

CHIEF EXECUTIVE OFFICERS ADVISORY COMMITTEE

MINUTES

10 February 2009

(REF: COMMITTEES-8892)

A meeting of the Chief Executive Officers Advisory Committee was held at the EMRC Administration Office, 1st Floor, 226 Great Eastern Highway, BELMONT WA 6104 on **Tuesday, 10 February 2009**. The meeting commenced at **12.30pm**.

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6 PRESENTATIONS

Nil

7 ANNOUNCEMENT OF CONFIDENTIAL MATTERS FOR WHICH THE MEETING MAY BE CLOSED TO THE PUBLIC

Nil

8 BUSINESS NOT DEALT WITH FROM A PREVIOUS MEETING

Nil



9 REPORTS OF OFFICERS

9.1 RAFFLES EDUCATION CORPORATION PROPOSAL TO ESTABLISH A PRIVATE UNIVERSITY IN MIDLAND

REFERENCE: COMMITTEES 8897

PURPOSE OF REPORT

This report is to inform Council of a proposal by Raffles Education Corporation (REC) to establish a private university campus at the Midland Railway Workshops site.

KEY ISSUES AND RECOMMENDATION(S)

- Since 1994 EMRC has supported proposals made by member Councils and regional stakeholders to encourage publicly funded university providers to establish a campus in Midland with the aim of improving access to tertiary level education for residents of Perth's Eastern Region and the surrounding catchment. These efforts have proven unsuccessful.
- The REC, a privately funded university provider, has developed a proposal to invest \$100m to establish a private university within the heritage precinct of the former Midland Railway Workshops. The proposed university campus would also be the Australian headquarters for the corporation which currently operates 32 colleges in 10 countries in the Asia/Pacific region, servicing a student population of 61,000.
- In December 2008 EMRC officers attended a workshop at which the university proposal was outlined to regional stakeholders. The preliminary designs show integration of the campus with other existing and proposed developments within and adjacent to the Midland Railway Workshops site.
- To proceed with this proposal the REC requires the approval of the State Government to both operate a university college, and to purchase land and buildings from the Midland Redevelopment Authority at the Midland Railway Workshops site for this purpose. The REC is required to lodge an application to the State Government in February 2009.
- The REC sought letters of support for the application from regional stakeholders. EMRC provided a letter of support. However due to the application timeline, it was not possible to seek Council endorsement prior to its submission.

Recommendation(s)

That Council note that the EMRC has provided a letter of support to the Raffles Education Corporation in support of their proposal to establish a university campus in Midland.

SOURCE OF REPORT

Acting Executive Manager Regional Services

BACKGROUND

EMRC contributes to the development of education and training opportunities in Perth's Eastern Region with the aim of improving access to tertiary level education for residents of Perth's Eastern Region. Since 1994 EMRC has supported proposals made by member Councils and requested stakeholders to lobby and advocate for an Australian Technical College and University campus to be located in the Region.



Item 9.1 continued

REPORT

Raffles Education Corporation (REC) is registered in the United Kingdom. The REC has fifteen years experience as a private provider of diploma, undergraduate and post graduate degree programmes through its 32 university colleges located in ten countries within the Asia/Pacific region. The REC operates a campus in Sydney and meets NSW and Australian government accreditation requirements.

The Raffles Education REC proposes to establish a private university campus and base its Australian headquarters at the Midland Railway Workshops site. The proposal involves a \$100m investment to purchase buildings and land for the delivery of educational programmes and provision of on site student accommodation.

The Midland campus is intended to be the Australian showpiece site for the REC. The university development will occur in three phases, commencing with the first intake of 860 students in 2010-2011 and reaching full capacity in 2026-2030 when it is forecast to cater for up to 12,000 students.

Education programmes will be offered to fee paying students, 50% of whom are expected to be from overseas countries. An estimated 25% of overseas students are expected to live in the campus in specialised student accommodation or surrounding private housing.

Education programmes will be delivered over four 12 week terms at undergraduate through to Masters levels in the following study streams:

- Design
- IT
- Commerce
- Health Sciences (Nursing and new medical technologies)
- Engineering (including Avionics)
- Education

The REC intends to articulate its study programmes with those of secondary and technical education institutions in Perth's Eastern Region. The study programmes will also support existing and emerging labour needs of business, government agencies and industry in the Region.

To progress its proposal the REC requires the approval of the State Government to both, operate a university college and to purchase land and buildings from the Midland Redevelopment Authority at the Midland Railway Workshops site for this purpose. The REC is required to lodge an application to the State Government in February 2009 and has sought letters of support from regional stakeholders including City of Swan, Midland Redevelopment Authority and Swan Chamber of Commerce. The EMRC provided the Raffles Education Group with the letter of support which further outlines benefits of the proposal to Perth's Eastern Region (refer attached).

STRATEGIC/POLICY IMPLICATIONS

Establishment of a tertiary education campus in Perth's Eastern Region will support Key Result Area 3 of the EMRC Strategic Plan for the Future, specifically Strategy 3.2:

To contribute towards the development of regional education and training opportunities.

FINANCIAL IMPLICATIONS

Nil



Item 9.1 continued

SUSTAINABILITY IMPLICATIONS

The availability of tertiary education in Perth's Eastern Region will reduce the need for residents to attend universities outside the Region and lessen associated negative environmental, social and economic impacts. The university campus will also serve to increase the commercial viability of retail, hospitality and tourism enterprises under development to further activate the Midland Railway Workshops site. The combination of a university campus with these commercial initiatives will provide employment opportunities and social and economic benefits for residents and businesses in Midland and the wider Region.

MEMBER COUNCIL IMPLICATIONS

Member Council	Implication Details
Town of Bassendean	} Nil
City of Bayswater	
City of Belmont	
Shire of Kalamunda	
Shire of Mundaring	
City of Swan	

ATTACHMENT(S)

Letter to Hon Dr Elizabeth Constable MLA 14 January 2009 (Ref: Committees-8958)

VOTING REQUIREMENT

Simple majority.

RECOMMENDATION(S)

That Council note that the EMRC has provided a letter of support to the Raffles Education Corporation in support of their proposal to establish a university campus in Midland.

Discussion ensued

The Executive Manager Regional Services gave a verbal status report. The REC are looking to approach the state government sometime this month. It was noted this project would present the Region with a university and that this would be a privately funded university, not public.

A meeting was held in January 2009 with the REC and they have also requested the support of individual member Councils via an individual letter of support further to the letter of support from the EMRC.

The Chairman queried whether there had been any request for financial support and the Acting CEO noted that there had not been. The Acting CEO also noted that the letter of support was given with qualified support with respect to the request for consideration to be given to addressing the issue of affordability of programmes for local residents.

The Acting CEO noted that given the deadline for the request of this letter of support it had not been possible to seek prior endorsement from Council.

Enquiries: Sue Campbell
Direct Line: (08) 9424 2225
Our Ref: EMRC-91034

14 January 2009

Hon Dr Elizabeth Constable MLA
Minister for Education, Tourism and Women's Interests
19th Floor Governor Stirling Tower
197 St Georges Tce
PERTH WA 6000

Dear Minister

RE: RAFFLES EDUCATION GROUP: APPLICATION TO ESTABLISH UNIVERSITY CAMPUS IN MIDLAND

This letter is provided in support of the application being made by the Raffles Education Group (REG) to establish its Australian headquarters and a university campus within the Midland Workshops site, commencing delivery of tertiary education programmes in 2010/11. Due to the application timeline it has not been possible to refer this letter to Council for endorsement.

The EMRC is a progressive and innovative regional local government working on behalf of six member Councils - Town of Bassendean, City of Bayswater, City of Belmont, Shire of Kalamunda, Shire of Mundaring and City of Swan. Since 1994 the EMRC has actively partnered with member Councils, business, industry and education sector stakeholders to attract a university to Perth's Eastern Region (the Region). Proposals have been submitted to all Perth based universities to extend their operations to the Region with no success.

The absence of a university campus in the Region is a major contributing factor to the lower level of university participation and education attainment by residents of the Region. This view is supported by the following figures drawn from the 2006 Census of Population and Housing:

- 8,389 people or 3.1% of the population of the Region were attending university compared to 4.7% of the population of the Perth Statistical Division.
- 26,434 or 12.2% of people aged 15 years and over in the Region had attained a Bachelor or higher degree compared to 16.4% in the Perth Statistical Division.

EMRC officers attended the workshop on the REG proposal held in December 2008. It was pleasing to learn that the REG intends to articulate its study programmes with secondary and technical education institutions in Perth's Eastern Region thereby facilitating access to tertiary level programmes for local residents. In recognition of the level of social disadvantage experienced by many residents of the Region, EMRC is also keen for REG to address the issue of affordability of programmes for local residents.

The study streams and delivery modes proposed to be offered by the REG will support existing and emerging labour needs of business and industry in Perth's Eastern Region. An important example is the Health Sciences study stream which will aid attraction and retention of staff to the Midland Health Campus, proposed to be constructed adjacent to the MRA Workshops site in 2014. Similarly, the Design study stream will support growth of creative industries in the newly established Midland Atelier centre within the Midland Railway Workshops site.

A university campus will also serve to increase the commercial viability of retail, hospitality and tourism enterprises under development to further activate the Midland Railway Workshops site. The combination of a university campus with these commercial initiatives will provide employment opportunities and social and economic benefits for residents and businesses in Midland and the wider Region.

Please contact Sue Campbell, Manager Economic and Tourism Development, should you require further information on Tel: 9424 2225 or Email: sue.campbell@emrc.org.au.

Yours sincerely

PETER SCHNEIDER
Acting Chief Executive Officer



9.2 REGIONAL UNDERGROUND POWER SCHEME

REFERENCE: COMMITTEES-8924

PURPOSE OF REPORT

The purpose of this report is to ascertain from the Chief Executive Officer Advisory Committee (CEOAC), the level of support for a regional underground power scheme.

KEY ISSUES AND RECOMMENDATION(S)

- The State Government has a long term goal to supply underground power to at least 50% of homes in Perth by 2010.
- Through the Underground Power Project older residential areas are converted to underground power and through the Localised Enhancement Project town centres and tourist precincts are converted.
- In order to fast track the conversion from overhead to underground power services Council resolved at its 4 December 2008 meeting to refer the matter to the CEOAC in order to gauge the level of support for a regional underground power scheme.

Recommendation(s)

That the CEOAC discuss and determine the level of support for a regional underground power scheme.

SOURCE OF REPORT

Acting Chief Executive Officer

BACKGROUND

According to Western Power's website, the Government of Western Australia has a long term goal to supply underground power to at least 50% of homes in Perth by 2010.

Western Power is achieving this target in a number of ways. For example:

- Older residential areas are converted to underground power under the Underground Power Program (UPP)
- Town Centres and tourist precincts are being converted to underground power under the Localised Enhancement Projects (LEP)
- Underground power has been progressively introduced in all new subdivisions since 1991
- All new homes in overhead areas in the metropolitan area are required to have an underground connection from the pole in the street (pole to pillar)

There are other ways to get underground. For instance, at any time residents can apply to have an overhead service cable changed to an underground pole to pillar connection at a subsidised rate. Also residents may form a neighbourhood collective to have their street or neighbourhood converted to underground power.

Underground power supplies are safer and more secure in severe weather conditions and remove the need for tree pruning and improve the appearance of the street.



Item 9.2 continued

The cost of each project is shared between the State Government, Western Power and the local council. In most cases, the State Government and Western Power each contribute 25% and the local Council 50%. The State Government and Western Power each contribute around \$5million to the UPP every year. The only major residential project completed in Perth's Eastern Region has been Rivervale in the City of Belmont.

LEP's are an opportunity for local governments to beautify street scapes and traffic routes of significance that are recognised as having scenic, tourism and heritage value. The only LEP completed with this region has been the Mundaring township in the Shire of Mundaring. However, in June 2007 the Minister for Energy announced two new projects in the region being Guildford Road Maylands in the City of Bayswater and Belvidere Street Belmont in the City of Belmont.

REPORT

At the Council meeting held on 4 December 2008, Council dealt with a notice of motion, which had been previously circulated, from Cr Pule at item 17.1 Regional Underground Power Scheme.

During discussion it was acknowledged that a project such as this should be looked into and would be more likely to be successful if undertaken on a regional basis.

Council resolved that it would be appropriate to refer Cr Pule's resolution to the CEOAC.

Cr Pule moved an amendment to the motion that it be referred to the CEOAC to ascertain the viability of Regional underground power. The amendment was seconded by Cr Klein.

COUNCIL RESOLUTION(S)

THAT THE FOLLOWING MOTION BE REFERRED TO THE CHIEF EXECUTIVE OFFICERS ADVISORY COMMITTEE TO ASCERTAIN THE VIABILITY OF REGIONAL UNDERGROUND POWER:

THAT THE EASTERN METROPOLITAN REGIONAL COUNCIL EXAMINES AND REPORTS TO THE INTERESTED COUNCILS OF THE REGION ON THE FEASIBILITY, COSTING AND PRACTICAL APPLICATIONS OF A REGIONAL UNDERGROUND POWER SCHEME OWNED BY THE REGIONAL COUNCILS AND OPERATED FOR THE BENEFIT OF THE COUNCILS IN THE REGION WISHING TO PARTICIPATE.

THE STUDY TO CONSIDER:

1. A WORKING GROUP OF COUNCIL REPRESENTATIVES; BOTH COUNCILLORS AND OFFICERS AND THE EXPERTISE OF ADVISORY GROUP OF THE EMRC TO FORMULATE THE STUDY.
2. THE EXAMINATION OF THE BEST GENERAL SPECIFICATION NEEDED FOR AN UNDERGROUND BORING MACHINE APPLICABLE ACROSS THE WIDEST NEEDS OF TERRAIN IN THE REGION.
3. THE COST AND COST BENEFITS OF PURCHASING THE DESIGNATED BORING MACHINE.
4. THE OPERATIONAL REQUIREMENTS OF STAFFING, TRAINING AND OPERATING THE BORING MACHINE.
5. MAINTENANCE AND ORGANISATIONAL FACTORS OF BOTH THE BORING MACHINE AND THEN OPERATING STAFF, INCLUDING LOCATION AND HOUSING FACTORS.
6. A PROGRAM OF METHODS OF WORKS PROJECT, APPLICABLE ACROSS THE INTERESTED COUNCILS, THAT MOVES THE ESTABLISHMENT OF UNDERGROUND POWER IN THE MOST EQUITABLE WAY FOR ALL. PERHAPS PRIORITISING THE MOST NEEDED SECTIONS OF THE INTERESTED COUNCILS AND THEN SEQUENCING THE OPERATION OF THOSE SECTIONS IN EACH COUNCIL.
7. ESTIMATIONS OF COSTS TO COUNCILS.



Item 9.2 continued

8. ESTIMATIONS AND FEASIBILITY OF ADDED VALUE TO ON SELL TO OTHER USERS OF THE UNDERGROUND CAPACITY. SUCH AS MAKING PROVISIONS FOR PHONE, BROADBAND CABLE, GAS AND OTHER POTENTIAL USERS.
9. THAT THESE CAPACITIES BE PROVIDED FOR IN THE SETTING UP OF THE SCHEME TO RECOUP VALUE FOR THE PROJECT.
10. THAT CONSULTATIONS TAKE PLACE WITH POTENTIAL USERS TO ASSESS THE POTENTIAL MARKET FOR SUCH USERS AND THE LEGAL AND REGULATORY ISSUES RELATING TO SUCH USES BE EXAMINED.
11. THAT THE COSTING STUDY SHOW THE DIFFERING FINANCIAL STRUCTURES THAT WOULD OPERATE
 - A) WITH THE ADDED VALUE COSTINGS
 - B) WITHOUT THE ADDED VALUE COSTING AND
 - C) THE COSTINGS CURRENTLY BEING CONSIDERED BY COUNCILS IN AN NON OWNER OPERATOR MODEL.
12. INVESTIGATING STATE AND FEDERAL FUNDING. ESPECIALLY THE PROPOSED \$50MILLION FOR NEW CAPITAL WORKS FOR LOCAL GOVERNMENT FROM THE RUDD GOVERNMENT.
13. GIVEN URGENT TIMEFRAME TO THE GRANT APPLICATION AND LODGING THE APPLICATION AT THE SOONEST POSSIBLE.

CARRIED UNANIMOUSLY

The UPP is a State Government initiative administered by the Office of Energy by which local governments are invited to nominate areas to be converted to underground power with each nomination assessed against social, economic and technical criteria by the UPP steering committee.

It is anticipated that the CEOAC will discuss Cr Pule's motion to determine whether there is support for a regional underground power scheme prior to committing the significant resources required to prepare a feasibility study as outlined above.

It is suggested that if there is interest in the EMRC investigating a Regional Underground Power Scheme, then discussion would also need to occur with the State Government and this could be undertaken as part of EMRC's advocacy and lobbying activities.

STRATEGIC/POLICY IMPLICATIONS

A regional underground power scheme would be in accordance with Key Result Area 3 Economic Development and specifically *Strategy 3.1 To facilitate increased investment in regional infrastructure*. However this has not been identified as a project in the current Strategic Plan for the Future and therefore no funding or resources have been allocated towards it.

The provision of an underground power scheme is not specifically referred to as a Regional Service and Facility in the Establishment Agreement of the EMRC with the closest reference being under Schedule 2 (Potential New Services) (c) regional operational services (iv) construction and maintenance of community infrastructure.

FINANCIAL IMPLICATIONS

The EMRC does not have the expertise, resources or budget internally to complete a feasibility study on a regional underground power scheme. A consultant would need to be engaged to complete such an arrangement and a funding source identified to cover the costs which could potentially be in the vicinity of \$50,000 and above for the assignment.



Item 9.2 continued

SUSTAINABILITY IMPLICATIONS

The project would have financial sustainability impacts which would be identified in a feasibility study if so approved by member Councils.

MEMBER COUNCIL IMPLICATIONS

Member Council	Implication Details
Town of Bassendean	An underground power scheme could have financial implications which would be identified in a feasibility report and subsequent project plan as required under the Establishment Agreement of the EMRC.
City of Bayswater	
City of Belmont	
Shire of Kalamunda	
Shire of Mundaring	
City of Swan	

ATTACHMENT(S)

Nil

VOTING REQUIREMENT

Simple Majority

RECOMMENDATION(S)

That the CEOAC discuss and determine the level of support for a regional underground power scheme.

Discussion ensued

The Acting CEO referred to matters to be considered by the study and noted that what was being proposed was more than a lobbying and advocacy role, it potentially involves the EMRC purchasing the equipment and then on selling the service to others. The benefits of underground power were acknowledged but it was suggested that this would potentially result in a cost shifting exercise from the State Government. It was noted that the EMRC does not have allowance in the current budget for an estimated \$50,000 for the feasibility study (possibly more). If there is support for this then the project would need to be considered in the ½ yearly budget review or in next year's budget, depending on the final decision of Council.

The Chairman noted that points 12 and 13 of the Council resolution were not possible due to the closing date for Federal funding having already passed.

Ms Lefante noted that the City of Bayswater is actively pursuing free underground power being provided by the state and suggested that in the event that Council supported an ownership model this matter would need to go back to individual member Councils to gauge the level of support as a regional project.

The Acting CEO noted that EMRC's role could possibly be in lobbying and advocacy if supported by member Councils.



Item 9.2 continued

Members agreed that this was a matter for individual member Councils to pursue with the State Government rather than an EMRC project due to the following:

- This is not specifically mentioned in the EMRC's Strategic Plan for the Future;
- This is not really the EMRC's core business and is not specifically mentioned in the Establishment Agreement (the closest reference would be Schedule 2);
- This would effectively result in a cost shifting exercise from State Government to Local Councils; and
- This would add an additional element of business risk to the EMRC.

Members agreed that the CEOAC supports the concept of free underground power and would like the EMRC to consider a different role in terms of lobbying and advocacy.

OFFICER RECOMMENDATION(S)

That the CEOAC discuss and determine the level of support for a regional underground power scheme.

CEOAC RECOMMENDATION

MOVED MS LEFANTE

SECONDED MR LUTEY

That Council adopts a lobbying and advocacy role for the EMRC for free underground power for Perth's Eastern Region.

CARRIED UNANIMOUSLY

At the Chairman's invitation Cr Pule moved the following alternative recommendation:

That:

1. That Council adopts a lobbying role for the EMRC for free underground power for Perth's Eastern Region.

And that the lobbying proposes for consideration:

2. A working group of State Representatives, and Officers and the expertise of Advisory Groups; to formulate a study that:
3. Examines the best general specification needed for an underground boring machine applicable across the widest needs of terrain in the Region.
4. The cost and the cost benefits of purchasing the designated boring machine or contracting and other methods.
5. The operational requirements of staffing, training and operating the boring machine over timeframes
6. Maintenance and organisational factors of both the boring machine and the operating staff, including location and housing factors.



Item 9.2 continued

7. A Program of methods of works projects, applicable across the Perth Eastern Region, that moves the establishment of underground power in the most equitable way for all. Perhaps prioritising the most needed sections of the Region and then sequencing the operation of those sections across the rest of the Region.
8. To include estimations and feasibility **added value to on sell** to other users of the undergrounding capacity. Such as making provisions for phone, broadband cable, gas and other potential users in the same operation.
9. That these capacities be provided for in the setting up of the scheme to recoup value for the project.
10. That consultations take place with potential users to assess the potential market for such uses and the legal and regulatory issues relating to such uses be examined.
11. That the costing study show the differing financial structures that would operate
 - a. With the added value costing.
 - b. Without the added value costing.
- 12. Promote the enormous financial and risk assessment advantages of Underground Power in any way or form, relating to Bush Fire risks and fire damage to life, lives, residences and infrastructure.**

The motion was seconded by Cr Godfrey.

Cr Godfrey referred to the original CEOAC recommendation on page 13 of the minutes and noted that the recommendation was only just over one line long whereas the alternative recommendation contained 12 points which she felt was far too many.

Cr Pule stated that he was happy to accept the officer's recommendation which forms part one of the alternative recommendation but he felt that in relation to the lobbying and advocacy function of the EMRC, it was expeditious to include points 1 to 12 which related to the discussion held on this matter at the Ordinary Meeting of Council held on 4 December 2008. Cr Pule said that the first few recommendations proposed issues to be considered at State level but he stated that recommendation 12 had become one of the most important issues after the Victorian bushfires as it was important to minimise the enormous financial and risk assessment advantages of underground power.

Cr Godfrey stated that there were too many recommendations which were very operational and advised that there was a process to go through when lobbying state and federal representatives and it was best not to have too much detail to start with but to expand on it once initial support was gained.

Cr Albert stated that he was in favour of the EMRC adopting a lobbying role but felt the alternative recommendation was much too involved although the first recommendation was fine. Cr Albert stated that the sentiments of this item had already been discussed and he felt they were too operational and if this alternative recommendation failed, he would move the original recommendation.

Cr Cuccaro agreed with Cr Albert's views and stated that the lobbying issues to be considered were already stated in the report.

Cr Pule stated that he respected Councillors' input and valued their expertise but wanted to ensure that the cost benefits of installing powerlines bundled with other services such as gas, phone, broadband cable etcetera were considered.



Item 9.2 continued

ALTERNATIVE RECOMMENDATION

MOVED CR PULE

SECONDED CR GODFREY

That:

1. That Council adopts a lobbying role for the EMRC for free underground power for Perth's Eastern Region.

And that the lobbying proposes for consideration:

2. A working group of State Representatives, and Officers and the expertise of Advisory Groups; to formulate a study that:
3. Examines the best general specification needed for an underground boring machine applicable across the widest needs of terrain in the Region.
4. The cost and the cost benefits of purchasing the designated boring machine or contracting and other methods.
5. The operational requirements of staffing, training and operating the boring machine over timeframes
6. Maintenance and organisational factors of both the boring machine and the operating staff, including location and housing factors.
7. A Program of methods of works projects, applicable across the Perth Eastern Region, that moves the establishment of underground power in the most equitable way for all. Perhaps prioritising the most needed sections of the Region and then sequencing the operation of those sections across the rest of the Region.
8. To include estimations and feasibility **added value to on sell** to other users of the undergrounding capacity. Such as making provisions for phone, broadband cable, gas and other potential users in the same operation.
9. That these capacities be provided for in the setting up of the scheme to recoup value for the project.
10. That consultations take place with potential users to assess the potential market for such uses and the legal and regulatory issues relating to such uses be examined.
11. That the costing study show the differing financial structures that would operate
 - a. With the added value costing.
 - b. Without the added value costing.
12. **Promote the enormous financial and risk assessment advantages of Underground Power in any way or form, relating to Bush Fire risks and fire damage to life, lives, residences and infrastructure.**

MOTION LOST 1/10

Cr Albert moved the following recommendation stating that he had listened to the sentiments and felt that for the EMRC to take on a lobbying and advocacy role was a good starting point.

COUNCIL RESOLUTION(S)

MOVED CR ALBERT

SECONDED CR MCKENNA

THAT COUNCIL ADOPTS A LOBBYING AND ADVOCACY ROLE FOR THE EMRC FOR FREE UNDERGROUND POWER FOR PERTH'S EASTERN REGION.

CARRIED UNANIMOUSLY



9.3 PERTH SOLAR CITY

REFERENCE: COMMITTEES- 8922

PURPOSE OF REPORT

This report is to inform Council of the current status and expected next steps in developing the Perth Solar City project.

KEY ISSUES AND RECOMMENDATION(S)

- The Perth Solar City project is a comprehensive proposal aimed at building long-lasting behaviour change in energy conservation, to increase the uptake of smart meters and new solar technologies; and to break down barriers to participation in direct greenhouse action by residents, businesses and public institutions.
- The Perth Solar City business case was developed in early 2006 by a consortium led by the Department of Housing and Works (DHW). The EMRC and six member Councils are the only Local Governments in the consortium.
- The business case set out an \$85 million project to be implemented up until December 2013. The direct benefit to the member Councils and their communities was estimated at \$20.8 million. A contribution of \$13.7 million was sought from the Australian Government to initiate the project.
- On 11 August 2008 the Minister for Environment, Water, Heritage and the Arts announced \$13.9 million funding for the project subject to the submission of a revised business case and budget.
- No Australian Government funds will be available to resource the business case review and contract negotiation phase of the project.
- Initial delays in revising the business case and budget were expected as a result of the State election held in September 2008, however, concerns over further delays lead to the EMRC Acting CEO meeting the Director General of DHW on 7 January 2009 to discuss progress and options.
- The Director General advised that another state authority had indicated a substantial interest in the project and was currently assessing the possibility of taking on the role of Consortium Leader.
- The EMRC has subsequently met with senior staff from the potential consortium leader, which is dedicating resources to the project and has a realistic assessment of the timeframes and resources required to bring the project to a successful launch and implementation.
- The revision of the budget, development of a project plan and signing of contracts to release funding is likely to take six to eight months. The EMRC has appointed a full time senior officer to drive the relevant components of the project plan redevelopment and ensure that member Council interests are well represented.
- A Consortium meeting was held on 29 January 2009. An update will be provided based on the consortium meeting outcomes.
- The consortium leader has requested a meeting with senior staff from each member Council as part of their commitment to meeting with each Consortium member.
- The consortium leader has reminded all consortium members of the confidentiality agreements they have signed.

Recommendation(s)

That:

1. That the EMRC organise a meeting between the Solar City consortium leaders' senior staff and senior staff from each member Council.
2. That the member Council Chief Executive Officers be requested to nominate a senior member of Council staff to attend the Solar City meeting.



Item 9.3 continued

SOURCE OF REPORT

Manager Environmental Services

BACKGROUND

At its ordinary Council Meeting of 23 March 2006 (Item 9.1), Council resolved the following:

“THAT COUNCIL COMMITS TO PARTICIPATING IN THE PERTH SOLAR CITY PROPOSAL AS A MEMBER OF THE PERTH SOLAR CITY CONSORTIUM AND SUPPORTS MEMBER COUNCILS IN IMPLEMENTING THE PERTH SOLAR CITY PROJECT, SHOULD THE PROPOSAL BE SUCCESSFUL.”

The EMRC's role has been to provide co-ordination and facilitation of member Council interests in the development of the Perth Solar City proposal and business case and in advocacy and lobbying to gain State and Federal Government commitment to the project. It is envisaged that the EMRC would continue its involvement in the implementation phase of the project on a cost recovery basis.

Further to resolutions of each member Council in February and March 2006, member Councils set aside budgets in the 2007/08 and 2008/09 financial years (\$15,000 each; \$90,000 in total) and resolved to set aside similar levels of funding in future budgets, as part of their decision to join the Perth Solar City project. Only funding spent after the signing of the funding agreements, between the Australian Government and the Consortium Leader and consortium members, will be counted as financial contributions to the project for the purposes of dollar-matching with federal funding. Finalisation of member Council contribution amounts will be resolved upon signing of funding agreements.

All member Councils and the EMRC have signed confidentiality agreements with the Consortium Leader.

REPORT

Following the public announcement by the Hon. Peter Garrett, Minister for the Environment, Water, Heritage and the Arts, the Consortium Chairman was expected to revise the project budget and develop a detailed project plan for implementation. The project plan will form the basis for the funding contracts to be agreed to by consortium members.

It was recognised that whilst the WA State election and its outcomes would lead to some delay in progress, it was expected that the project planning would be fully underway by late October/early November, however, the rate of progress was substantially lower than anticipated and in November 2008, the Acting CEO sought a meeting with the Director General of Housing and Works (DHW) to discuss these concerns. The meeting took place on 7 January 2009.

The meeting was positive, with the Director General advising that due to the recently announced separation of the existing Department into two new entities, a Building Management and Works directorate (to be based within Treasury), and a separate Department of Housing, the Department had initiated discussions with another state authority whose core business is well aligned with Perth Solar City objectives about potentially taking on the role of Consortium Leader, or undertaking the role of key driver within the existing consortium should that not prove feasible.

Initial discussions between the two State agencies were reported as positive and EMRC staff have since met with the relevant senior staff from both agencies. The potential alternative consortium leader is currently undertaking due diligence and therefore it is not appropriate to formally name the authority at this stage.



Item 9.3 continued

Staff from the potential alternative consortium leader have met with the federal Solar Cities team, who expressed support for the potential change of leadership

A series of project teams are proposed to be established to develop key components of the project plan and budget. Based on past project teams these are expected to be:

- Community Engagement
- Smart meter roll out
- Technology
- Monitoring and evaluation
- Tariffs

Following earlier discussions between the Australian Government and the DHW, the consortium membership and structure is anticipated to change to streamline the current consortium of 23 members.

It is anticipated that there will be substantial changes from the original business case due to:

- Changing technology and component costs;
- Some original project components have already been implemented (eg, Eco House Challenge) or have been shelved (eg, Pier St redevelopment);
- Advice from Federal Government on the need to simplify some funding elements;
- Advice from the Federal Government to focus on Perth's Eastern Region rather than extending the program outside the region in a later phase;
- Advice from other Solar Cities on implementation experience;
- Some components will now be funded directly through other Federal Programs (eg, Solar Schools, photovoltaic system rebates); and
- Integration with State Government initiatives in terms of smart meters and potential feed-in tariffs for supply of solar power from grid-connected, small-scale domestic photovoltaic systems.

Based on an initial assessment, these changes will likely result in significant changes to scope, funding and consortium representation however the potential leader has confirmed their commitment to continue investing in Perth's Eastern Region and will be seeking, through the Perth Solar City Local Government Working Group, member Council input into defining locations within Perth's Eastern Region.

It is proposed that the Perth Solar City Local Government Working Group of senior level member Council staff meet in mid February to be briefed on the current status of the project and review timelines for the development of the project plan and revised budget.

The potential consortium leaders' senior staff have requested a meeting with senior staff from the EMRC and each member Council, as they are currently arranging similar meetings with each Consortium member. To achieve this in a timely manner, it is recommended that a joint meeting be set up for the week following the proposed Working Group meeting and that it be attended by the relevant Executive Manager or Chief Executive Officer from each Council.

Each consortium member, including the EMRC and all member Councils, have signed a confidentiality agreement with the Department of Housing and Works. The agreement is still in force. All public communications are through the consortium leader.

STRATEGIC/POLICY IMPLICATIONS

Implementation of the Perth Solar City project will contribute to Key Result Area 1 of the EMRC Strategic Plan for the Future, specifically Strategy 1.6:

To address climate change issues within the region



Item 9.3 continued

FINANCIAL IMPLICATIONS

The EMRC's role is to be funded on a cost-recovery basis. As previously agreed, each Council has committed to an allocation of \$15,000 in 2008/2010, plus any additional sums owing from 2007/2008 to a total allocation of \$30,000, with a similar allocation of \$15,000 per Council in 2009/2010 and for each financial year to 2013.

SUSTAINABILITY IMPLICATIONS

The Perth Solar City project is a major sustainability initiative for WA and Perth's Eastern Region. The blend of smart metering, technology, appliances and behaviour change will engage home owners, public and private tenants, landlords, developers, small business operators and local Governments in actions to directly reduce energy demand and greenhouse gas generation.

Although the figures may change in the revised project plan, original estimates identified greenhouse gas emissions savings of 50,000 tonnes per annum and a reduction in peak load electricity demand of 6MW from full implementation of the project.

MEMBER COUNCIL IMPLICATIONS

Member Council	Implication Details
Town of Bassendean	} \$15,000 per Council in 2008/2009, or such amounts that total \$30,000 over the two financial years, 2007/2008 and 2008/2009 from each Council with a similar allocation of \$15,000 per Council in 2009/2010 and for each financial year to 2013.
City of Bayswater	
City of Belmont	
Shire of Kalamunda	
Shire of Mundaring	
City of Swan	

ATTACHMENT(S)

Nil

VOTING REQUIREMENT

Simple majority

RECOMMENDATION(S)

That:

1. That the EMRC proceed to set up a meeting between the Solar City consortium leaders' senior staff and senior staff from each member Council.
2. That the member Council Chief Executive Officers be requested to nominate a senior member of Council staff to attend the Solar City meeting.

Discussion ensued

The Chairman noted that this report was largely a status update and noted the potential for an unnamed new consortium leader.

The Chairman invited questions and nominations. Mr Trail queried if there the focus of the project would change due to the change in consortium leader and if so, had anyone been notified.



Item 11.1 continued

The above resolution was moved by Cr Magro who referred to legal advice obtained by the CEO of the Shire of Kalamunda to the effect that if the CEO's (and Officers) remained when confidential information was being considered by Council and they were subsequently questioned by one of their elected members about the confidential information received, they would be obliged to release it.

Cr Magro stated that the City of Bayswater had received similar advice and he therefore felt it was best that the CEO's were not placed in such an invidious position, now or in the future, on any confidential matters.

The resolution was not unanimous, being carried 10/2 and it has been requested by a member Council CEO that the matter be listed for discussion at the Chief Executive Officer Advisory Committee.

Discussion ensued

The Chairman noted that as this item was raised by Mr Cole who was an apology for this meeting, that we defer the item for the next CEOAC meeting.

Mr Trail stated that paragraph 2 did not accurately reflect the conversation that he had with Cr Magro and he would liaise with the Acting CEO separately on this prior to the February Council meeting.

CEOAC RESOLUTION(S)

MOVED MR JARVIS

SECONDED MR FOLEY

THAT THIS ITEM BE DEFERRED TO THE NEXT INFORMAL MEETING OF THE CEOAC

CARRIED UNANIMOUSLY

11.2 EVENTS IN THE REGION

14 March 2009, Saturday	EMRC	Annual Dinner
2 March 2009, Monday	City of Swan	Variety WA Family Fun Day
8 March 2009, Sunday	City of Bayswater	Perth International Arts Festival Films
28 March 2009, Saturday	City of Swan	Mayoral Dinner
5 April 2009, Sunday	Bayswater/Belmont	Autumn River Festival
9 July 2009, Thursday	Town of Bassendean	NAIDOC Family Day
31 July-2 August 2009		Avon Descent
8-9 August 2009, Sat & Sunday	Shire of Mundaring	Mundaring Truffle Festival
20 September 2009, Sunday	Shire of Kalamunda	Trek the Trail
10-11 October, Sat & Sunday	City of Swan	Spring in the Valley

11.3 OTHER GENERAL BUSINESS

Discussion ensued in relation to a recent letter from the Department of Culture and the Arts about the keeping of records for elected members received or created in their official capacity being viewed as records for Freedom of Information (FOI) purposes and its impact on the record keeping requirements for local government.



12 FUTURE MEETINGS OF THE CHIEF EXECUTIVE OFFICERS ADVISORY COMMITTEE

The next meeting of the Chief Executive Officers Advisory Committee (informal) will be held on **3 March 2009** at the Shire of Mundaring Office, 7000 Great Eastern Highway, Mundaring commencing at 12noon.

Chief Executive Officers' Advisory Committee (CEOAC) meetings commencing at 12.00pm:

Tuesday	3	March (informal)	at	Shire of Mundaring
Tuesday	7	April	at	EMRC Administration Office
Tuesday	5	May (informal)	at	City of Swan
Tuesday	9	June	at	EMRC Administration Office
Tuesday	7	July (informal)	at	Town of Bassendean
Tuesday	11	August	at	EMRC Administration Office
Tuesday	8	September (informal)	at	City of Bayswater
Tuesday	13	October	at	EMRC Administration Office
Tuesday	17	November (informal)	at	City of Belmont

13 DECLARATION OF CLOSURE OF MEETING

There being no further business the meeting was closed at 1.31pm.