

**CCS083: BUILDING BETTER REGIONS FUND ROUND 2-MIDDLETON
FORESHORE ENHANCEMENT**

Proponent / Owner : City of Albany
Supplementary Information & Councillor Workstation : N/A
Report Prepared By : Executive Director Infrastructure & Environment (M Thomson)
Responsible Officers: : Chief Executive Officer (A. Sharpe)

STRATEGIC IMPLICATIONS

1. This item relates to the following elements of the City of Albany Strategic Community Plan or Corporate Business Plan informing plans or strategies:
 - **Theme:** Smart, Prosperous and Growing
 - **Objective:** To strengthen and grow our region's economic base
 - **Community Priority:** Work with business and other stakeholders to attract investment; diversify the economy; create jobs and support small business growth.

In Brief:

- To accept the *Middleton Beach Foreshore Enhancement* funding offer of \$4,513,500 from the Federal Building Better Regions Fund, Round 2 (BBRF).
- Authorise the Chief Executive Officer to enter into a funding agreement with the Australian Government Department of Industry, Innovation and Science.

RECOMMENDATION

**DRAFT MOTION
VOTING REQUIREMENT: ABSOLUTE MAJORITY**

THAT Report CCS083: Building Better Regions Fund Round 2-Middleton Foreshore Enhancement be ACCEPTED for consideration by Council as an urgent item in accordance with clause 3.5 of the Standing Orders Local Law 2012 (As amended).

Reason: This item is presented for urgent consideration as the City needs to meet a deadline in relation to entering into a funding agreement. The City expects that the Draft Agreement will be presented for final review within one week.

**CCS083: RESPONSIBLE OFFICER RECOMMENDATION
VOTING REQUIREMENT: SIMPLE MAJORITY**

THAT Council ACCEPT the offer of funding of \$4,513,500 from the Building Better Regions Fund (BBRF), Round Two (2) for the Middleton Beach Foreshore Enhancement and AUTHORISE the Chief Executive Officer to enter into a funding agreement with Australian Government Department of Industry, Innovation and Science for the project.

BACKGROUND

2. The City of Albany made application to the \$297.7 million Building Better Regions Fund (BBRF) in December 2017 for two projects, namely:
 - a. Middleton Beach Foreshore Enhancement; and
 - b. Albany: Kinjarling Connect 2026.
3. These applications were endorsed by Council at the Ordinary Council Meeting in April 2018.

4. The BBRF program is designed to achieve the following outcomes in regional and remote communities:
 - Create jobs;
 - Have a positive impact on economic activity, including Indigenous economic participation through employment and supplier-use outcomes;
 - Enhance community facilities;
 - Enhance leadership capacity; and
 - Encourage community cohesion and sense of identity.
5. The Infrastructure Projects Stream supports projects which involve the construction of new infrastructure, or the upgrade or extension of existing infrastructure that provide economic and social benefits to regional and remote areas.
6. The City's application for the Middleton Beach Foreshore Enhancement project was successful. This application was presented as a partnership approach with Landcorp as a major funding partner.
7. The City received positive feedback concerning the second application - Albany: Kinjarling Connect 2026) however the application was not successful on this occasion. The City may consider revising this application for a future submission in due course.
8. The City is negotiation a Financial Assistance Agreement with the Australian Government through the Department of Industry, Innovation and Science.
9. This report recommends that the offer of financial assistance be accepted and that the Chief Executive Officer be authorised to enter into a funding agreement.

DISCUSSION

Project Vision and Outcomes

10. The Middleton Beach Foreshore Enhancement project vision is to establish Middleton Beach as Regional Western Australia's most iconic and active beach precinct, offering world-class community, commercial and civic amenity on the pristine South Coast
11. The primary project outcome is for Middleton Beach to be recognised as the state's best regional beachfront destination. Comprehensive strategies have been developed through the planning process for the Middleton Beach Activity Centre in particular the Foreshore Management Plan. The strategies are focused on the foreshore area between the boardwalk and the eastern end of the Surf Life Saving Club (Middleton Rd). The principal specific objectives are to:
 - a. Develop the foreshore site to enable the broader vision to be realised, inclusive of the broader precinct adjacent to the Middleton Beach Activity Centre.
 - b. Implement integrated strategies for servicing, essential infrastructure, engineering, and coastal adaptation and protection (sea level change). This includes mitigating risk to existing or proposed infrastructure resulting from storm surge or sea level rise, with specific measures to address requirements of SPP 2.6.
 - c. Maintain Middleton Beach's unique landscape character and natural assets, whilst enhancing lifestyle, tourism and increased patronage, and attracting private investment for recreational, retail and accommodation development projects to complement the key principles and objectives of the Middleton Beach Activity Centre.
 - d. Develop a high quality public space and facilities for all users which are safe, accessible, attractive, comfortable, flexible (event capability), well connected, and long lasting.
 - e. Build on the objectives established by community engagement undertaken for the Middleton Beach Activity Centre (LandCorp) and the Coastal Parks Strategy (CoA).

- f. Work in partnership with key stakeholders throughout the project, taking a collaborative approach to design, planning, implementation and management decisions.
- g. Protect, enhance and communicate the cultural and heritage values of the locale; create memorable, diverse and authentic experiences which express civic pride and encourage repeat visitation.
- h. Create strong connections and linkages between Middleton Beach, the CBD and Mounts Precinct (Forts and National Anzac Centre) by leveraging existing and proposed infrastructure and important natural, cultural and heritage assets.

Funding

12. The total project cost is \$9,027,000 excluding GST and is represented in the table below:

Source		Cash	Note
City of Albany		\$2,043,500	Budget allocation made in 2018/2019
Landcorp	\$350,000		Landscape, stage 2 MBAC development
	\$1,120,000		Coastal protection measure (submerged rock armoured wall)
	\$1,000,000		Power supply
	Sub total	\$2,470,000	
Federal Government		\$4,513,500	BBRF Round 2
Total (excl. GST)		\$9,027,000	

Key Project Activities

13. The funding agreement comprised of the key project activities listed below.

- a. Site Preparation, including:
 - i. Earthworks; and
 - ii. Roadworks and integration of Flinders Parade
- b. Construction of:
 - i. Multi-purpose event space, including amphitheatre terracing and grassed areas;
 - ii. Shared-access pathways;
 - iii. Retaining and seating walls;
 - iv. Coastal protection rock armouring, including sand renourishment; and
 - v. Stormwater drainage and water quality system
- c. Installation of:
 - i. Irrigation system;
 - ii. Public lighting, furniture and artwork;
 - iii. Play equipment; and
 - iv. Signage
- d. Connection to utilities, including sewerage, water, electricity, gas and telecommunications.
- e. Landscape and public realm works, including planting, mulching, grassing and irrigation system.

Key Project Milestones

14. The funding milestone and dates are a condition of the funding agreement as presented below:

MILESTONE	DUE DATE
Milestone Progress 1	
<ul style="list-style-type: none"> 10 per cent of the key eligible project activities. 	31 March 2019
Milestone Progress 2	
<ul style="list-style-type: none"> Statutory approvals have been obtained Final costs confirmed Final design completed Tenders completed 30 per cent of the key eligible project activities are completed to the satisfaction of the Commonwealth (i.e. construction commenced) 	31 September 2019
Milestone Progress 3	
<ul style="list-style-type: none"> 50 per cent of the key eligible project activities are completed to the satisfaction of the Commonwealth 	31 December 2019
Milestone Progress 4	
<ul style="list-style-type: none"> 70 per cent of the key eligible project activities are completed to the satisfaction of the Commonwealth 	31 June 2020
Project Completion Milestone 5	
<ul style="list-style-type: none"> All key activities, of the Agreement, are complete; Project is operational. 	21 December 2020
Final Acquittal	31 December 2020

GOVERNMENT & PUBLIC CONSULTATION

15. **Government:** The City has undertaken consultation and engagement with a significant volume of Government agencies across both BBRF applications including but not limited to: Landcorp, Department of Planning, State Heritage Office, Department of Local Government, Sport and Cultural Industries, Department of Transport; Southern Port Authority, and Great Southern Development Commission.

16. **City of Albany:** The projects were identified and agreed at the Elected Member Strategic Workshop held with City Officers on 21 November 2017. The projects had also been previously identified with Elected Members as priorities for funding application advancement through the former National Stronger Regions Funding Program and BBRF Round.

17. **Community Groups:** Consultation with community groups has been undertaken across both applications as well as building upon consultation for the BBRF Round 1 Application(s). A sample of key stakeholder groups that have been engaged include the Middleton Beach Users Group, Albany Heritage Reference Group, Local Sporting and Community Groups, Schools, Businesses as well as the NGO membership sector.

18. LandCorp has carried out comprehensive consultation in the development of the Foreshore Management Plan for the Middleton Beach Activity Centre. The project is integral to the Foreshore Management Plan.

STATUTORY IMPLICATIONS

19. The voting requirement of Council is Simple Majority.

POLICY IMPLICATIONS

20. Nil.

RISK IDENTIFICATION & MITIGATION

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

Risk	Likelihood	Consequence	Risk Analysis	Mitigation
<i>Reputation. Should the funding be rejected, a funding opportunity to progress the project will be lost.</i>	<i>Possible</i>	<i>Major</i>	<i>High</i>	<i>Council and State have made appropriate budget allocations and are in a position to deliver the project as a partnership</i>
<i>Opportunity. To capitalise on both State and Federal funds to deliver a significant public realm enhancement.</i>				

FINANCIAL IMPLICATIONS

22. The total project has been costed at \$9,027,000.

23. The proposed agreement is allocated as follows:

- a. Federal Government (BBRF): \$4,513,500
- b. Leveraged Funding (Landcorp): \$2,470,000
- c. City of Albany: \$2,043,500

LEGAL IMPLICATIONS

24. The project will be subject to relevant State and Local Government approvals.

ENVIRONMENTAL CONSIDERATIONS

25. As above. The project is not expected to have any negative environmental implications and will not require formal assessment by the EPA.

ALTERNATE OPTIONS

26. Council may choose not to support accept the funding the Middleton Beach Foreshore Enhancement therefore foregoing the offer of funding from both State and Federal Governments.

CONCLUSION

27. Stakeholder and community feedback demonstrates strong support for improving the Middleton Beach public realm.

28. Should the work not be undertaken, a significant financial commitment to protect the public realm will still be required in future years, but without Landcorp assistance.

29. The BBRF Round 2 Project application was successful and the City has been offered funding of \$4,513,500 through the Australian Government Department of Industry, Innovation and Science for the project.

30. This report recommends that the funding be accepted ad the City enter into a funding agreement.

Consulted References	:	Coastal Parks Enhancement Plan 2014 MBAC Community Engagement OCM 24/04/2017 Resolution CCCS014
File Number (Name of Ward)	:	CP.PLA.9. Frederickstown Ward
Previous Reference	:	OCM 24/04/2017 Resolution CCCS014