



ORDINARY MINUTES

ORDINARY Meeting
of the Council held:

DATE: Tuesday, 23 September 2008

TIME: 2.45pm

VENUE: Council Chambers

Rob Stewart
CHIEF EXECUTIVE OFFICER

MEMBERSHIP – Quorum (5)

Members:

Cr K Forbes - Rocky Gully / West Ward - Shire President
Cr B Hollingworth - Town Ward - Deputy Shire President
Cr K Clements - Town Ward
Cr J Mark - Town Ward
Cr J Moir - South Ward
Cr D Nye-Chart - East Ward
Cr S Grylls - Rocky Gully / West Ward
Cr A Budrikis - Kendenup Ward

Information and recommendations are included in the reports to assist the Council in the decision making process and may not constitute the Council's decision until considered by the Council.

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1 DECLARATION OF OPENING / ANNOUNCEMENT OF VISITORS

2:51 PM The Presiding Member declared the meeting open.

2 RESPONSE TO PREVIOUS PUBLIC QUESTIONS TAKEN ON NOTICE

Nil

3 RECORD OF ATTENDANCE / APOLOGIES / LEAVE OF ABSENCE (PREVIOUSLY APPROVED)Members Present:

Cr K Forbes AM
Cr A Budrikis
Cr K Clements
Cr S Grylls
Cr J Mark
Cr B Hollingworth
Cr J Moir
Cr D Nye-Chart

Leave of Absence

Cr M Skinner

In Attendance:

Mr R Stewart	Chief Executive Officer
Mr J Fathers	Deputy Chief Executive Officer
Ms N Selesnew	Manager Community Services
Mr P Duncan	Manager Development Services
Mr I Bartlett	Manager Works and Services
Mrs K Skinner	Executive Secretary

4 PUBLIC QUESTION TIME

Section 5.24 Local Government Act 1995

Nil

5 PETITIONS / DEPUTATIONS / PRESENTATIONS

Nil

6 DISCLOSURE OF INTEREST

Part 5 Division 6 Local Government Act 1995

Nil

7 APPLICATIONS FOR LEAVE OF ABSENCE

Section 5.25 Local Government Act 1995

Nil

Previously Approved Leave of Absence

Cr M Skinner	15 September to 26 September 2008 (inclusive)
Cr S Grylls	27 September to 13 October 2008 (inclusive)
Cr D Nye-Chart	01 October to 20 October 2008 (inclusive)
Cr B Hollingworth	15 October to 24 October 2008 (inclusive)
Cr J Mark	27 October to 10 November 2008 (inclusive)
Cr B Hollingworth	09 December to 21 December 2008 (inclusive)

8 CONFIRMATION OF MINUTES

Moved Cr J Moir, seconded Cr B Hollingworth

THAT the Minutes of the Ordinary Meeting of the Shire of Plantagenet, held on 9 September 2008 as circulated, be taken as read and adopted as a correct record.

CARRIED (8/0)

NO. 189/09

9 ANNOUNCEMENTS BY PRESIDING MEMBER WITHOUT DISCUSSION

- 10 September 2008 – Attended an Audit Committee Meeting with the Council's Auditors.
- 10 September 2008 – Attended a meeting with Cr Hollingworth and Chief Executive Officer Mr Stewart at Cranbrook to meet with Presidents and Chief Executive Officers from the Shires of Broomehill-Tambellup, Cranbrook and Kojonup. The Deputy Shire President from the Shire of Woodanilling attended the meeting as well regarding the possible creation of a Voluntary Regional Organisation of Councils (VROC) between Cranbrook, Kojonup, Tambellup – Broomehill and Plantagenet.
- 15 September 2008 – Attended the Systemic Sustainability Study (SSS) Forum in Perth along with Cr Hollingworth and Chief Executive Officer Mr Rob Stewart. Endorsed by the State Council with minor amendments.
- 25 September 2008 – A Teleconference for the Great Southern Zone will be held at 9.00am. Councillors are also reminded of the Volunteers Meeting scheduled for 7.30pm on that day.
- 26 September 2008 – Will be attending the opening of Southern Arts Trail and the opening of the Art Acquisition Prize.

10 ANNOUNCEMENTS BY COUNCILLORS WITHOUT DISCUSSION

Cr B Hollingworth

- 10 September 2008 – Attended a meeting with Cr Forbes AM and Chief Executive Officer Mr Stewart at Cranbrook to meet with Presidents and Chief Executive Officers from the Shires of Broomehill-Tambellup, Cranbrook and Kojonup. The Deputy Shire President from the Shire of Woodanilling attended the meeting as well regarding the possible creation of a Voluntary Regional Organisation of Councils (VROC) between Cranbrook, Kojonup, Tambellup – Broomehill and Plantagenet Meeting in Council
- 11 September 2008 – Attended a Roadside Conservation Training workshop for Volunteers relating to weeds.
- 12 September 2008 – Attended a Weed Strategy Meeting at Porongurup and would like to commend the outside staff and Manager Works and Services for the work on Woodlands Road.
- 15 September 2008 – Attended the SSS Forum in Perth along with Cr Forbes AM and Chief Executive Officer Mr Rob Stewart.
- 20 September 2008 – Unable to attend the Mount Barker Community Fair Meeting.

Cr Clements

- Advised that the Lead On Committee had gone into recession until the Mount Barker Community Centre was up and running.

Cr Nye-Chart

- 16 September 2008 – Attended a General Meeting of the Mount Barker Tourist Bureau Incorporated and also Annual General Meeting. Main issue was signage and notes that there is a workshop being held soon.

The Group has managed to get a grant to work with other tourist centres in the region.

11 REPORTS OF COMMITTEES AND OFFICERS

11.1 DEVELOPMENT SERVICES REPORTS

Nil

11.2 WORKS AND SERVICES REPORTS

11.2.1 LIGHT VEHICLE - ADDITION TO FLEET

File No: PS/66/24
Responsible Officer: Rob Stewart
Chief Executive Officer
Author: Rob Stewart
Chief Executive Officer
Proposed Meeting Date: 23 September 2008

Purpose

The purpose of this report is to seek authority from the Council to purchase an additional vehicle for the Council's light vehicle fleet to be used by the Planning Officer.

Background

The position of Planning Officer has not been supplied with a vehicle in the past. The Manager of Development Services believes that the supply of a vehicle will be necessary to attract and retain a suitable applicant.

Statutory Environment

The purchase of a light vehicle is not provided for in the current budget and therefore an amendment to the budget would be necessary.

Financial Implications

There are no financial implications for this report, although the report refers to the need for budget consideration.

Policy Implications

There are no policy implications for this report, although Council Policy I/FM/3 relates to the purchase and use of Council Vehicles.

When this policy is reviewed Council consideration will need to be given to carbon emissions and other environmental issues.

Asset Management Implications

An additional vehicle for the Council's light fleet would require normal asset management attention.

A Mitsubishi Lancer (2.0 litre petrol) or similar produces in the vicinity of 182 grams / km of Carbon Dioxide (CO₂). Fuel consumption is in the vicinity of 7.6 litres / 100 kms.

Strategic Implications

There are no strategic implications for this report.

Officer Comment

With the resignation of the previous Planning Officer, advertisements were undertaken seeking a replacement. No applications were received and enquiries are proceeding regarding the possible employment of an overseas person with a working visa.

The Manger of Development Services is of the opinion that a vehicle will be necessary to attract and retain an applicant.

In the event that the Council agrees to this request, it is suggested that a four cylinder two litre vehicle be obtained such as a Mitsubishi Lancer or equivalent which could be purchased for \$20,000.00. As it would take approximately six months to engage an overseas employee with a visa, savings in salary would be approximately \$25,000.00. Such a reallocation could occur during a normal quarterly budget review. However, the Council's agreement regarding the additional vehicle is sought prior to negotiations occurring with a prospective employee.

Voting Requirements

Simple Majority

OFFICER RECOMMENDATION / COUNCIL DECISION

Moved Cr B Hollingworth, seconded Cr J Moir

That the Council's light vehicle fleet be increased with the addition of one (1) vehicle to the standard of Mitsubishi Lancer or equivalent.

CARRIED (8/0)

NO.190/08

11.3 CORPORATE SERVICES REPORTS

11.3.1 FINANCIAL STATEMENT - AUGUST 2008

File No:	FM/65/1
Attachments: (1)	Financial Statement
Responsible Officer:	John Fathers Deputy Chief Executive Officer
Author:	Cherie Delmage Accountant
Proposed Meeting Date:	23 September 2008

PURPOSE

The purpose of this report is to present the financial position of the Shire of Plantagenet for the period ending 31 August 2008.

Statutory Environment

Regulation 34 of the Financial Management Regulations (1996) requires a Statement of Financial Activity to be prepared each month which is to contain the following details.

- (a) annual budget estimates;
- (b) budget estimates to the end of the month;
- (c) actual amount of expenditure and revenue;
- (d) material variances between comparable amounts in (b) and (c) above; and
- (e) the net current assets at the end of the month to which the statement relates (i.e. surplus / (deficit) position).

The Statement is to be accompanied by:

- (a) explanation of the composition of net current assets, less committed assets and restricted assets;
- (b) explanation of the material variances; and
- (c) such other information considered relevant by the local government.

POLICY IMPLICATIONS

There are no policy implications for this report.

Financial Implications

There are no financial implications for this report.

Strategic Implications

There are no strategic implications for this report.

Voting Requirements

Simple Majority

OFFICER RECOMMENDATION / COUNCIL DECISION

Moved Cr K Clements, seconded Cr J Mark

That the Financial Statement for the period ending 31 August 2008 be received.

CARRIED (8/0)

NO. 191/08

11.3.2 LIST OF ACCOUNTS – AUGUST 2008

File No: FM/65/3
Attachments: (1) List of Accounts
Responsible Officer: John Fathers
Acting Chief Executive Officer
Author: Donna-Jo Fawcett
Accounts Officer
Proposed Meeting Date: 23 September 2008

PURPOSE

The purpose of this report is to present the list of payments that were made during the month of August 2008.

Statutory Environment

Regulation 13 of the Local Government (Financial Management) Regulations 1996 defines the reporting requirements to the Council of the List of Accounts.

Financial Implications

There are no financial implications for this report.

Policy Implications

There are no policy implications for this report.

Strategic Implications

There are no strategic implications for this report.

Voting Requirements

Simple Majority

OFFICER RECOMMENDATION / COUNCIL DECISION

Moved Cr K Clements, seconded Cr J Mark

That:

- (1) The payment of accounts for the month of August 2008 covering the following:**
 - (a) Electronic payments and direct debits totalling \$294,629.40;**
 - (b) Municipal Cheques 39199 – 39269 and 39273 – 39277 totalling \$129,423.30; and**
 - (c) Trust Cheque 246 totalling \$13,631.70.**
- be approved.**

(2) Municipal Cheques:

(a) Cancelled – 39271 and 39272.

(b) Spoiled – 39270.

be noted.

CARRIED (8/0)

NO. 192/08

**11.3.3 LOCAL LAW - ACTIVITIES IN THOROUGHFARES AND PUBLIC PLACES
AND TRADING LOCAL LAW AMENDMENT**

File No:	LE/98/8
Attachments:	<u>Activities in Thoroughfares and Public Places and Trading Local Law</u>
Responsible Officer:	John Fathers Deputy Chief Executive Officer
Author:	John Gilfellow Consultant
Proposed Meeting Date:	23 September 2008

Purpose

The purpose of this report is to consider any submissions on the proposed Activities in Thoroughfares and Public Places and Trading Amendment Local Law 2008 that was advertised for public comment on 11 June 2008 and to make that local law.

Background

The purpose of this local law is to introduce a penalty for persons in charge of horses who fail to remove horse excreta from thoroughfares and public places within townsites and to update legislative titles.

The effect of this local law is to ensure a cleaner environment for users of thoroughfares and public places.

The draft Shire of Plantagenet Activities in Thoroughfares and Public Places and Trading Amendment Local Law 2008 amends the Shire of Plantagenet Activities in Thoroughfares and Public Places and Trading Local Law as published in the Government Gazette on 9 November 2001.

At its meeting held on 13 May 2008, the Council resolved that the proposed amendments to the Shire of Plantagenet Activities in Thoroughfares and Public Places and Trading Local Law, be adopted and advertised for public comment.

The Council's intention to adopt the proposed Amendment Local Law was advertised on 11 June 2008 for public comment. A copy of the Amendment Local Law was sent to the Minister for Local Government and Regional Development for comment on 9 June 2008. Comments were received from the Department of Local Government and Regional Development on 22 August 2008.

Generally the Department's comments related to the principles of drafting and wording local laws and the proposed amendment local law has been amended to include those comments.

However the Department raised issues regarding defining the term 'person liable for the control of the horse' in relation to the proposed offence for allowing a horse to excrete in a public place. As a result a definition has been included in the Amendment Local Law as presented.

The amendments made as a result of the Department's comments have not changed the intent of the amendment local law and the amendment local law being presented is not significantly different to the version adopted for public comment.

A copy of the current Activities in Thoroughfare and Public Places and Trading Local Law is attached.

Statutory Environment

Section 3.12 of the *Local Government Act 1995* sets out the procedures to be followed in making a local law.

Consultation

The Shire's intention to undertake a review of its local laws was advertised on 12 May 2007 and public submissions were invited within a 42 day submission period. The review was advertised state wide and locally. No submissions were received.

On 11 June 2008 the proposed local law was advertised for public comment and public submissions were invited within a 42 day consultation period. The invitation was advertised state wide and locally. No submissions were received from members of the public, however one submission was received from the Department of Local Government and Regional Development.

Financial Implications

Advertising costs for the review of this local law were included in the 2008/2009 financial budget.

Policy Implications

There are no policy implications for this report.

Legal Implications

Section 3.18 of the Local Government Act 1995 requires that a local government is to administer its local laws.

Strategic Implications

There are no strategic implications for this report.

Voting Requirements

Absolute Majority

OFFICER RECOMMENDATION / COUNCIL DECISION

Moved Cr J Moir, seconded Cr J Mark

That under the power conferred by the Local Government Act 1995 and under all other powers enabling it, the Shire of Plantagenet Activities in Thoroughfares and Public Places and Trading Amendment Local Law 2008 be made in the following form:

In this local law, the Shire of Plantagenet Activities in Thoroughfares and Public Places and Trading Local Law as published in the Government Gazette on 9 November 2001, is referred to as the principal local law. The principal local law is amended as follows:

1. General

- (a) Delete the word 'authorized' wherever it appears in the local law and substitute the word 'authorised'.**
- (b) Delete the title 'Liquor Licensing Act 1988' wherever it appears in the local law and substitute the title 'Liquor Control Act 1988'.**
- (c) Delete the title 'Weights and Measures 1915' wherever it appears in the local law and substitute the title 'Trade Measurement Act 2006'.**

2. 1.2 – Definitions

In clause 1.2 -

(a) Delete the title 'Town Planning and Development Act 1928' wherever it appears and substitute the title 'Planning and Development Act 2005'.

(b) In the definition of the 'townsite', delete the words 'the townsite of Mount Barker, Kendenup, Narrikup and Rocky Gully' and substitute the words 'townsites within the district'.

(c) Insert in the appropriate alphabetical order the definition:-

'person liable for the control of a horse' means the person who has the horse in his or her possession or under his or her control, but does not include —

- (i) a registered veterinary surgeon, or a person acting on his behalf, in the course of his professional practice; or**
- (ii) a police officer or other person acting under a statutory duty or power or in the administration of the Act;**

3. Clause 4.2 – Prohibitions relating to animals

In clause 4.2 add the following subclauses:

'(3) Any person liable for the control of a horse who permits that horse to excrete in a public place or other local government property within any townsite in the district commits an offence unless the excreta is removed immediately and disposed of either on private land with consent of the owner or occupier or in such other manner as the local government or an authorised person may approve.

(4) The following local government property is exempt from the provisions of subclause (3) –

- (a) Pwackenbak Trail, Reserve 15162, South Marmion Street and Warburton Road, Mount Barker.**
- (b) Mondurup Trail, Reserves 27183, 27185 and 24584, Lot 298 Marmion Street, Mount Barker.**
- (c) Urals Trail and Frost Park, Reserve 1790, McDonald Avenue, Mount Barker.**
- (d) Polocrosse Grounds, Reserve 27184, McDonald Avenue, Mount Barker.**
- (e) Tree Farm, Lot 81 McDonald Avenue, Mount Barker.'**

4. Clause 5.2 – Application

In clause 5.2, delete the words ‘This Part does not apply to the townsite’ and substitute the words ‘This Part does not apply to any townsite within the district’.

5. Clause 5.11 Permit to clear

In subclause 5.11(1) delete the measurement ‘2m’ and substitute ‘1.5 metres’.

6. Clause 8.1 Application of Part 9 Division 1 of Act

In subclause (b) of Clause 8.1, delete the words ‘regulations 33 and 34’ and substitute the words ‘regulation 33’.

7. Schedule 1 – Prescribed Offences

In Schedule 1, add the following in the appropriate numerical order under the respective columns ‘Clause’ ‘Description’ and ‘Modified Penalty \$’:

4.2(3) – Permitting a horse to excrete in a public place – 100

CARRIED (8/0)

NO.193/08

(ABSOLUTE MAJORITY)

11.3.4 ROAD NAMING – UNNAMED ROAD RESERVE OFF LAKE BARNES ROAD

File No: RO/107/1

Attachments: [Map showing position of unnamed road reserve Future Reserve and Street Names Policy](#)

Responsible Officer: John Fathers
Deputy Chief Executive Officer

Author: Donna Stevens
Senior Administration Human Resource Officer

Proposed Meeting Date: 23 September 2008

Purpose

The purpose of this report is to name the unnamed road reserve off Lake Barnes Road, as highlighted on the attached map.

Background

A number of queries have been received from Narrikup landowners regarding the name of this road reserve. It has been suggested that the road is locally known as Yewers Road but has never formally be named. No historical information has been located on the name Yewers.

Statutory Environment

The Land Administration Act 1997 governs the road naming process.

Consultation

Correspondence has been received from Narrikup residents Ms Suzanne Guyler and Mr Alan Brown regarding the naming of this road reserve.

Financial Implications

All costs associated with advertising and signage will be the responsibility of the Shire. It is estimated that this will cost approximately \$500.00.

Policy Implications

Council Policy I/RR/1 – Future Street and Reserve Names provide a list of Council approved names. A copy is attached.

Strategic Implications

There are no strategic implications for this report.

Voting Requirements

Simple Majority

OFFICER RECOMMENDATION

That:

1. The proposal to apply the name Yewers Road to the unnamed road reserve located south off Lake Barnes Road as shown in the attached plan be advertised for public comment.
2. Subject to no objections being received during the advertising period the road naming proposal for Yewers Road be forwarded to the Geographic Names Committee for endorsement.

COUNCIL DECISION

Moved Cr J Moir, seconded Cr D Nye-Chart

That:

1. **The proposal to apply the name Wallinger Road to the unnamed road reserve located east off Lake Barnes Road as shown in the attached plan be advertised for public comment.**
2. **Subject to no objections being received during the advertising period the road naming proposal for Wallinger Road be forwarded to the Geographic Names Committee for endorsement.**

CARRIED (8/0)

NO. 194/08

Reason for Change

The name Wallinger is a pioneering family in the Narrikup Area. Also mentioned in 'Rich and Beautiful' by Rhoda Glover.

11.4 EXECUTIVE SERVICES REPORTS

11.4.1 COMMITTEE MINUTES

File No: LP/103/3

Attachments: [Local Emergency Management Committee Meeting - 6 May 2008](#)
[Great Southern Regional Cattle Saleyards Advisory Committee Meeting - 22 July 2008](#)
[Roadwise Steering Committee - 31 July 2008](#)
[Bush Fire Advisory Committee Meeting – 6 August 2008](#)

Responsible Officer: Rob Stewart
Chief Executive Officer

Author: Cobie MacLean
Administration Officer Planning

Proposed Meeting Date: 23 September 2008

Purpose

The purpose of this report is to receive the following Committee Minutes:

- Local Emergency Management Committee Meeting – 6 May 2008.
- Great Southern Regional Cattle Saleyards Advisory Committee Meeting – 22 July 2008.
- Roadwise Steering Committee – 31 July 2008.
- Bush Fire Advisory Committee Meeting – 6 August 2008.

Financial Implications

There are no financial implications for this report.

Policy Implications

There are no policy implications for this report.

Strategic Implications

There are no strategic implications for this report.

Officer Comment

Any further issues or recommendations arising from these Minutes will be the subject of a separate report to the Council.

Voting Requirements

Simple Majority

OFFICER RECOMMENDATION / COUNCIL DECISION

Moved Cr B Hollingworth, seconded Cr D Nye-Chart

That the Minutes of:

- 1. Local Emergency Management Committee Meeting – 6 May 2008.**
- 2. Great Southern Regional Cattle Saleyards Advisory Committee Meeting – 22 July 2008.**
- 3. Roadwise Steering Committee – 31 July 2008.**
- 4. Bush Fire Advisory Committee Meeting – 6 August 2008.**

be received.

CARRIED (8/0)

NO. 195/08

**11.4.2 ROADSIDE CONSERVATION COMMITTEE - APPOINTMENT - CR
HOLLINGWORTH**

File No: EM/125/1
Responsible Officer: Rob Stewart
Chief Executive Officer
Author: Rob Stewart
Chief Executive Officer
Proposed Meeting Date: 23 September 2008

Purpose

The purpose of this report is to seek the Council's endorsement for Cr Bill Hollingworth to be the Western Australian Local Government Association (WALGA) representative on the Roadside Conservation Committee.

Background

The Roadside Conservation Committee was established by the State Government in 1969 and its Terms of Reference include the coordination and promotion of conservation and effective management of rail and roadside vegetation for the benefit of the environment and the people of WA.

The Committee is jointly funded by Main Roads Western Australia and the Department of Environment and Conservation.

It has members from the Department of Environment and Conservation, Main Roads Western Australia, the Department of Agriculture and Food, Fire and Emergency Services, Telstra, Western Power, WestNet Energy, WestNet Rail, Local Government Authorities, Greening Australia, Wildflower Society of Western Australia and the Conservation Council of Western Australia.

Financial Implications

There are no financial implications for this report.

Policy Implications

There are no policy implications for this report.

Strategic Implications

There are no strategic implications for this report.

Officer Comment

Council Hollingworth has been invited by the Western Australian Local Government Association to represent Local Government on the Committee. This is an honour for Councillor Hollingworth and a bonus for the Shire of Plantagenet.

Endorsement of Councillor Hollingworth's appointment is recommended.

Voting Requirements

Simple Majority

OFFICER RECOMMENDATION / COUNCIL DECISION

Moved Cr J Mark, seconded Cr J Moir

That the membership of Councillor Hollingworth to the Roadside Conservation Committee as a representative of local government be endorsed.

CARRIED (8/0)

NO. 196/08

12 MOTIONS OF WHICH PREVIOUS NOTICE HAS BEEN GIVEN

Nil

13 NEW BUSINESS OF AN URGENT NATURE INTRODUCED BY DECISION OF THE MEETING

Moved Cr B Hollingworth, seconded Cr J Mark

That new business of an urgent nature, namely:

- **Medical Centre – Tender for Construction C01-0809**

be introduced to the meeting.

CARRIED (8/0)

NO. 197/08

13.1 MEDICAL CENTRE – TENDER FOR CONSTRUCTION C01-0809

File Reference: CP/165/6
Responsible Officer: Rob Stewart
Chief Executive Officer
Author: Nicole Selesnew
Manager Community Services
Proposed Meeting Date: 23 September 2008

Purpose

The purpose of this report is to consider the outcome of Tender C01-0809 – construction of the Plantagenet Medical Centre on Lot 530, Reserve 49690 (formerly Lot 644, Reserve 23108) Marmion Street, Mount Barker.

Background

The Council first considered the outcome of Tender C01-0809 at its Ordinary Meeting held on 9 September 2008. Four tenders were received, each exceeding the Council's proposed capital expenditure for the Medical Centre project of \$1.12million.

The Council resolved:

'That:

1. *The tender from Mt Barker Building Service to construct the Plantagenet Medical Centre based on the requirements detailed in Tender C01-0809 (including addendums), for \$1,457,313 (inc GST), at Lot 530, Reserve 49690 Marmion Street, be endorsed as preferred tenderer, subject to such alterations as are necessary to bring the project within the Council's adopted budget and the Chief Executive Officer be authorised to negotiate with Mt Barker*

Building Service regarding cost savings that can be made on the Plantagenet Medical Centre.

2. *At the completion of the negotiations referred to in Part 1, a Special Meeting of the Council be called to address the project costs in full and the projected budget capital income for this project, with the view to confirming the Medical Centre construction.'*

Several meetings were held with Mr Jeff Jennings of Mt Barker Building Service regarding possible cost savings. A revised construction cost was prepared for the Council of \$1,324,983 (including GST) which amounts to a \$132,330 saving. The revisions have been considered by the project architect and supported, with the exception of the changes to the air conditioning system. Further negotiations are occurring regarding the air conditioning system.

Statutory Environment

The Local Government (Functions and General) Regulations 1996 detail the process required to tender for providing for goods or services.

Consultation

Consultation has taken place with Mr Jeff Jennings – Mt Barker Building Service, Mr Richard Currie – Q3 Architecture, Dr's Victor Seah and Carol Fitzpatrick - Plantagenet Medical Group, Mrs Kathy Collins – Physiotherapist, various businesses that specialise in building products, Mr Rob Stewart – Chief Executive Officer, Mr John Fathers – Deputy Chief Executive Officer, Mr Alan Watkins – Principal Building Surveyor and Mr Ian Bartlett – Manager Works and Services.

Policy Implications

There are no policy implications for this report.

Financial Implications

A cost estimate to construct a Medical Centre was sourced from a Quantity Surveyor. The estimate amounted to \$1,001,000.00 and was based on a building with a floor area of 440m² with a 10m² covered entry canopy.

As further planning has occurred, the size of the building has increased to 550m². The main changes have been the inclusion of pathology, physiotherapy and counselling rooms. There has also been a number of price increases for building products such as steel and plastics.

Three Government Grants have been secured to offset the cost of constructing the Medical Centre, these being:

- Rural Medical Infrastructure Fund (Regional Partnerships Program) - \$400,000;
- Regional Infrastructure Funding Program - \$200,000; and
- Regional Headworks Program - \$20,000.

Discussions have also been held with the Mount Barker Community Bank regarding a 'community loan' of \$200,000, to be paid back over a ten year period at a discounted interest rate. These discussions are yet to be finalised, however recent investigations have found that a loan may be obtained from the Treasury for \$200,000 at 6.42% fixed interest over a ten year period.

The Council has allocated the sale proceeds from Redman House to the construction of the Medical Centre, being \$500,000.

State Treasury seeks benchmarks of (maximum) 10% Debt Service Ratio and (maximum) 60% Net Debt to Revenue Ratio.

Prior to the draw down of the \$187,000 self supporting loan for the Mount Barker Golf Club, the Council's Debt Service Ratio was 6.98% and the Net Debt to Revenue Ratio was 48.73%. With further borrowings of up to \$400,000, those ratios would be increased to 7.51% and 56.2% respectively (according to Treasury calculations).

Further unspent Saleyard loan funds of \$235,000 are still available and could be utilised in accordance with the provisions of section 6.20 (3) of the Local Government Act 1995. Also, funds could be utilised from the Shire Development Reserve, the balance of which is \$211,924.

Strategic Implications

The Council's Strategic Plan details the following vision:

'We see families and economic development as the mainstay for creating a community that will provide everything that is needed: economic security, safety and social networks within an environment that is clean and safe.'

A district where people will come to raise families because of educational opportunities, health facilities, economic infrastructure and a variety of housing opportunities.'

The Medical Centre proposal addresses the provision of health facilities, which will in turn support a growing population and assist economic development.

Officer Comment

Four tenders were received for the construction of the Plantagenet Medical Centre:

Company Name	Amount (inc GST)	Working Days to complete the building construction
George Rydell Constructions Pty Ltd	\$1,623,661.60	90
Wauters Enterprises	\$1,639,000.00	130
Parkzone Pty Ltd	\$1,526,988.00	260
Mt Barker Building Service	\$1,457,313.00	240

All tenders exceed the Council's capital revenue for the Medical Centre project. Following the decision of the Council at the Ordinary Meeting held on 9 September 2008, negotiations began with Mr Jeff Jennings of Mt Barker Building Service to identify cost savings for the project.

Mr Jennings proposed the following alterations:

- Change manufacturer and unit design for the air conditioning system.
Amount saved - \$36,000;

- Remove water tanks and pump from the plan specifications.
Amount saved - \$20,000;
- Change hi-light windows to a fixed window, delete electrical winders and change the specified glass to smoked laminated glass.
Amount saved - \$24,300;
- Delete one layer of Gyprock on all walls except to the party wall of consultation rooms only.
Amount saved - \$17,000;
- Change all internal door locks to Lockwood Lock Safe systems.
Amount saved - \$10,000; and
- Review light fittings to a quoted price, rather than a project cost amount.
Amount saved - \$13,000.

Mr Richard Currie, Project Architect, has reviewed the above cost savings and is supportive of the alterations with the exception of the air conditioning. Further negotiations are occurring to determine if the alternate air conditioning proposal will meet Australian Standards and service the building effectively.

Mt Barker Building Service proposal results in a revised cost to construct the Medical Centre of \$1,324,983 (including GST) which amounts to a \$132,330 saving. However, given the continued negotiations regarding the air conditioning system it would be appropriate to maintain the initial quote for the air conditioning installation, increasing the revised cost submitted by Mt Barker Building Service to \$1,360,983 (inc GST).

In addition to the construction budget for the Medical Centre project, costs will be incurred for site preparation and site works, architectural services (including project management), internal fit-out, service connection, site works and a project contingency budget. Quotes have been sourced from various businesses and are summarised into a Project Expenditure Budget shown below:

EXPENDITURE	\$ (ex GST)
Architectural Services	
Architectural Services (inc Project Management)	87,281.00
Site Preparation	
Clearing (inc mulch)	11,500.00
Rocks - piling and redistribution	800.00
Building	
Revised tender price - construction of Medical Centre (ex GST)	1,224,885.00
Internal Fit Out quotations	
Office fit out in Dr, Nurse, Physio and Offices	49,215.00
Blinds	5,200.00
Mirror in the gym	1,576.00
Compactus	5,000.00
Adjustable wall mounted lights	2,500.00
Services	
Power connection	64,000.00
Site Works	

Stormwater connection	1,166.00
Pathways from site to road	8,450.00
Silt trap	1,266.00
Total Construction Cost	1,462,839.00
<i>Contingency Budget</i>	80,000.00
Total Construction Cost (inc Contingency)	1,542,839.00

The revenue sources for the Medical Centre project are:

REVENUE	\$ (ex GST)
Regional Medical Infrastructure Fund	400,000.00
Regional Infrastructure Funding Program	200,000 .00
Regional Headworks Program Funding	20,000.00
Redman House Proceeds	500,000.00
Bendigo Bank Loan	200,000.00
Total Revenue	1,320,000.00

The project shortfall is \$222,839.00.

There are a number of options for the Council to consider:

Option	Comments
Reduce the size of the building, for example removing the physiotherapy and/or pathology area, and re-tender the project	<p>The Plantagenet Medical Centre has been designed to provide sufficient room for doctors, nurses, allied health professionals (physiotherapy, pathology etc) and visiting health professionals.</p> <p>The building has been designed so that future extensions may occur, or a staged construction may be planned, however the increasing cost of building materials and labour will limit extensions on the building for a significant period of time.</p>
The Shire to complete components of the project construction, such as the car parking areas	<p>Mt Barker Building Service has allowed \$78,000 for the construction of the car park areas, including kerbing, line marking and drainage.</p> <p>The Shire is skilled and resourced to construct the car park area and given the proposed 240 day construction time, the work would not be required until the 2009 – 2010 financial year. Mr Ian Bartlett has estimated a similar cost for the Shire to complete the car park area.</p> <p>If this option was proposed, a \$144,839.00 of savings would still need to be identified.</p>
Funding the shortfall from the Shire Development Reserve (\$211,924 available in the 2008 – 2009 Annual Budget)	<p>The Development Reserve funds would be wisely spent supporting the Medical Centre project. The reason for constructing the Centre is to 'future proof' medical services within the Plantagenet</p>

	community.
Funding the shortfall from a fixed rate loan	The Plantagenet Medical Group has agreed to lease the Medical Centre for a minimum ten years. If the Shire was to borrow money it would be prudent to borrow the funds over a ten year period, while a tenant is in the building.
Delay or cease the construction project	If the project was delayed, the cost of construction is expected to increase over time. The industry is presently experiencing cost increases for mesh, pvc plastics and steel. To delay or cease the construction project would place the Government grants in jeopardy.
Funding the shortfall from the Shire Development Reserve (say \$80,000) and the balance of the shortfall from unspent Saleyards Loan funds (\$143,000).	The preferred option. This will allow the Council to utilise existing drawn down funds, provided that the Council resolves in this manner, so the Council's financial ratios remain unchanged. The Development Reserve funds would be available for contingency allowances. This is the preferred option.

Voting Requirements

Absolute Majority

OFFICER'S RECOMMENDATION / COUNCIL DECISION

Moved Cr J Mark, seconded Cr D Nye-Chart

THAT:

1. The tender from Mt Barker Building Service to construct the Plantagenet Medical Centre, based on the requirements detailed in Tender C01-0809 (including addendums) and including revisions detailed on the Revised Construction Cost provided by Mt Barker Building Service (dated 17 September 2008) with the exception of changes to the air conditioning system, be accepted.
2. \$80,000.00 be made available from the Shire Development Reserve Fund for the Plantagenet Medical Centre contingency budget.

3. Pursuant to s6.20(3) of the Local Government Act 1995, unspent loan funds raised through Loan Number 89 (Remedial Works – Saleyards) amounting to \$143,000.00 be redirected to the Plantagenet Medical Centre project.

CARRIED (7/1)

NO. 198/08

(ABSOLUTE MAJORITY)

14 CONFIDENTIAL

Nil

15 CLOSURE OF MEETING

3:59 PM The Presiding Member declared the meeting closed.

CONFIRMED: CHAIRPERSON _____ **DATE:** ____ / ____ / ____