALGA Tender Bureau Service has recommended a tenderer for the construction of the Broome Multipurpose Arts & Community Venue as per the confidential attachment (refer confidential attachment 1).

The WALGA tender process is comprehensive and includes the following steps:

- Immediately following the closing date of Request for Tenders, an initial compliance assessment is conducted by the WALGA representative to assess that each tender conformed to the essential requirements as contained in the publicly advertised Request for Tender.
- An Evaluation Panel was established consisting of one member of the Tender Services Bureau of WALGA, one member from CDG and two staff members from the Shire of Broome. The evaluation panel then individually assessed each submission in accordance with the Qualitative Criteria which incorporated:
 - o demonstrated capacity and experience (including projects of a similar size and experience in the Northwest),
 - o tenderers resources (including key personnel and proposed use of local resources) and performance (including project delivery, waste management and retention/accommodation of key personnel).
- These individual assessments were then combined and each tender was then rated qualitatively on compliance with the Qualitative Criteria (presented in a graphical presentation within confidential attachment 1).
- The Lump Sum costs of each tender were then established and a composite graphical representation comparing the Qualitative Criteria against Cost of all tenderers was produced. This is also included as part of confidential attachment 1.
- From this composite comparison as well as consideration of potential risk and the Shire of Broome Local Price Preference Policy, a short list was produced and subsequent reference checks were performed to further refine the final recommendation to Council (refer confidential attachment 2).

The final recommendation presents a single preferred tenderer and is supported unanimously by the Evaluation Panel. The Deputy CEO will provide additional detail regarding the tender process and further considerations for Council at the Agenda Briefing.

Project Works

a). Building Licence Approval Process

The Building Licence (BL) process is proving to be lengthy with staff responding on the 12th April 2011 to the Architects BL application. Forty four items were outlined as needing clarification and/or amendment with only 20 items being addressed to date. Staff are continuing to liaise with the Architect regularly.

b). Water Mains

Staff have investigated the possibility of alternative water supply methods which could result in improvements to site aesthetics, prove more cost effective, eliminate asset maintenance and renewal costs whilst achieving fire safety and protection requirements.

The investigation includes the possible provision of the facility’s water supply directly from the town water main rather than from constructed tanks and pump system located on site behind the facility. The two proposed tanks are approx 5m high with a diameter of 5m. The visual amenity would be significantly improved due to the absence of the tanks. Cost savings could be achieved through the elimination of initial construction and delivery of tanks, maintenance, renewal, testing and Shire response to potential vandalism. Cost savings could be in the vicinity of \$250,000-00 (current allocation in project budget) with initial costs of approx \$50,000-00 for mains connection being primary one-off expenditure.

This initial investigation and water capacity testing is ongoing in the short term and will require certification from a recognised testing body to satisfy Fire and Emergency Services Authority (FESA) and engineering requirements before any recommendations to variation are escalated. CDG are involved in the process.

c). Solar Energy

Staff have reviewed the solar energy component and examined the possible inclusion of a photo-voltaic array as part of the original construction regime as opposed to the initial suggestion to retro-fit the capability post construction.

Due to minimal increase to the overall cost of construction (\$11,077,000) being approximately 1.8% (\$201,400-00), staff are recommending that Council consider solar energy in the first instance and increase borrowings.

Photo-voltaic Array	Amount (Not inc GST)
RBB Estimate June 2010 for product and installation	\$740,000-00
Consultancy fee 6%	\$44,400-00
TOTAL	\$784,400-00
Less existing Reserve Funds	\$400,000-00
Less existing Grant Funds RLCIP	\$183,000-00
TOTAL LOAN INCREASE	\$201,400-00

Department of Culture and the Arts (DCA):

On June 1 2011, written correspondence was received from DCA seeking clarification regarding omissions from the tender document in addition to cost considerations. These omissions included a laundry facility, paint sinks and universal platform lift. Architects confirmed on the 1st July 2011 that contract documents now included the original DCA request which has now also been confirmed with DCA. Communication between Shire staff and DCA is weekly, with clarification / updates provided when required.

Project Budget:

During the project review, staff have identified anomalies within earlier estimates and have developed a revised budget (refer confidential attachment 3) that reflects these variations. The revised budget is based on the pre-tender cost estimate supplied by CDG in conjunction with:

- exclusions that have been previously identified but not quantified;
- exclusions that have subsequently been identified; and
- inclusion of solar energy upfront and not retro-fitted.

As a result of the budget variation, staff are recommending to Council that the original loan allocation of \$2,200,000-00 be increased to cover exclusions and solar. Increase in borrowings is in line with Councils resolution at the SCM, 7 May 2010 (refer attachment 4):

"That Council:

3). Subject to the outcome of the construction tender process, considers increasing its loan to cover additional costs associated with the project if necessary"

As outlined in the DCA Grant Agreement Clause 2.9.a.(ii).(B), DCA will be notified of all departures from the original project plan with DCA approval sought prior to proceeding. Full cost implications to the Shire's overall CAPEX and operational budget will be reflected in the new Operational Budget to be adopted by Council in July 2011, in addition to the revised 10 Year CAPEX Plan and the new Long Term Financial Plan which is currently being aligned to the Strategic and Corporate Plan 2011-2016 (adopted OCM 7 July 2011).

Staff have also identified that quotes obtained earlier in the planning process may expire which can result in the service provider rescheduling works and increasing costs. One provider Horizon Power, have worked with the Shire during this review stage and have confirmed in writing an extension to the acceptance date for works (now 22 July 2011) and a holding of the fee for service quote.

The table below outlines funding streams for capital expenditure.

Funding Source: *BMACV budget Forecast*

Funding Type	Capital or Start Up Expense	Life Cycle Costs (Annual)		Funding Details (eg RLCIP)	Account Number
		Cost \$	*Cost Type		
Grant	\$4.843m			DCA	161150
Grant	\$1.003m			CLGF (R4R)	Confirmed
Grant	\$0.183m			RLCIP Solar	Confirmed
Reserve	\$0.400m			Solar Energy	Restricted Cash Reserve
OPEX	\$0.040m			For purpose of Fit Out	Restricted Cash Reserve
Shire cash contribution	\$4.608m	\$612k p.a. repayments		Treasury Loan	P & I @ 5.73% over 10 years
TOTAL	\$11.077m				
*Cost Type – Asset: New, Upgrade, Renewal, Maintenance, Operating. Service: Start up and Operating					

Income and Expenditure – Cash Flow to Date:Income:

Receipt of DCA grant payments has been by way of instalments. Following payments have been received by the Shire for the 2010/2011 financial year:

2010/2011

DATE	DESCRIPTION	AMOUNT
8/12/10	1 ST Payment on Execution of DCA Funding Agreement	\$ 243,030-90
27/1/11	2nd Payment for works completed	\$ 726,539-55
8/4/11	3 rd Payment	\$1,210,899-20
	TOTAL GRANT FUNDS RECEIVED FROM DCA	\$2,180,469-65

Expenditure:

The following tables outline expenditure to date for the 09/10 and 10/11 financial years:

2009/2010

DATE	DESCRIPTION	AMOUNT
3/7/09	Christou Design Group - stage 1 Structural Survey	\$7,700-00
30/9/09	Christou Design Group - workshop and site visit	\$6387-75
14/4/10	Christou Design Group - Payt of consultant fees for completion of Stage 1 and 40% completion of Stage 2	\$49,746-64
30/4/10	Christou Design Group - Payt of consultant fees for completion of stage 2 being 60%	\$65,626-00
31/5/10	Christou Design Group - Payt for 25% completion of Stage 3	\$26,511-00
TOTAL		\$155,971-39

2010/2011

DATE	DESCRIPTION	AMOUNT
30/6/10 – 1/7/10	Christou Design Group – Payt of consulting fees	\$77,690-00
18/10/10	Planning Application Fees	\$14,935-20
30/11/10	Christou Design Group – Payt of consulting fees	\$56,533-00
20/12/10	Fire and Safety Testing	\$1,475-00
21/12/10	Christou Design Group – Payt of consulting fees	\$20,208-00
17/2/11	Horizon Power – Design Fee for electrical connection	\$8,948-18
31/2/11	Christou Design Group – Payt of consulting fees	\$71,220-00
31/3/11	Christou Design Group – Payt of consulting fees	\$109,792-00
20/4/11	Building Licence Fees	\$16,131-41
20/4/11	Copy Cats prints of plans	\$322-50
31/5/11	Surfmet – Soil Lab Testing	\$1,060-00
TOTAL		\$378,315-29

Approx 72% of consulting fees have been paid to date - Budget \$664k Actual \$478k.

LEVERAGE FUNDING:

As outlined in the revised budget and depending on the direction Council takes in consultation with CDG, there are possible funding streams available which can be leveraged to support the project. Staff have identified three (3) possibilities and seek Council's direction.

1). Regional Development Council's (Council) Action Agenda Funding Scheme:

This new initiative is being administered by the Department of Regional Development and Lands (RDL) and aims to prioritise investment decisions to achieve more effective regional development outcomes, which result in a productive and beneficial legacy for regional communities.

Priority will be given to projects that deliver outcomes against one or more of the six (6) priority areas of the Council's Action Agenda and that are worth over \$500 000. A total of \$75 million (Statewide), including out-year funding, will be available for this round.

Funding is available to assist the development of infrastructure or service projects that have strategic impact against the Action Agenda outcomes in one or more of the following six priority areas:

- Housing and Services
- Employment, Infrastructure and Skills
- Health
- Education
- Social and Environmental Amenity
- Leadership and Decision-Making

The approach aims to improve the social, cultural and environmental amenity for regional residents, to complement and support regional economic and social development. Submission amount (due 22 July 2011) \$560,276 comprising of:

PURPOSE	AMOUNT
Headworks: Power \$86,876 Water \$21,000	\$107,876
Solar Fitout / photo-voltaic	\$201,400
DCA Requirements: Laundry facility Paint sink Platform Lift	\$ 35,000
Fit Out: Loose furniture \$40,000 Kitchen/Bar \$130,000 Misc. cabinetry \$10,000 Additional lights \$6,000 Work stations \$30,000	\$216,000
TOTAL	\$560,276

2). Country Local Government Fund (CLGF) 2011/12 - Royalties for Regions (R4R):

The CLGF allocation for 2011/2012 has been completed with the Shire of Broome being allocated \$881,580-00. Confirmation of allocation was received 4th July 2011 (refer attachment 5). Council Agenda Item from 15 Dec 2010 (refer attachment 6) outlines the estimated CLGF allocation of \$772,000-00 for 2011/12 as follows:

- Administration Solar \$217,000-00
- Broome Recreation and Aquatic Centre – Basketball/Netball Courts \$350,000-00
- Tram Restoration Workshop \$205,000-00

With the increase in the overall BMACV budget and services (ie solar installation upfront), staff seek confirmation from Council that the above allocation remains unchanged with difference in grant allocation of \$109,580-00 (CLGF total grant \$881,580) being allocated to the BMACV.

3). Lotterywest:

In April 2006, the Shire received confirmation from Lotterywest for \$241,000-00 being a grant for the purpose of constructing several community use spaces within the venue.

An extension was granted from Lotterywest from original drawdown date to 13 February 2010. Unfortunately, due to the protracted timeframe associated with the development of the then, Performing Arts Centre, Lotterywest advised that it was unable to carry funds forward and withdraw funding in April 2010.

Now that the BMACV is 'project ready', staff will be seeking to leverage funds through Lotterywest again for the same purpose during the next round of submissions commencing shortly.

Below is an example of the scenario if all grant applications are successful on the amounts outlined above. Council may seek to amend grant allocation or amounts.

Example of Financial Impact should grant applications be successful:

Funding Type	Capital or Start Up Expense	Life Cycle Costs (Annual)		Funding Details (eg RLCIP)	Account Number
		Cost \$	*Cost Type		
Grant	\$4.843m			DCA	161150
Grant	\$1.003m			CLGF (R4R)	
Grant	\$0.183m			RLCIP Solar	
Reserve	\$0.400m			Solar Energy	Restricted Cash Reserve
OPEX	\$0.040m			For purpose of Fit Out	Restricted Cash Reserve
GRANT	\$0.217m			CLGF 2011/12 - Royalties for Regions (R4R)	
GRANT	\$0.110m			CLGF 2011/12 - Royalties for Regions (R4R)	
GRANT	\$0.560m			Regional Development Council's Action Agenda Funding Scheme	
GRANT	\$0.241m			Lotterywest	
Shire cash contribution	\$3.480m	\$462k p.a. (\$150k less or approx 1% rate decrease)	Loan repayments	Treasury Loan	P & I @ 5.73% over 10 years
TOTAL	\$11.077m				

Future Actions

The following dot points outline in chronological order, key actions that will take place post this agenda item being adopted by Council. Dates are approximates only to assist with timeframes:

- July 2011 - Award tender
- Contractor documentation and mobilisation to site (may take a month from awarding tender)
- Hold community information session (as per Council resolution May 2010 - attachment 4)
- Final meeting of Broome Performing Arts Advisory Committee (as per Council resolution May 2010 - attachment 4)
- Pre-commencement Contract Meeting (all parties present)
- Removal of items (furniture etc) from building prior to commencement of works
- Develop Management Operational Plan - after tender is awarded and design (Stage 1 and/or 2) is confirmed - as per Building Licence, Fire Engineers Report and DCA funding agreement.
- 17/8/11 - Commence Construction
- Dec 2011 – six monthly budget review in line with Shire's budget review and stakeholder financial reporting
- 23/3/12 – Practical Completion (40 weeks as per CDG plan)
- 23/4/12 - Approximate completion date (1 month extra for variations and delays)
- May 2012 – six monthly budget review in line with Shire's annual budget and stakeholder financial reporting
- 23/4/13 - Completion of defects liability period (industry standard 1 year period)

Council should also note that \$5,000-00 (actual) is allocated in the 11/12 budget for a management plan. Funds were allocated in the previous financial year however this was not utilised.

CONSULTATION

Nil.

STATUTORY ENVIRONMENT

Local Government Act 1995

Section 1.8 Statewide public notice

"Where under this Act Statewide public notice of a matter is required to be given, section 1.7 applies except that the newspaper referred to in section 1.7(1)(a) is required to circulate generally throughout the State."

Section 3.57 Tenders for providing goods or services

"(3) A local government is required to invite tenders before it enters into a contract of a prescribed kind under which another person is to supply goods or services.

(4) Regulations may make provisions about tenders."

Local Government (Functions and General) Regulations 1996

Section 5 R14 & R15

14. *Requirements for publicly inviting tenders*

(1) When regulation 11(1), 12 or 13 requires tenders to be publicly invited, Statewide public notice of the invitation is to be given.

(2) If the CEO has, under regulation 23(4), prepared a list of acceptable tenderers, instead of giving Statewide public notice the CEO is required to give notice of the invitation to each acceptable tenderer listed.

(2a) If a local government —

(a) is required to invite a tender; or

(b) not being required to invite a tender, decides to invite a tender, the local government must, before tenders are publicly invited, determine in writing the criteria for deciding which tender should be accepted.

(3) The notice, whether under subregulation (1) or (2), is required to include —

(a) a brief description of the goods or services required;

(b) particulars identifying a person from whom more detailed information as to tendering may be obtained;

(c) information as to where and how tenders may be submitted; and

(d) the date and time after which tenders cannot be submitted.

(4) In subregulation (3)(b) a reference to detailed information includes a reference to —

(a) such information as the local government decides should be disclosed to those interested in submitting a tender;

(b) detailed specifications of the goods or services required;

(c) the criteria for deciding which tender should be accepted;

(d) whether or not the local government has decided to submit a tender; and

(e) whether or not the CEO has decided to allow tenders to be submitted by facsimile or other electronic means, and if so, how tenders may so be submitted.

(5) After a notice has been given under subregulation (1) or (2), a local government may vary the information referred to in subregulation (3) by taking reasonable steps to give each person who has sought copies of the tender documents or each acceptable tenderer, as the case may be, notice of the variation.

[Regulation 14 amended in Gazette 29 Jun 2001 p. 3130.]

15. Minimum Time to be allowed for submitting tenders

(1) if the notice is published in the newspaper as part of giving Statewide public notice, the time specified in the notice as the time after which tenders cannot be submitted has to be at least 14 days after the notice is first published in the newspaper as part of giving Statewide public notice

(2) If the notice given to a person listed as an acceptable tenderer, the time specified in the notice as the time after which tenders cannot be submitted has to be at least 14 days after the notice is given.

POLICY IMPLICATIONS

1.2.9 CEO and Governance - CEO - Local Price Preference Policy

2.3.7 Purchasing Policy

2.4.1 Asset Management

FINANCIAL IMPLICATIONS

Refer to Project Budget and Leverage Funding as above.

Asset Management

For modelling purposes, below is a table based on a \$10m capital investment. This relates only to ongoing renewal and maintenance costs however revised modelling would need to take place once the functionality, services and structure is confirmed as this will affect expenditure. Please note that renewal and maintenance expenditure is modelled on a category 1 (high priority) asset with the highest rating of intervention for maintenance. This level of service would need to be confirmed with Council for future CAPEX requirements and long term financial planning.

Asset Management: *BMACV budget forecast example*

	Capital Expense	Lifecycle Cost (annually)	Remarks
Capital Expense			
Renewal	\$2.8m		
Upgrade	\$0.9m		
New	\$6.3m		
Budget Impact			
Renewal		\$207,900	Depreciation/Renewal
Maintenance		\$50,000	Modelling and Historic
TOTAL	\$10.0m	\$257,900	

In June 2009, Council commissioned the Pegasus Group of Companies to undertake a Viability Study and develop a 5 Year Business Plan for the Broome Performing Arts Centre. Although the concept and layout has changed, the table below provides an example of cash flow and operations.

PERFORMING ARTS CENTRE (2009)**PROPOSED FIVE-YEAR BUDGET (including pre-opening expenses)**

	Pre-Opening	Year 1	Year 2	Year 3	Year 4	Year 5
	\$	\$	\$	\$	\$	\$
Income						
Rental Hire Income	0	43,300	48,160	50,600	53,440	54,200
Wages Reimbursement	0	30,582	35,154	37,182	40,680	42,876
Other Reimbursements	0	75,315	83,426	88,044	92,923	94,504
Ticket Income	0	49,899	55,748	64,074	67,875	80,455
Beverage Profit/Loss	0	11,678	13,047	16,450	17,395	23,258
"Friends" Memberships	0	22,500	11,250	9,500	10,250	11,000
Sundry Income	0	975	1,248	1,248	1,404	1,404
Total Income	0	234,250	248,033	267,098	283,967	307,696
LESS EXPENSES						
Administration/Finance/ Operational	37,000	85,964	88,427	91,175	93,539	96,792
Performance Production Costs	5,750	69,598	79,504	88,261	96,545	104,402
Marketing Costs	23,000	17,714	21,107	21,509	21,922	22,345
Staff Wages & Overheads	129,281	222,970	236,306	248,257	262,268	276,227
Total Expenses	195,031	396,245	425,343	449,201	474,275	499,766
TOTAL PROFIT/LOSS	-201,751	-167,595	-183,191	-188,278	-196,790	-198,876
Accumulated Proposed Subsidy		-369,346	-552,537	-740,815	-937,605	-1,136,481
<u>ADD: Proposed Entrepreneurial Programming Entrepreneurial Profit / Loss</u>	0	-36,100	-36,368	-37,267	-38,329	-38,985
<u>Combined Proposed Subsidy</u>	-201,751	-203,695	-219,559	-225,544	-235,119	-237,862

In addition to the expenditure associated with asset management, Council will also need to subsidise operational expenditure potentially up to \$250k. Amendments to the Shire Annual Budget 2011/2012 will be forthcoming in the 6 monthly budget review later this year once final service levels and programming is confirmed.

STRATEGIC IMPLICATIONS**People**

Actively contribute to well-being and safety and support community initiative.

Place

Build partnerships with the community and other agencies to recognise, protect and enhance the natural environment and cultural heritage.

Ensure the Shire's infrastructure and assets are strategically planned and managed.

Prosperity

Partner with other agencies to ensure affordable and equitable services and infrastructure.

VOTING REQUIREMENTS

Absolute Majority

REPORT RECOMMENDATION

1. *That Council:*

- (a) *notes the revised budget, including the upfront inclusion of solar energy capability and the financial implications to the Shire of Broome construction and operating budget.*
- (b) *requests that the CEO, in line with the DCA Funding Agreement, Clause 2.9 'Variations', formally notify DCA of the variation to project works (being inclusion of solar energy capability), revised project budget and project timelines and seeks DCA approval to proceed.*
- (c) *authorises the Chief Executive Officer to increase borrowings to \$4,608m in line with SMC resolution May 7 2010 and requests the CEO to present:*
 - (i) *final construction budget;*
 - (ii) *asset management plan;*
 - (iii) *proposed operational budget; and*
 - (iv) *in due course, Long Term Financial Plan and 10 Year CAPEX Plan.*
- (d) *adopts the WALGA Tender Bureau recommendation and awards the construction of the Broome Multipurpose Arts & Community Venue to the preferred supplier as outlined in confidential attachment 1.*
- (e) *authorises the Chief Executive Officer to prepare a variation to contract to include the solar energy capability and advise the Project Manager, Christou Design Group and successful tender of variation to works.*
- (f) *authorises the Chief Executive Officer to continue to pursue the alternative option for water supply methodology to the facility in partnership with Christou Design Group and advise Council of the outcome once to hand.*
- (g) *holds a final meeting of the Broome Performing Arts Centre Advisory Group as well as a community information session to inform interested parties of the design rationale, features of the design concept and the process for the project moving forward (as per Council resolution May 2010).*
- (h) *authorises the CEO to apply for funding through the Regional Development Council's (Council) Action Agenda Funding Scheme (\$560,276-00), Lotterywest (\$241,000-00) and Country Local Government Fund (CLGF) 2011/12 - Royalties for Regions (R4R) \$109,580-00.*

Moved:

Seconded:

FOR:
AGAINST:

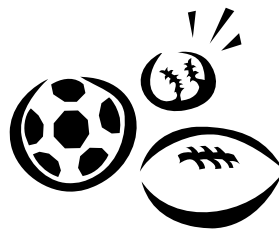
[Attachment: 14 Pages](#)

Attachments 1 to 3: 42 pages Confidential to Councillors and Directors only

9.3

CORPORATE AND COMMUNITY

SERVICES



OUTCOME

To facilitate the social wellbeing and development of the community.

9.3.1 DRAFT TOURISM ADMINISTRATION POLICY

LOCATION/ ADDRESS:	N/A
APPLICANT:	N/A
FILE:	ARA01
AUTHOR:	Manager Financial Services
CONTRIBUTOR/S:	N/A
RESPONSIBLE OFFICER:	Director Corporate & Community Services
DISCLOSURE OF ANY INTEREST:	N/A
DATE OF REPORT:	11 July 2011

SUMMARY: This report recommends that Council adopts the draft Tourism Administration Policy for the purpose of advertising for a period of 35 days.

BACKGROUNDPrevious Considerations

SCM 2 July 1999 -	5.2
OCM 22 July 2003 -	9.1.2
OCM 18 January 2007 -	9.1.3
OCM 11 April 2007 -	9.4.1
OCM 9 July 2009 -	9.4.3
OCM 14 April 2011 -	9.2.1

The Shire of Broome, in 2009, undertook a review of the definition and intent of the collection of differential rates for tourism initiatives. Kadar Pearson Partners Pty Ltd (KPP) was appointed to undertake the first stage of the review.

Following this, in 2010, the Shire of Broome appointed Dominic Carbone and Associates and Darren Long Consulting (DCA/DL) to:

- i) Facilitate a workshop forum for all stakeholders,
- ii) Determine other tourism marketing initiatives, if any, to be considered for support by Shire funds in addition to current support given to ANW and BVC,
- iii) Investigate and engage views on developing a model between stakeholder groups that creates a broader and more equitable base for tourism revenue raising beyond local government rates collection,
- iv) Make recommendations to Council for revising the tourism differential rating objectives to meet policy objectives of a broader and more equitable model for tourism economic development strategy, as developed from the stakeholder workshop,
- v) Supply a report providing recommendations from the outcomes of the workshop and the future strategy for tourism differential rating.

As a result of the key findings, the following recommendations were been developed by DCA/DL for Council consideration:

- (1) That marketing and promotion of Broome as a tourist destination continue to be funded through the Local Government Property Rating Framework utilising the Differential Rating System.
- (2) That revenue collected through the differential rating system for the tourism component be distributed on a needs basis, with key stakeholders preparing and

submitting to the Shire four (4) year business plans disclosing their operations and proposed tourism initiatives.

- (3) That the Council give consideration to using the Multiplier Effect for Broome as an alternative rates distribution model for the tourism differential component.
- (4) That the Council formulate a Tourism Policy, which outlines the Council's role in the financing of tourism initiatives, in order to develop constructive partnerships with the local community, business groups, tourism industry operators and community organisations.

A sample Tourism Policy is included in the Report for the Council's consideration.

- (1) That the Shire of Broome initiate discussions with the Board of Broome International Airport for the purpose of introducing a passenger head tax to complement the revenue derived from the tourism differential rate component to promote tourism initiatives in Broome.
- (2) That the formation of an Advisory Group be established at the discretion of the Chief Executive Officer to advise him in relation to any matter pertaining to Broome Tourism, which will assist him in the preparation of reports to Council.

At the OCM 14 April 2011, the Council resolved to:

- "1). *Receive the Tourism Initiative Review Report from Domenic Carbone and Associates/Darren Long Consulting,*
- 2). *Adopts points 1,2,3,4 and 6 of the recommendations contained in the Tourism Initiative Review Report,*
- 3). *Refers recommendation 5 to the Advisory Group as specified in Point 6 for detailed consideration of the various options for further revenue generation for the promotion of Tourism in Broome including but not limited to the option of a head tax.*
- 4). *Requests staff:*
 - a). *to prepare a draft Tourism Administration Policy for the purposes of advertising for a period of 35 days;*
 - b). *to incorporate into the policy the use of the multiplier principle for Tourism Differential rating that being:*
 - *Broome Commercial 62.3%;*
 - *Broome Tourism 37.1%;*
 - *Dampier Short Stay Accommodation 0.6%.*
 - c). *to incorporate a section in the policy that clearly details the processes of applying the multiplier principle.*
 - d). *to incorporate the funding allocation to Australia's North West, Broome Visitor Centre and a discretionary amount will be determined by Council during annual budget deliberations."*

COMMENT

In response to Council's resolution of 14 April 2011 part 4 (b & c), the following section has been added to the Draft Tourism Administrative Policy for consideration;

8.0 Multiplier Effect Rating Model:

Based on the Kadar Pearson and Partners Pty Ltd Report – Tourism Impact Assessment 2009, the tourism multiplier effect for the Shire of Broome was quantified to determine that for every dollar spent in the Broome Tourism sector, the Broome Commercial sector derives a benefit of \$1.65. This proportion is used as the basis to determine the contribution model from differential rates, to raise a sum certain as determined by Council, for the purposes of supporting tourism initiatives and marketing.

In accordance with the multiplier principle for differential rating, the distribution of rates to raise a sum certain will be in the proportion of;

	Multiplier	Proportion
Broome Commercial rated properties	\$1.65	62.3%
Broome Tourism rated properties	\$1.00	37.7%

The rating process of applying the multiplier principle and a sum certain, is to remove the sum certain from each relevant differential rate, add the general rate increase percentage applicable for the year, then add back the sum certain according to the multiplier principle across relevant differential rates. The " *rate in the \$*" is then calculated on the required \$ yield from each relevant differential rating group.

The advantage of the above policy position is that Shire moves away from the previous mechanism that produced a "growth tax" and replaces this with a "sum certain" as a defined yield that is deemed sufficient to service the needs of Shires tourism initiatives. The budget year of 2010/11 yielded \$315,000 from the tourism differential rates and it is proposed to maintain this level of contribution in the short term whilst the affects of the new Tourism Administration Policy are progressed. An immediate affect in 2011/12 will be the alignment of differential rate yields according to the multiplier affect which reduces the yield from tourism rated properties and increases the yield from commercially rated properties.

Council will have discretion to adjust the total yield figure annually according to needs, and the indicative distributions are recommended to be maintained for 2011/12 subject to the new policy requirements.

CONSULTATION

Broome Visitor Centre
 Broome Chamber of Commerce
 Australia's Northwest
 Broome Resort General Managers Association

STATUTORY ENVIRONMENT

Local Government Act 1995**"6.33. Differential general rates**

- (1) A local government may impose differential general rates according to any, or a combination, of the following characteristics —
- (a) the purpose for which the land is zoned under a local planning scheme in force under the Planning and Development Act 2005;
 - (b) the predominant purpose for which the land is held or used as determined by the local government;
 - (c) whether or not the land is vacant land; or
 - (d) any other characteristic or combination of characteristics prescribed."

POLICY IMPLICATIONS

Proposed Tourism Administration Policy.

FINANCIAL IMPLICATIONS

The table below outlines the current distribution of monies raised from tourism differential rates and the indicative future distribution subject to policy:

Service: Tourism Initiatives:

	Budget Distribution 2010/11	Indicative Distribution 2011/12	Remarks
Australia's Northwest (ANW)	\$175,000	\$175,000	Subject to 4 Year Business Plan
Broome Visitor's Centre(BVC)	\$110,000	\$110,000	Subject to 4 Year Business Plan
Discretionary amount determined by Council	\$30,000	\$30,000	Other tourism initiatives subject to application by Project Brief
TOTAL SUM CERTAIN	\$315,000	\$315,000	A fixed Yield

The table below outlines funding sources for the tourism differential rate and the affect of introducing the multiplier principle.

Funding Source: Tourism Differential Rates

Funding Type	Existing Contribution %	Differential Rate Yield Comparison		Multiplier Affect %	+/- \$Change
		2010/11	2011/12		
Broome Commercial	34.1%	\$107,267	\$194,340	61.7%	+ \$87,073
Dampier Commercial	0.3%	\$1,052	\$1,905	0.6%	+\$853
Broome Tourism	64.7%	\$203,766	\$117,080	37.2%	- \$86,686
Dampier Short Stay Accommodation.	0.9%	\$2,915	\$1,675	0.5%	- \$1,240
TOTAL	100.0%	\$315,000	\$315,000	100.0%	\$0

STRATEGIC IMPLICATIONS

People

Effectively engage with our community by encouraging participation and providing information.

Place

N/A.

Prosperity

Support business and economic development.

VOTING REQUIREMENTS

Simple Majority.

REPORT RECOMMENDATION

That Council;

- 1. Adopts the draft Tourism Administration Policy for the purpose of advertising for a period of 35 days.*

Moved:

Seconded:

FOR:

AGAINST:

[Attachment: 4 pages](#)

9.3.2 AMENDMENT TO RURAL RATING POLICY

LOCATION/ ADDRESS:	N/A
APPLICANT:	N/A
FILE:	ARA13
AUTHOR:	Manager Financial Services
CONTRIBUTOR/S:	N/A
RESPONSIBLE OFFICER:	Director Corporate & Community Services
DISCLOSURE OF ANY INTEREST:	N/A
DATE OF REPORT:	11 July 2011

SUMMARY:**BACKGROUND**Previous Considerations

OCM 8 May 2008

OCM 17 December 2008

OCM 2 September 2009

In 2007 Council staff commenced a land use study of rateable Dampier Ward properties to ascertain appropriate methods of rating in terms of land use as required under the *Local Government Act 1995* (the act).

A report was tabled before Council at OCM 08 May 2008 and Council resolved:

- “1). *That Council undertakes a review of the basis of valuation used for rating Dampier Ward rural land use activities.*
- 2). *That consultation occurs in the form of general advice to the district (via advertising) of the Council’s decision to undertake the review, the rationale for the review and that comment is sought. Specific advice to affected ratepayers of the land use study.*
- 3). *That Council will consider review submissions as a basis to prepare a draft policy for advertising, with specific advice of the draft policy sent to affected ratepayers for comment.”*

After the review of 23 submissions, a report was presented to Council on 17 December 2008 and recommended that as a result of the land use review Council adopt a draft Rural Rating Policy for the purpose of advertising and further public comment.

At the OCM 17 December 2008, the Council resolved to:

- “1). *Adopts the Draft “Rural Rating Policy” for the purpose of advertising only for a period of 70 days for public comment.*
- 2). *Provide specific notice of the draft policy to affected ratepayers and invites submissions during the public comment period.”*

The second consultation was undertaken in accordance with Councils resolution of 17 December 2008, and a further 15 submissions were received and in summary the following concerns were raised:

- Argued that they were undertaking rural pursuits (10);
- Argued that rural operations provide majority of income (6);
- Rural operations did not support majority of income(6);
- Lack of services or access to services because of distance (5);
- Rubbish services not provided or too expensive (3);
- No sealed road to Coconut Well and Willie Creek(3);
- Wanted to see indicative rate comparisons for UV & GRV (2);
- Is intending to use, or existing use of, property for B&B operations (3); and
- The Shire should not encourage smaller lot sizes(1).

A further report was presented to Council on 2 September 2009 recommending adoption of the rural rating policy and that affected ratepayers be provided specific consultation where there is an intention to change the basis of rating.

At the OCM 2 September 2009, the Council resolved to:

- 1). *Adopt the "Rural Rating Policy".*
- 2). *Undertake a "Community Ratings Workshop" with affected persons in relation to the Rural Rating Policy.*
- 3). *Provide specific notice to affected ratepayers where there is an intention to change the method of valuation, in terms of policy, and invite submissions during a comment period of 35 days."*

COMMENT

The "Community Ratings Workshop" was held on 13 May 2011, facilitated by Domenic Carbone & Associates and Darren Long Consulting, with approximately 30 community members in attendance. During the workshop a number of specific issues were raised by workshop participants and answered by the consultants, as follows:

- **The Keeping of Minutes for the Workshop:**
The workshop was structured to canvas the views of workshop participants and provide participants with full information of statutory requirements that apply to a change in valuation methodology. The workshop was not a constituted meeting under the Local Government Act.
- **The legal liability of a local government to levy rates as local government is not recognised in the Australian Constitution:**
Local government is recognised under the Western Australian Constitution Act 1989, and although not recognised in the Commonwealth Constitution, this does not affect the legal standing of local governments in WA but does affect the Commonwealth Government from dealing directly with local government.
- **The possibility of the Shire having a hidden agenda by using the change in valuation method as a revenue raising opportunity:**
The Shire has publicly stated that there is no intent to use the proposed change in valuation method as a revenue raising opportunity.

- **The increase in market prices for land being looked upon as a trigger for GRV values increasing, leading to the possible change in methodology:**

Whilst significant increases in land prices may indicate a change in land use, it is only an indicator. There are other factors that need to be evaluated when determining what the predominant use of land may be, including i) activity conducted on the land; ii) development of the land, and iii) Town Planning Scheme restrictions.

- **Appointment of Valuer:**

General consensus was that it should be someone that is familiar with the local conditions in Broome, such as the Valuer General or a local valuer.

Local governments in WA are bound by law to use the Valuer General for the determination of GRV's and UV's for rating purposes.

- **Rural Rating Policy:**

General consensus of the workshop was the rural rating policy needs to be reviewed, with the section relating to 4ha or less being removed, and potential new provisions being introduced that are in line with the use of spot valuations.

It is recommended that the Shire's Rural Rating Policy be reviewed and aligned to the use of spot valuations for rating purposes.

- **Transparency and equity issues are of concern:**

The Shire should provide comparative information on land values relating to the two areas (Coconut Well and 12 Mile) addressed in the report and the information should show the property details including landowners name

The Commonwealth Privacy Act prevents the disclosure of the personal details of a person in the public domain without their consent, although ratepayers may wish to inspect the rate book of the Shire of Broome in accordance with the Local Government Act 1995.

- **Department of Local Government Guideline No. 2 – Changing Methods of Valuation of Land:**

The question was raised as to whether the guideline had been updated since 2002; specifically have the hourly rates for the Valuer General in providing land valuations for rating purposes changed?

Landgate publishes its property and valuation fees and charges on an annual basis, and a copy of the most current fees and charges can be obtained from Landgate's website.

- **Requests for Financial Information:**

In future, the Shire's request for the supply of financial information needs to be clearer and stipulate that the ratepayer has the right to refuse to provide their financial information

Comment noted. Although this point has been mooted in consultative literature, the Shire has not requested financial information during this review.

Income derived from the land can also be used to assist in determining the predominant use of land. A local government can request a ratepayer to provide financial information relating to income derived from the land. It is up to the ratepayer as to whether they provide the financial information or not.

- **Method of determining Valuations**

Participants were concerned that the change in valuation method proposed for Coconut Well and 12 Mile may be influenced by valuations of properties within the Broome townsite that they are a fair distance from town and do not have access to all of the services and facilities that you would find in town

The Valuer General will take into account all relevant factors when determining a valuation.

- **Concerns were raised over the time limitations regarding the time permitted from receiving the rate notice and when an appeal against the valuation must be lodged:**

The Valuation of land Act 1978 provides that any person liable to pay rates, who is dissatisfied with a valuation, may lodge a written objection to the valuation within 60 days after the issue of such an assessment.

Consultant Recommendations:

- 1) The Shire of Broome give consideration to utilising Spot Valuations in the localities of Coconut Well and 12 Mile.
- 2) In Order to bring the existing Rural Rating Policy into line with the rating requirements of the Local Government Act and (1) above, the Shire of Broome consider amending its Rural Rating Policy by deleting the Policy Statements and substituting the following- " To give effect to above guiding principles the Council is to observe the following:
 - a) Ensure that any rural (UV) property is assessed to determine whether the use of the property is "predominantly rural";
 - b) Subject to (a) above, the Shire is to utilise the Spot Valuation method where there is a number of individual lots within a valuation area that are used for purposes that are not consistent with the predominant use of land within that valuation area;
 - c) Properties that are considered to be predominantly used for non-rural purposes be referred to the Minister for Local Government with sufficient information to allow a determination to be made on the method of valuation to be applied;
 - d) Subject to Ministerial approval in (c) above, apply the GRV to rural land used predominantly for non-rural purposes; and
 - e) Ensure that the appeal rights are made clear to affected land owners.

This amendment is considered to be an interim measure until such time the Shire appoints an independent expert to undertake the assessment of properties within Coconut Well and 12 Mile to determine the predominant use of the land for each individual lot. Once this assessment is completed, the policy may then be amended to incorporate the criteria utilised by the independent expert to classify the land as predominant non-rural.

- 1). The Shire of Broome gives consideration to appointing an independent expert to undertake a land use audit/assessment of properties within Coconut Well and 12 Mile to determine the predominant use of land for each individual lot.

Summary:

There is a long term strategic need to have an effective rural rating policy in place so that the Shire can apply the correct basis of valuation according to future trends in changes to rural land use and planning strategies outside of the current town boundary.

Land use trends include commercial operations setting up in rural areas; subdivision of existing rural land into smaller lot sizes; rural lifestyle or hobby farm activities or the expansion of residential areas into rural zones. All of the changes mentioned above are uncertain however an effective rural rating policy provides a ready framework to administer the rating changes necessary in terms of the act. It is difficult to maintain relevant relationships within UV differential rating categories when UV values in some areas have risen exponentially.

Local governments have an obligation to ensure that rateable land in the district is valued on the appropriate method for rating purposes. As the use of land can change from time to time, it is important for local governments to have a system in place to deal with land use changes so that it can modify the valuation method accordingly. Having this information up to date will avoid criticism from ratepayers about the equities of rating policies.

The main outcome of the three phase consultation period with affected ratepayers is that they support a more equitable rating system, however spot rating is seen as a more accurate method to address changes in land use rather than a blanket approach to existing subdivisions such as Coconut Well and 12 Mile.

CONSULTATION

During the review, Public Consultation has taken place with affected ratepayers by;

- May 2008 - Express notice and general advertising;
- December 2008 – Express Notice and general advertising; and
- May 2010 – Community Ratings Workshop by express invitation.

STATUTORY ENVIRONMENT

Local Government Act 1995:

“S6.28 Basis of Rates:

1. *The Minister is to -*
 - (a) *determine the method of valuation of land to be used by a local government as the basis for a rate; and*
 - (b) *publish a notice of the determination in the government gazette.*

2. *In determining the method of valuation of land to be used by a local government the Minister is to have regard to the general principle that the basis for a rate on any land is to be -*
 - (a) *where the land is used predominantly for rural purposes, the unimproved value of the land, and*
 - (b) *where the land is used predominantly for non-rural purposes, the gross rental value of the land.”*

“S6.33 Differential general rates

1. *A local government may impose differential general rates according to any or a combination, of the following characteristics -*

- (a) *the purpose for which the land is zoned under a local planning scheme in force under the Planning and Development Act 2005;*
- (b) *the predominant purpose for which the land is held or used as determined by the local government;*
- (c) *whether or not the land is vacant land; or*
- (d) *any other characteristic or combination of characteristics prescribed."*

POLICY IMPLICATIONS

2.1.5 Rural Rating

FINANCIAL IMPLICATIONS

\$25K has been allowed for within the Valuer General’s Office valuations budget for 2011/2012

No change to underlying Rate Yield: Rate-in-the-dollar to be set according to relative current yield and valuations would not come into affect until 2012/2013 at the earliest.

STRATEGIC IMPLICATIONS

People

Effectively engage with our community by encouraging participation and providing information.

Place

Achieve positive long-term economic, social and environmental benefits

Prosperity

Build the Shire’s organisational capacity to service the needs of a growing community.

VOTING REQUIREMENTS

Simple Majority

REPORT RECOMMENDATION

That Council;

1. *Receives the Changes in Basis of Valuation Methodology Study from Domenic Carbone & Associates and Darren Long Consulting.*
2. *Adopts the amended Rural Rating Policy.*

Moved: **Seconded:**

FOR:
AGAINST:

9.3.3 NOTICE OF INTENTION TO IMPOSE DIFFERENTIAL RATES

LOCATION/ ADDRESS: N/A
APPLICANT: N/A
FILE: ARA01
AUTHOR: Manager Financial Services
CONTRIBUTOR/S: N/A
RESPONSIBLE OFFICER: Director Corporate & Community Services
DISCLOSURE OF ANY INTEREST: N/A
DATE OF REPORT: 11 July 2011

SUMMARY: This report recommends endorsement by Council for advertising of the proposed differential rates, for which public submissions are sought over a period not less than 21 days, prior to Council adopting the differential rates.

BACKGROUND

In line with the Shire's annual financial planning cycle for the next financial year, endorsement by Council of differential rates is now required for the purpose of advertising and seeking public submissions.

This year, Councillors participated in a comprehensive budget workshop on 4 July 2011, where the information tabled included a budget summary by programme, rates comparisons with neighbouring shires, account detail of all operating income and expenditure, a schedule of fees & charges, all new initiatives submitted by Councillors and staff, the Waste Management Business Unit, and all capital expenditure programs for plant, works, parks and buildings.

The Executive have sought to implement prioritised objectives within the context of a balanced draft budget, using reasonable funding estimations. The draft budget as proposed will be based upon a general increase in rates of 4.95% (except Residential Vacant land 2.5%), which compares to 6.95% from the previous year.

Minimum rates have received a general increase of 4.95% to a level of \$1,004 which is a \$47 increase over last year's \$957 minimum rate, comparing favourably to the \$62 increase in minimum rates last year.

Differential rates proposed at the general increase of 4.95% (except Residential Vacant land 2.5%) and budgeted to be raised for 2011/2012 is shown in the following table:

RATE TYPE	Rate in \$	# Of Properties	Rateable Value \$	Rate Revenue \$	Interim Rates \$	Total Revenue \$
			\$'000	\$'000	\$'000	\$'000
Differential/General Rates						
Gross Rental Valuations						
GRV - Broome Residential	0.074554	3816	94,190	7,022	150	7,172
GRV - Broome Residential - Vacant	0.121355	290	45,953	519		519
GRV - Broome Commercial Group	0.089667	555	45,953	4,162		4,162
GRV - Broome Tourism Group	0.100152	393	17,977	1,839		1,839
Unimproved Value Valuations						
UV - Dampier Pastoral	0.023035	13	5,121	118		118
UV - Dampier Mining	0.115579	21	477	55		55
UV - Dampier Coconut Wells	0.001624	35	65,242	106		106
UV - Dampier Twelve Mile	0.003095	78	34,818	108		108
UV - Dampier Skuthorpe	0.004475	7	3,472	16		16
UV - Dampier Short Stay Accommodation	0.034030	6	765	26		26
UV - Dampier Commercial Operations & Pearling	0.023065	11	1,838	42		42
UV - Dampier Horticultural & Wattle Downs	0.003962	4	2,500	10		10
Sub-Totals		5,229	277,471	14,022	150	14,172

Minimum Rates						
Gross Rental Valuations						
	\$					
GRV - Broome Residential	1004	62	716	62		62
GRV - Broome Residential - Vacant	1004	72	454	72		72
GRV - Broome Commercial Group	1004	15	111	15		15
GRV - Broome Tourism Group	1004	501	3,292	503		503
GRV - Exempt		47	2,651			
Unimproved Value Valuations						
UV - Dampier Pastoral	1004	3	25	3		3
UV - Dampier Mining	1004	39	115	39		39
UV - Dampier Coconut Wells	1004	2	299	2		2
UV - Dampier Commercial Operations & Pearling	1004	1	10	1		1
UV - Dampier Horticultural & Wattle Downs	1004	2	100	2		2
UV - Exempt						
Sub-Totals		744	5,122	700		700
Concession						
Grand Total	Rateable Properties	5,973		Rates Raised		14,872

Previous Considerations

Nil

COMMENT

Rating objects of each differential rate category are shown in the attachments.

Growth

Growth in the number of rateable properties during 2010/2011 was 42 (last year 235) which contributes 0.7 % (last year 4.1 %) to Shires rate growth revenue during 2011/2012.

Broome Residential

The Broome Residential group has been separated into developed and vacant land, as Shire has considered that with the opening up of a number of present and future residential subdivisions, it is in the interests of the community that rating policy should be designed to encourage development and discourage speculative land holding.

Tourism Differential Factor

The Shire uses differential rates on properties with commercial and tourism land use to raise proceeds for tourism initiatives and the marketing of tourism in Broome.

A review of the tourism differential rating policy commenced in February 2009 with a fifth stakeholder workshop held November 2010. A draft policy position is brought before Council in a separate report for comment and consultation before final consideration.

In the 2011/2012 draft budget rating model, the proceeds available from differential rates has been fixed at the amount of \$315,000 (same as last year), therefore distributions have been fixed for tourism initiatives of \$175,000 support for Australia's Northwest Association tourism marketing body, \$110,000 for the Broome Visitors Centre facility and operations and \$30,000 for other tourism initiatives.

Concessional Rates

There is a concession of \$6,644 (last year \$6,216) applied as a rates waiver in favour of assisting Magabala Books in 2011/2012. This concession is in place for three years ending 2012/13.

Rural Rating/GRV Rating Non-Rural land uses

No Change has been made to rural rating valuations in the 2011/2012 budget, however to recount a history of the review in progress, the following background is provided.

A report was tabled before Council at OCM 08 May 2008 and Council resolved that:

- 1) *Council undertakes a review of the basis of valuation used for rating Dampier Ward rural land use activities.*
- 2) *Consultation occurs in the form of general advice to the district (via advertising) of the Council's decision to undertake the review, the rationale for the review and that comment is sought. Specific advice to affected ratepayers of the land use study.*
- 3) *Council will consider review submissions as a basis to prepare a draft policy for advertising, with specific advice of the draft policy sent to affected ratepayers for comment.*

The first consultation phase, of 31 days notice to 123 affected ratepayers, on the proposal to review the basis of rating received 23 (21%) submissions. Following this a draft Rural Rating Policy was developed for consideration by Council for the purpose of advertising and further public comment. The report was tabled before Council at OCM 17 December 2008 and Council resolved that:

- "1) Council adopts the Draft "Rural Rating Policy" for the purpose of advertising only for a period of 70 days for public comment.
- 2) Council will provide specific notice of the draft policy to affected ratepayers and invites submissions during the public comment period."

During the second phase of consultation, of 91 days notice to 123 ratepayers, the Draft Rural Rating policy received 15 (12%) submissions from affected landowners, which were tabled in a report to Council at the OCM 2 September 2009 and Council resolved that:

- "1) Council adopts the "Rural Rating Policy".
- 2) Council undertakes a 'Community Ratings Workshop' with affected persons in relation to the Rural Rating Policy."

Domenic Carbone & Associates and Darren Long Consulting (DCA/DL) prepared a comprehensive discussion paper for the third phase of consultation and the Community Ratings Workshop was held 13 May 2011. Following the discussion drawn from the workshop of 30 community members, DCA/DL have prepared a final evaluation and recommendations to policy for the progression toward considering changes to the method of valuation before seeking Ministerial approval. A full report on the DCA/DL study is contained in a separate report for comment and consultation before Council's final consideration.

Minimum Rate

The minimum rate is consistent for all categories of rates, rising 4.95%, and has been set at \$1004, which is an increase of \$47 (compared to last year's rate of \$957 with an increase of \$62).

CONSULTATION

To be undertaken as per the Local Government Act 1995

STATUTORY ENVIRONMENT

"Section 6.33 of the Local Government Act provides that a local government may impose differential general rates according to any, or a combination, of the following characteristics –

- (a) the purpose for which the land is zoned under a town planning scheme in force under the Town Planning and Development Act 1928;
- (b) the predominant purpose for which the land is held or used as determined by the local government;
- (c) whether or not the land is vacant land; or
- (d) any other characteristic or combination of characteristics prescribed.

Section 6.36 of the Local Government Act states in part that –

- (1) Before imposing any differential general rates or a minimum payment applying to a differential rate category under section 6.35(6)(c) a local government is to give local public notice of its intention to do so.
- (3) A notice referred to in subsection (1) is to contain —

(b)(i) details of each rate or minimum payment the local government intends to impose;

(ii) an invitation for submissions to be made by an elector or a ratepayer in respect of the proposed rate or minimum payment and any related matters within 21 days (or such longer period as is specified in the notice) of the notice; and

(4) The local government is required to consider any submissions received before imposing the proposed rate or minimum payment with or without modification.

POLICY IMPLICATIONS

Nil

FINANCIAL IMPLICATIONS

As outlined, the proposed differential rates increase of 4.95% (except Residential Vacant 2.5%), plus interim rates of \$150,000 will yield an amount of \$14.872 million, which is calculated to meet the requirements of the current draft budget shortfall in order to provide a balanced budget.

STRATEGIC IMPLICATIONS

People

Effectively engage with our community by encouraging participation and providing information.

Place

Ensure the Shire's infrastructure and assets are strategically planned and managed.

Prosperity

Build the Shire's organisational capacity to service the needs of a growing community.

Support business and economic development.

Partner with other agencies to ensure affordable and equitable services and infrastructure.

VOTING REQUIREMENTS

Simple Majority

REPORT RECOMMENDATION

That Council resolves to endorse the following differential rates with a general increase of 5% across all categories and calls for public submissions under Section 6.36 of the Local Government Act 1995.

<i>DIFFERENTIAL RATE CATEGORY</i>	<i>CENTS IN THE DOLLAR</i>
<i>Broome Residential (GRV)</i>	<i>7.4554</i>
<i>Broome Residential – Vacant (GRV)</i>	<i>12.1355</i>
<i>Broome Commercial (GRV)</i>	<i>8.9667</i>
<i>Broome Tourism (GRV)</i>	<i>10.0152</i>
<i>Dampier Pastoral (UV)</i>	<i>2.3035</i>
<i>Dampier Mining (UV)</i>	<i>11.5579</i>
<i>Dampier Coconut Wells (UV)</i>	<i>0.1624</i>
<i>Dampier Twelve Mile (UV)</i>	<i>0.3095</i>
<i>Dampier Short Stay Accom (UV)</i>	<i>3.4030</i>
<i>Dampier Pearl Leases and Commercial Operations (UV)</i>	<i>2.3065</i>
<i>Dampier Horticulture and Wattle Downs (UV)</i>	<i>0.3962</i>
<i>Dampier Skuthorpe (UV)</i>	<i>0.4475</i>
<i>Minimum Rates (all categories)</i>	<i>\$1004</i>

Moved:

Seconded:

FOR:

AGAINST:

[Attachment: 2 pages](#)

9.3.4 RV SPORT PROPOSAL - CABLE BEACH INVITATIONAL EVENT

LOCATION/ ADDRESS:	Car Park Reserve, Cable Beach Road West
APPLICANT:	RV Sport Pty Ltd
FILE:	REE29
AUTHOR:	Manager Recreation Services,
CONTRIBUTOR/S:	Director Corporate & Community Services and A/Event and Sponsorship Co-ordinator
RESPONSIBLE OFFICER:	Director Corporate and Community Services
DISCLOSURE OF ANY INTEREST:	Manager Recreation Services is a management committee member of the Broome Basketball Association Inc
DATE OF REPORT:	11 July 2011

SUMMARY: RV Sport Pty Ltd seeks in-principle approval to stage an International basketball tournament on Friday 30 September and Saturday 1 October 2011. The proponent requests the event be staged at the Cable Beach car park reserve at the northern end of Cable Beach West Road between the Cable Beach Resort and Zanders Restaurant.

Following the successful implementation of this event in 2011, the Shire of Broome could consider developing a Memorandum of Understanding with RV Sport Pty Ltd, for future annual tournaments over a four (4) year period.

The event organiser has provided a preliminary event application and will complete and provide a detailed event application, including a Risk and Emergency plan, and a Traffic Management Plan.

This report recommends Council approves the event application subject to certain conditions.

BACKGROUND

RV Sport Pty Ltd creates and manages iconic basketball events in Australia, Singapore and China and manages the global tours of "The Boomers" – the Australian men's national basketball team. RV Sport works with governments and corporations on strategic initiatives to provide Western Australian communities with sporting and event opportunities. Their latest tournament organised was the Youyi Games between the Australian and Chinese national basketball teams which was held recently in Perth and Singapore.

RV Sport has submitted a preliminary application outlining how they will conduct the *Cable Beach Invitational*, an international basketball teams' event to be held on 30 September and 1 October in the car park reserve at the northern end of Cable Beach West Road between the Cable Beach Resort and Zanders Restaurant. This two (2) day tournament will host teams including: the Perth Wildcats, Shanghai Sharks, and Singapore Slingers and a fourth team to be determined.

A outdoor arena, in which approximately 1,353 persons will be seated, will be constructed nine (9) days prior (commencing 21 September) to the dates of the tournament's two (2) game days (30 September and 1 October). This will restrict parking and movement of traffic in the car park and also to the Cable Beach access ramp. RV Sport is requesting that the Cable Beach access ramp be closed for the game days: 30 September and

1 October. A comprehensive Traffic Management Plan has been requested by the Shire staff to ensure the safety of the public and adequate traffic flow is maintained in the set-up and pack-down stages of this event.

RV Sport is currently liaising with primary and secondary high schools and also the Broome Basketball Association in order to conduct a children/youth lead-up tournament as well as player coaching clinics. These events are planned to occur at the Police and Citizens Youth Club (PCYC) and the Broome Recreation and Aquatic Centre (BRAC).

COMMENT

Annual Proposal:

RV Sport requests that the Shire of Broome supports a five (5) year annual international team's basketball tournament. The proposed event has support from the state government through Tourism WA. Significant exposure for Broome will occur on a National and International level. RV Sport will be televising the tournaments through Shanghai Media Group in China, and Star hub through Singapore and Southeast Asia.

Environment

Up to six (6) non-native plants will need to be removed from the Cable Beach car park in order for the outdoor arena to be erected. Acting Senior Park and Gardens Supervisor has advised that these trees will be offset with native trees to be placed in a different location of the car park at the conclusion of the event. This will allow the event to continue for the next four (4) years without the need to remove other plants.

Resourcing and Costs

RV Sport has liaised with Shire staff and also external contractors in Broome to ensure the required works to the Cable Beach car park will be sourced locally where applicable. All onsite works carried out by the Shire of Broome, such as removal of trees, and the levelling of the car park will be charged to RV Sport accordingly. Shire staff will be heavily involved in the Shinju Matsuri Festival, which will be held immediately prior to this event. This could place additional pressure on the Shire's operations department.

Road Access Ramp Closures:

RV Sport has requested the Cable Beach access ramp to be closed for a two (2) day period; inclusive Friday 30 September and Saturday 1 October (game days). This would mean that the Cable Beach access ramp would be closed for three (3) days within a two (2) week period, due to the closing ceremony of Shinju Matsuri Festival. The event organisers will be responsible to ensure that adequate notification to the public is undertaken. An accredited Traffic Management Plan will need to be submitted and approved by internal staff according to Shire requirements.

Risk and Emergency Management Plans:

Detailed Risk and Emergency Management Plans are yet to be submitted. RV Sport has confirmed that they are in the process of completing these plans and will comply with Shire of Broome requirements.

CONSULTATION

RV Sport Pty Ltd
North West Tourism
Broome Visitors Centre
Broome Chamber of Commerce
Broome Basketball Association
Cable Beach Club Resort and Spa

Zanders at Cable Beach

STATUTORY ENVIRONMENT

Shire of Broome Local Government Property and Public Places Local Law 2003

Definitions and Interpretations:

1.6

- (1) *In this local law, unless the context otherwise requires: "function" means an event or activity characterised by any or all of the following:*
- (a) formal organisation and preparation;*
 - (b) its occurrence is generally advertised or notified in writing to particular persons;*
 - (c) it is organised by or on behalf of a club;*
 - (d) payment of a fee is required for attendance; and*
 - (e) there is systematic recurrence in relation to the day, time and place;*

3.1

- (1) *Where a person is required to obtain an approval from the local government under this local law, that person shall:*
- (a) not do the thing for which the approval is required without first obtaining the approval; and*
 - (b) apply for the approval in accordance with subclause (2).*
- (2) *An applicant shall make an application for an approval by completing the form provided for the purpose by the local government, paying the application fee to the local government and forwarding the application to the local government.*
- (3) *The signature of the applicant on the form under subclause (2) shall be deemed to be proof that the applicant has:*
- (a) read and understood any conditions printed on the application form; and*
 - (b) accepted and agreed to comply with any conditions printed on the application form.*

Determination of application

3.2

- (1) *The local government may, in respect of an application for an approval:*
- (a) refuse the application; or*
 - (b) approve the application on such terms and conditions, if any, as it considers fit.*
- (2) *Without limiting the generality of subclause (1)(b), the local government may impose conditions requiring the payment of a fee for the issue of the form of approval referred to in subclause (3) and for the renewal of the approval, including the payment of a renewal fee.*
- (3) *If the local government approves an application under subclause (1)(b), then it is to issue to the applicant an approval in the form determined by the local government.*

Conditions of approval

3.3

- (1) *Where an application for an approval has been approved subject to conditions, the approval holder shall comply with each of those conditions.*

- (2) *The local government may vary the conditions of an approval and the approval holder shall comply with those conditions as varied.*

Division 2 - Matters relating to approvals

Term and validity of approval

3.4 *An approval remains valid until:*

- (a) *the expiration date and time stated in the approval is reached;*
- (b) *the activity or function for which the approval was issued is changed to the extent that it is no longer consistent with the original purpose or intent for which the approval was given;*
- (c) *the approval is cancelled by the local government under clause 3.5; or*
- (d) *the public liability or indemnity insurance required as a condition of an approval lapses, is cancelled or is no longer current. Cancellation of approval*

3.5

- (1) *The local government may cancel an approval if:*
 - (a) *anything purporting to be done in accordance with the approval is not done in conformity with the conditions of the approval;*
 - (b) *the approval holder is convicted of an offence against this local law; or*
 - (c) *the approval holder fails to comply with a notice given under clause 12.1 in relation to a breach of the approval or a condition of the approval.*
- (2) *Notwithstanding subclause (1), where an approval relates to the hiring of local government property, the local government may cancel the approval at any time.*
- (3) *Where the local government cancels an approval for the hire of local government property under subclause (2), then the local government shall not be liable to the approval holder for any loss or damage sustained by the approval holder arising from the cancellation.*

Fees

3.6

- (1) *All fees applicable under this local law shall be as determined by the local government from time to time in accordance with sections 6.16 to 6.19 of the Act.*
- (2) *In the event of the cancellation of an approval, a refund of any fees paid by the approval holder may be made by the local government.*

Part 4 - Activities Which Are Restricted Or Prohibited On Local Government Property and Public Places

Division 1 - Activities only permitted under an approval or by a sign

Activities requiring an approval

4.1

- (1) *A person shall not on any local government property or public place within the Broome town site area, without first having obtained an approval from the local government to do so:*
 - (a) *consume any liquor;*
 - (b) *erect a structure for public amusement or for any performance for personal gain or otherwise;*

- (c) *conduct any function;*
- (d) *light or set off any fireworks or conduct a fireworks display;*
- (e) *light any fire except in a facility provided for that purpose;*
- (f) *erect any tent, camp, hut, building or other structure, other than a beach umbrella or other portable item used for protection from the elements between sunrise and sunset on any day;*
- (g) *coach, teach, instruct or train any person for a fee;*
- (h) *charge a person for entry to local government property;*
- (i) *operate any broadcasting or public address system or apparatus, other than those used by a life saving club in the performance of its functions;*
- (j) *erect any sign;*
- (k) *walk, lead, ride, herd or drive any large animal;*
- (l) *play or use any musical instrument or any other similar device;*
- (m) *pursue a use on local government property set aside for that purpose under clause 5.1 where the local government has specified under clause 5.1(3)(g) that the use is to be pursued under an approval.*

Shire of Broome Trading, Outdoor Dining and Street Entertainment Local Law 2003

Definitions and Interpretations

1.6 *In this local law unless the context requires otherwise:
"trading" includes:*

- (a) *the selling or hiring or, the offering for sale or hire of or the soliciting of orders for goods or services in a public place;*
- (b) *displaying goods in any public place for the purpose of:*
 - (i) *offering them for sale or hire;*
 - (ii) *inviting offers for their sale or hire;*
 - (iii) *soliciting orders for their sale or hire; or*
 - (iv) *carrying out any other transaction in relation to them; and*
- (c) *the going from place to place, whether or not public places, and:*
 - (i) *offering goods or services for sale or hire; or*
 - (ii) *inviting offers or soliciting orders for the sale or hire of goods or services,*

but does not include:

- (d) *the delivery of pre ordered goods or services to the purchaser of those goods or services, or to the person nominated by the purchaser of those goods or services to accept delivery, whether or not payment for those goods or services is made on delivery;*

Environmental Protection Act 1986

50B *Causing material environmental harm*

- (1) *A person who intentionally or with criminal negligence —*
 - (a) *causes material environmental harm; or*
 - (b) *allows material environmental harm to be caused, commits an offence.*
- (2) *A person who —*
 - (a) *causes material environmental harm; or*
 - (b) *allows material environmental harm to be cause, commits an offence.*

- (3) *A person charged with committing an offence against subsection (1) may be convicted of an offence against subsection (2) which is established by the evidence.*

51B *Declaration of environmentally sensitive areas*

- (1) *The Minister may, by notice, declare —*
 (a) *an area of the State specified in the notice; or*
 (b) *an area of the State of a class specified in the notice, to be an environmentally sensitive area for the purposes of this Division.*

Liquor Control Act 1988

30A *Licensing authority may grant licences to sell liquor*

- (1) *The licensing authority may grant licences in accordance with this Act.*

59 *Occasional licences*

- (1) *An occasional licence authorises the licensee to sell, or the supply or consumption of, liquor —*
 (a) *at such times, and on such occasion or during such period not exceeding 3 weeks, as may be specified;*
 (b) *at such places, and within such designated area, as may be specified; and*
 (c) *subject to such terms or conditions as may be specified.*

An occasional licence may be granted in relation to a festival or other event authorising the organiser and specified persons participating in or associated with that festival or event to sell liquor, or liquor of a specified description, during such period or on such occasions as may be specified.

POLICY IMPLICATIONS

There are two Shire of Broome policies which should be considered in reviewing this proposal.

2.3.4 – Parks and Reserves -Venue Hire Charges & Conditions

“Any exclusive use of the Cable Beach intertidal areas requires separate approval of the Shire under Local Government Property and Public Places Local Law and the Events on Local Government Property Policy”

The use of a licensed area will necessitate approval of an exclusive use under this policy.

5.1.7 – Events Held on Local Government Property and Public Places

‘Sporting Carnivals’ are approved for Cable Beach under the Draft Events Policy. The proposed activity would be considered to be a ‘sporting carnival’ under this policy

FINANCIAL IMPLICATIONS

There will be no actual cash contribution required from the Shire of Broome; however it is recommended that Council consider carry out works and services to an estimated value of \$15,000 to assist with this event which will attract much international attention to Broome and provide a huge economic benefit to the region. Additionally, this event will bring elite sports performers to Broome, with the local community benefiting through

watching high performance sport and children/youth being involved in player coaching clinics and a lead-up tournament.

STRATEGIC IMPLICATIONS

People

Effectively engage with our community by encouraging participation and providing information.

Actively contribute to well-being and safety and support community initiative.

Actively consult and work with the Traditional Owners and Aboriginal people of Broome.

Place

Build partnerships with the community and other agencies to recognise, protect and enhance the natural environment and cultural heritage.

Engage with the community and other agencies to provide land use planning that protects and enhances the natural and built environment to support a quality lifestyle and the local economy.

Ensure the Shire's infrastructure and assets are strategically planned and managed.

Prosperity

Build the Shire's organisational capacity to service the needs of a growing community.

Support business and economic development.

Partner with other agencies to ensure affordable and equitable services and infrastructure.

VOTING REQUIREMENTS

Absolute Majority

REPORT RECOMMENDATION

That Council delegates authority to the Chief Executive Officer to approve the staging of RV Sport Pty Ltd's international basketball tournament (Cable Beach Invitational) to be held at Cable Beach on 30 September 2011 and 1 October 2011, subject to:

- 1. Satisfactory completion of a detailed event application, covering all regulatory compliances.*
- 2. Adequate advertising of the closure to the Cable Beach access ramp as required by the Shire of Broome.*
- 3. Certificate of Currency for Public liability insurance \$20,000,000 minimum, listing the Shire of Broome as an interested party.*
- 4. Adequate signage and appropriate community liaison and advice.*

Following this year's (2011) tournament evaluation, the Chief Executive Officer to consider the development of a four (4) year Memorandum of Understanding to support the future proposed schedule of this event.

Moved:

Seconded:

(Absolute Majority Required)

FOR:

AGAINST:

9.4

DEVELOPMENT

SERVICES



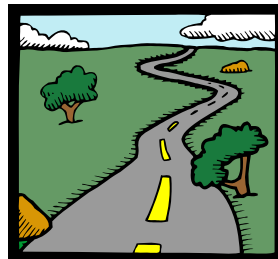
OUTCOME

To pursue sustainable development that will protect and enhance the Shire's unique heritage and environment and facilitate increased employment.

9.5

ENGINEERING

SERVICES



OUTCOME

The provision and maintenance of sustainable infrastructure to service the changing needs of the community.

10.

REPORTS

OF

COMMITTEES

11. NOTICES OF MOTION

Nil.

12. LATE ITEMS

Nil.

13. QUESTIONS BY MEMBERS OF WHICH DUE NOTICE HAS BEEN GIVEN

Nil.

14. MATTERS BEHIND CLOSED DOORS

Nil.

15. MEETING CLOSURE