



COUNCIL AGENDA

LITCHFIELD ORDINARY COUNCIL MEETING

Tuesday 19 October 2021

6 **Petitions**

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9 **Accepting or Declining Late Items**

9.01 Nomination for Appointment to the Berry Springs Water Advisory Committee

9.02 Suitability of LRCI Funding New Multipurpose Community Building

10 **Notices of Motion**

10.01 Selection of Projects for Phase 2 of LRCI and 2020/21 LGPIF Funding

10.02 Selection of Projects for Phase 2 of LRCI and 2020/21 LGPIF Funding



COUNCIL REPORT

Agenda Item Number:	9.01
Report Title:	Nomination for Appointment to the Berry Springs Water Advisory Committee – Mayor Barden
Author and Recommending Officer:	Arun Dias, General Manager Business Excellence
Meeting Date:	19/10/2021
Attachments:	Nil

Executive Summary

The purpose of this report is to inform Council of its nominated representative to the Berry Springs Water Advisory Committee.

Recommendation

THAT Council:

1. nominates Mayor Barden for appointment to the Berry Springs Water Advisory Committee; and
2. note that the nomination has been submitted to the Department of Environment, Parks and Water Security on 15 October 2021.

Background

On 13 October 2021, Council became aware of correspondence distributed to stakeholders on 1 October 2021 from the Department of Environment, Parks and Water Security, requesting expression of interest submissions to re-establish the Berry Springs Water Advisory Committee (BSWAC).

The committee's general function would be to:

- Review and provide advice and recommendations to the Northern Territory Government about the performance of the current Berry Springs Water Allocation Plan (2016-2026); and
- Bring to the table relevant expertise, knowledge, skills and perspectives related to beneficial uses of water and water management in the Plan area and canvass the views of stakeholders and the broader community.

Expression of interests were required to be submitted by Friday 15 October 2021. An expression of interest was put forward on this date, nominating Mayor Doug Barden.

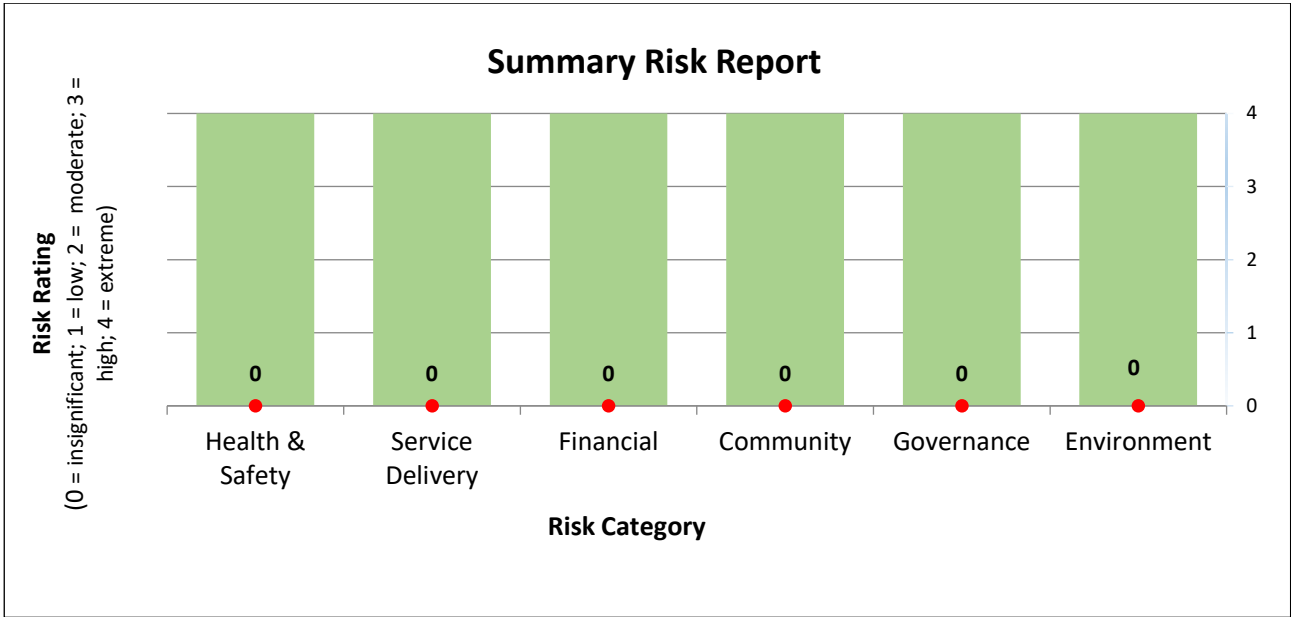
Links with Strategic Plan

A Beautiful and Safe Natural Environment - Water and Drainage

Legislative and Policy Implications

N/A

Risks



Nil identified.

Community Engagement

Not applicable.



COUNCIL REPORT

Agenda Item Number:	9.02
Report Title:	Suitability Report; Proposed Multi-Purpose Community Building
Recommending Officer:	Leon Kruger, General Manager Infrastructure & Operations
Author:	Mark Hogan, Planning & Development Program Leader
Meeting Date:	19/10/2021
Attachments:	Nil

Executive Summary

The purpose of this report is to inform Councillors on the proposed funding for a multi-purpose standalone community building through the Local Roads and Community Infrastructure (LRCI) program.

A report was tabled at the Strategic Discussion and Briefing Session on 6 October 2021 providing the rationale behind a Council decision to proceed with the multi-purpose community building project, funded through the LRCI. Some concern was raised regarding the suitability of one of the Phase Two proposed projects, and if it should proceed.

This report includes the risks associated with potentially not proceeding with this project and instead requesting permission for a variation from the Federal Department for Infrastructure, Transport, Regional Development and Communications (DITRDC) to replace it with other projects.

Grants are allocated on the strength of proposed projects and should not be interpreted as being a funding pipeline which can be expected to be available to Council irrespective of need or intended spend. They are a one-off occurrence, concluding after 'Phase Three.'

The Litchfield community has significant demand for a standalone top-line community building, with Council historically having to deny a considerable number of requests for use of Council chambers and bookings seeking appropriate airconditioned and technologically provisioned spaces.

Chamber's current form, including its small size and configuration within the Council administration offices (which are security protected after hours) makes it particularly unsuitable. The LRCI grant program provided Council with the unique opportunity to develop appropriate infrastructure. Grant funding for such infrastructure is exceedingly rare and councils usually fund such infrastructure through rates.

A multi-purpose standalone community building to be used to benefit both the community and as an additional Council asset has been rigorously checked against the strict program guidelines, and was accepted and confirmed as an appropriate use of the funding.

Recommendation

THAT Council adopt the recommendation that the multi-purpose community building remain as one of the two projects for Phase Two of the LRCI grants program as per the council resolution on 28 January 2021.

Background

The Federal Government established the LRCI grants program as one-off project specific resourcing applicable to an 'Approved Work Schedule' (AWS). Whilst some variations to the AWS may be permitted, these apply to the scope of works to be undertaken. It is not guaranteed that a rejection of the funds awarded to Council and re-pitching an entirely new project for approval would be accepted as a variation.

Any variations to an existing project scope must be submitted by Sunday 31 October 2021. After this time all projects must be delivered exactly in-line with the scope previously agreed to in the AWS.

The LRCI program is being undertaken in three phases. Councillors have previously endorsed project applications for Phase One and Phase Two.

Phase Three starts in January 2022, and it will be the prerogative of Council Members to endorse which projects are to be nominated for grant applications. Phase Three would be the appropriate time to pitch for renewal of existing or new community infrastructure, with \$2,366,858 available to Litchfield Council for eligible projects.

For Phase One, Council prioritised funding dedicated to roads. Council received \$1,183,429 to reseal Wells Creek, Mocatto, Townend and Redcliff Roads. Seed funding for road projects is very helpful in addressing latent need, however roads are a core business for Council and are accounted for in current budgets.

Phase Two provided Council with the opportunity to pitch for \$1,460,870 to fund additional works not typically covered within annual budget revenue cycles. A new community facility at Southport ('Mira Square') and a new multi-purpose community building within Council's 7 Bees Creek Road administration office precinct were endorsed.

The \$1,460,870 provided under the LRCI Phase Two funding program was allocated as follows:

- Mira square project; \$300,000 (excl GST)
- Multi-Purpose Community Building; \$1,160,870 (excl GST)

Benefits of Phase Two Multi-Purpose Community Building

Need for a Community Facility

Council receives regular requests from community groups to use the council chambers (normally after hours) to host meetings, workshops and training opportunities in a space well catered for by highspeed internet and other relevant technology.

The current Council chambers are not fit for purpose as the room does not have appropriate facilities such as storage space, a basic kitchen, suitable washrooms (including ambulant toilets) and additional breakout spaces / meeting rooms.

The Council chambers are also only accessible through the main Council administration building entry, which must be opened to unlock the room, and are networked into the main

security system. This means staffing is required whenever chambers are in use to unlock doors and stand-down the alarms.

The proposed new multi-purpose community building is to be separate from the Council administration building and designed in such a way that it will be available for community use within and after business hours.

Cost-Efficiency of Co-Location

Having the multi-purpose community facility integrated on the same site as existing Council administration offices creates significant cost-efficiencies, meaning the grant investment will generate considerable savings for rate payers.

Ensuring multi-functionality means being able to leverage usage of the building for purposes such as Council Meetings and Briefings, as well as operating for community benefit. Currently there is no adequate provision for a meeting room or working space for elected members to meet and conduct the undertakings of their office.

Increase in Value of Land and Built Form Assets

It is currently anticipated that Council's administration will relocate to 320 Arnhem Highway when the development of the Council owned site is optimally timed for the development in around ten years.

The result of additional supportive infrastructure adjacent to the current Council administrative building will not only serve the identified and requisite need for the community now. It will also afford the Council an increased sale value at the point of sale (or lease) when the time comes to activate the 320 Arnhem highway development and relocate Council's administration.

Restrictive Size of Current Council Chambers

Even prior to the expansion of elected representation from five Councillors to seven, the full functionality of Litchfield Council chambers was compromised. This means that there is pressure on the capacity of the room, which is exceeded if there is any consequential attendance by community members, or when staff or consultancy presentations occur.

Citizenship ceremonies are performed outdoors in all climactic conditions year 'round, and larger delegations from both government and not-for-profit organisations are routinely refused as they are unable to adapt chambers into a suitable configuration of tables and chairs.

Extending the Usable Life of the Administration Offices

Council is considering the potential of a full relocation as part of the long-term (approximately ten year) vision for the underutilised Council owned land at 320 Arnhem Highway, Humpty Doo. This has come about due to the need for significant maintenance and repairs to the existing administration offices.

The current offices are at capacity to house staff, and they are lacking in basic facilities such as meeting rooms, lunchrooms and a dedicated workplace health and safety first-aid / sick room. The buildings are also lacking in contemporary office requirements such as appropriate end-of-trip facilities and a breastfeeding mothers' room.

As a stopgap between consideration of more resource intense options such as fully refurbishing the ageing offices, or a potential earlier relocation, better utilising the space now dedicated for chambers through a partial fit-out could be a cost-effective means to meet some of those requirements. This can only be achieved if the multi-purpose community building is co-located with the existing Council administration buildings.

Synergy of LRCI Grant Funding Program

It was previously agreed to that the rollout of the LRCI funding would benefit the Litchfield community most if, across the three rounds of funding, the majority of money was allocated to roads, as well as any identified community infrastructure needed. Capturing these projects within the LRCI program funding alleviates the pressure to find alternate resourcing, such as through the increase of rates, to cover cost.

The following table displays the intended spend over the three phases of one-off LRCI funding, which shows the overwhelming majority of funding is available to be dedicated to road renewal and reseal.

Program	Amount	Description
Phase One	\$1,183,429	Reseal of: <ul style="list-style-type: none"> - Wells Creek Road - Mocatto Road - Townend Rod - Redcliff Road
Phase Two	\$1,460,870	New Build of: <ul style="list-style-type: none"> - Mira Square project - Multi-Purpose Community Building
Phase Three	\$2,366,858	The program starts in Jan 2022 and Council is still to select which potential roads projects are preferred

Suitability of Phase Two Multi-Purpose Community Building

The proposed new multi-purpose community development being co-located with the Council administration offices was submitted to LRCI and assessed at Federal Government level by dedicated departmental staff at DITRDC.

The award of a funding grant for the development, and its intended application for community uses as well being available for Council business, confirms its suitability for the program as per the program guidelines. To ensure such an outcome, further validation was sought – and verification provided in written and verbal correspondence – prior to the submission of the project and granting of DITRDC approval.

Alternative Options

As with Phase One, the tranche of funding associated with Phase Two could be dedicated to roads.

It is estimated that the equivalent capital which is dedicated to the funding of the multi-purpose community building would reseal approximately 20 kilometres of road. No current alternative roads projects are identified for funding.

Through its commitments published in the Municipal Plan, Council undertakes a road reseal and renewal program. The schedule of road projects that are identified for reseal and renewal in the current Municipal Plan have already achieved full funding.

As an example, roads that may be addressed through a reseal and renewal in the next schedule of road projects could include sections of Girraween Road.

Risks Associated with Rejection of Funds / New Project Proposals

Rejection of New Projects as a 'Variation'

The guidelines surrounding potential variations relate to the scope of works set out in the 'Approved Work Schedule.' It is considered likely that rejecting funding for the multi-purpose community facility in favour of an entirely new project would not be considered a variation to the scope of works as agreed to in the AWS.

Governance Risk Profile

It is considered that an unacceptable reputation outcome of a late change in project may increase Council's governance risk profile in the eyes of governmental funders. Council has previously committed to this project and rescinding that decision could be viewed unfavourable by DITRDC when it considers future applications.

Loss of \$70,000

The expenditure to date for designs and tender documents has totalled approximately \$70,000. DITRDC has confirmed that it cannot reimburse Council for that amount should the project be scrapped, and the funds will need to come out of alternative revenue, namely; rates.

This equates to 0.64% of rate increase for every rate payer in the Litchfield municipality.

The expenditure would therefore be wasted on something that will most likely never be used again, given it is reliant on grant funding to proceed rather than rate payer increases to meet resourcing.

Loss of over \$1M in Grant Funding

Phase Two of the LRCI program runs from Jan 2021 to Dec 2021. Council has already sought an extension of time for both the Mira Square and the multi-purpose community building projects. The revised deadline to complete projects under Phase Two is 30 June 2022.

Council has been directed to show robust evidence of progress towards implementation of projects to validate the granting of that extension of time.

In a scenario where Council decides to rescind the resolution from the January 2021 Ordinary Council meeting and reallocate the LRCI Phase Two grant funding to another project/s, there is a substantial risk that DITRDC might decide not to approve alternative projects. The risk is that Council may lose out on \$1,160,870 (excl GST) of grant funding due to late-stage changes.

Service Delivery

LRCI guidelines do not allow for spending on projects already underway, so new projects would need to be identified. There is a substantial risk that, should the multi-purpose community building be replaced by alternative projects, these projects may not be concluded by the 30 June 2022 project completion deadline.

The risk associated with this is a potential loss of funding for works not completed in time, as well as the additional reputational risk that Council will be perceived by funding agencies as not capable of meeting contractual funding obligations. As a result, Council's future grant applications might be viewed unfavourably against other competitors.

Officer Advice

The multi-purpose community building represents value for money as well as providing the greatest net community benefit, compared to an alternate project proposal scenario for Phase Two of the LRCI, which would jeopardise the grant funding.

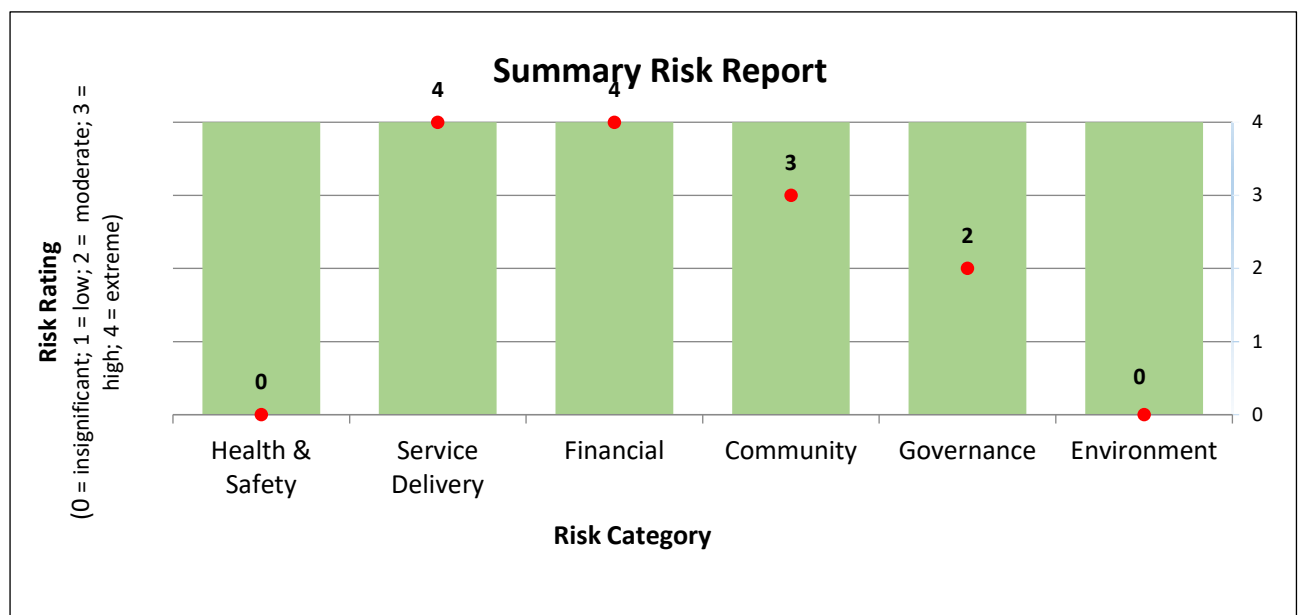
The risks posed by rejecting funding and putting forth a new proposal at this late stage of Phase Two are considered unacceptable given variations are due on 31 October 2021, and the possibility an entirely new proposal would not be accepted as a variation.

Phase Three of the program, starting in January 2022, provides a pool of \$2,366,858 for renewal of existing and new community infrastructure and roads projects. The recommendation is that Phase Three is the appropriate juncture at which to proposed new developments, not the current phase.

Resource and Financial Implications

The potential risk of losing at least \$1,160,870 (excl GST) of grant funding is discussed above in this report.

Risk Summary



Service Delivery

There is a substantial risk that should the multi-purpose community building be replaced by alternative projects may impact service deliver as these projects may not be completed by the 30 June 2022 deadline.

Financial

The potential risk of losing at least \$1,160,870 (excl GST) of the Phase Two grant funding are discussed at length in the above report.

Community

The projects selected by Council for the LRCI Phase Two grant funding program are included in Council's Annual Plan and Council's 2021-22 budget. There is significant reputational risk within the community should Council lose the grant funding for Phase Two.

Governance

It is considered that the unacceptable reputation outcome of a late change in projects may include the increase of Council's governance risk profile in the eyes of governmental funders.

Such an outcome would be viewed as resulting in poor governance standards as it casts doubt on a Litchfield Council's practices and processes by which future decision may be made.