



Ordinary Council Meeting

14 DECEMBER 2011

CHIEF EXECUTIVE OFFICER

ATTACHMENTS

ITEM NO SUBJECT

PAGE

12.1.1.1 SAC Instrument of Appointment and Delegation 9 Nov 2011

12.1.3.1 Tender Process News Articles 18 and 25 November and 2 December 2011

Augusta–Margaret River Sustainability Advisory Committee

9 November 2011

Instrument of Appointment and Delegation

NAME

The Committee shall be known as the Augusta-Margaret River Sustainability Advisory Committee (SAC).

ROLE OF THE COMMITTEE

To promote sustainable environmental practices within the Shire of Augusta-Margaret River and across the community and to provide a forum for community representatives, Councillors and Council officers to focus on sustainability issues.

OBJECTIVES OF THE COMMITTEE

- a) To advise Council officers and Council how to increase community engagement with sustainable environmental practice.
- b) To advise the Shire of Augusta-Margaret River officers and Council on sustainable environmental issues including:
 - Air quality;
 - Biodiversity;
 - The built environment;
 - Community information and engagement to increase sustainable practice;
 - Land degradation;
 - Water use and conservation;
 - Waste management; and
 - Power generation and conservation.
- c) To identify strategies which increase real and sustainable behaviour change in residents, businesses and other members of the community (including tourists) to improve environmental outcomes.
- d) To recommend to the Council policy, advice and appropriate courses of action which promote sustainability that is:
 - 1) Environmentally responsible;
 - 2) Socially sound; and
 - 3) Economically viable.

MEMBERSHIP

The Council appoints to the Committee those categories of membership outlined below. Membership of the Committee shall, unless otherwise specified, be for a term ceasing at the date of the Local Government election in the year the Shire's Local Government elections are held, after which time the Council may appoint members for a further term.

Membership of the Committee shall be:

- The President of the Shire of Augusta-Margaret River, if desirous of participating, or another Councillor of the Shire;
- A second Councillor of the Shire of Augusta-Margaret River; and
- Up to eleven community members with interest and expertise in environmental matters, appointed by the Council.

Council staff members will provide advice and administrative support to the Committee.

PRESIDING MEMBER

The members of the Committee shall elect a Presiding Member to chair Committee meetings and a Deputy Presiding Member to chair in the absence of the Presiding Member. The Presiding Member shall ensure that minutes of the proceedings are kept and that business is conducted in accordance with the Shire of Augusta-Margaret River Standing Orders.

The minutes of the Committee are to be submitted to the next Ordinary Meeting of the Committee for confirmation. The person presiding at the meeting, at which the minutes are confirmed, is to sign the minutes and certify the confirmation.

The Local Government Act 1995 places responsibility for speaking on behalf of Council with the President, or the CEO if the President agrees.

The Presiding Member, if not the Shire President, as well as individual members of the Committee are to refrain from speaking publicly on behalf of the Committee or Council, or to issue any form of written material purporting to speak on behalf of the Committee or Council without the prior approval of the Shire President.

CONDUCT OF MEETINGS

The Committee is established by the Council of the Shire of Augusta-Margaret River under the powers given in Section 5.8 of the Local Government Act 1995. Notice of meetings, quorum requirements of 50% of members and all other matters pertaining to the conduct of the Committee shall be carried out in accordance with the Local Government Act.

Ordinary Meetings of the Committee shall be held quarterly on the third Thursday of March, June, September and December.

DELEGATED POWERS

The Committee has no delegated powers and is an advisory committee to Council only. Recommendations of committees meetings are to be presented to Council by Shire staff for noting or for consideration as soon as practicable after unconfirmed minutes of Committee meetings are available.

Builders blast council

WARREN HATELY

PROMINENT builders, architects and suppliers say they are fed up with the Shire of Augusta-Margaret River not supporting them and the local economy.

At a meeting this week, the industry leaders said their businesses and the wider community were being jeopardised by Shire policies handing tenders to big Perth and Bunbury firms ahead of local businesses that employ residents and pour money back into the region.

The Shire has rebuffed the claims. The group includes Barry Tate from Tate Constructions, Mark Chadwick of Chadwick Builders, Paul Brown representing Home Hardware, Malcolm Podmore of Podmore Holdings and notable architects Chris Wilcox, Theo Matthews and Michael Sorensen.

Other builders, electricians and architects were also linked to the group and had their own complaints, the *Times* was told.

The final straw for the group was news last week that Bunbury's Perkins Builders would run the Margaret River Library extension.

Mr Tate said his company tendered the best price, but missed out because money was just 60 per cent of the tender process and weighting favoured bigger companies.

"The bigger the builder, they will always get the tender," he said.

"Three-quarters of the builders in Margaret River could do that (job) blindfolded."

Industry leaders angry as 'unfair' tenders hurt economy

Apart from reading about the decision in the *Times* before any formal notice, Mr Tate and others said the situation was made worse by the Shire's heavy reliance on local builders and architects to work for free providing quotes and breakdowns to support grant applications. "It's been a similar thing for many, many years in the shire," Mr Chadwick said. "You do it gratis. Then you come up with this stifling wall and the money's going out of town."

Although the companies didn't expect preferential treatment, the Shire's recent fixation with sometimes more expensive city professionals irked local businesses, they said.

"And as ratepayers we would like to see the money stay in the shire. It's not looking after the community that they are meant to be representing," Michael Sorensen said.

Chris Wilcox said the Shire's "buy local" policy was missing in action and he put councillors on notice to avoid complacency.

"It's (the) council who have to control this ... What we want from our local authorities is some sort of preference and a local tender contract."

"We all do a lot of community service and believe in the town," Mr Chadwick said. "The transparency at the Shire just isn't there. To say there's accountability is just a joke."

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SALT youth group's Shelly Mathey, with Karen and Steve Daly, wants to engage the youth of Margaret River.

New group set to shake up local youth scene

LOCAL teenagers are in the frame for a new group of local enthusiasts.

Calling themselves SALT, the volunteers want to inject a bit of life and laughter into the youth scene around Margaret River.

SALT spokeswoman Shelly Mathey said she had noticed how

little there was for young people since moving to the area.

"So over the last year I have been developing a program for youth called SALT," she told the *Times*.

"My hope is that in time the youth and the communities of the South West can take ownership of this program."

The group has access to the Zone Room next to the Margaret River Skate Park and Friday night activities will kick off from November 25.

Ms Mathey said the group had spoken with the high school about

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COUNCIL RESPONSE – PAGE 3

Tender process favours out-of-towners

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Home Hardware and Podmore Holdings had barely got a look in with supplying Shire jobs in the past few years, their managers said.

“It’s a snowball effect at the moment,” Mr Brown told the *Times*. “It’s our food chain.”

The group said communication had broken down with the Shire and some were at the end of their tethers.

Builders were leaving the area or

turning to the mines and Mr Tate said a mentoring program he was overseeing at the high school was now in jeopardy as he couldn’t see a future for young tradesmen in Margaret River.

“The triple bottom line is look after the locals,” Mr Chadwick said.

“It’s one thing (for) a Supertown to have the amenities, but you’ve got to have the people there to use the amenities.”

Shire rejects industry claims

WARREN HATELY

THE shire president wants to see industry leaders and Shire officers have a constructive relationship and open communication, but he isn't surprised at anger about what builders, architects and local suppliers claim is an ongoing preference for Perth and Bunbury companies.

Cr Ray Colyer said he knew some would be upset by the Perkins tender for the library extension.

However, chief executive Gary Evershed has given short shrift to the group's allegations of the deck being stacked against them (see front page).

"The claims are absolute rubbish and smack of sour grapes," he told the *Times*.

"My advice would be that the Shire staff and councillors are in fact bending over backwards to give work to local builders, but in the case of tenders, prospective tenderers may need to get their act together and make sure they comply with all of the tender requirements."

The CEO cited a lack of attendance at on-site meetings and not enough detail in some applications as con-



Gary Evershed Cr Ray Colyer

tributing factors when local applicants missed out on Shire jobs.

"The Shire is an open and accountable public body under scrutiny from the State Government and the Auditor General," Mr Evershed said.

"Local government's history is littered with inquiries into tender processes which were not conducted fairly and openly and where there were perceptions of 'jobs for the boys'."

He gave no credit to the idea the Shire's tender processes favoured bigger companies.

"All things being equal, the local lowest price tender will win," he said.

"We have seen small firms from Busselton and further afield who have provided very professional information in the tender requirements and have been evaluated accordingly."

Cr Colyer stressed elected members had to be wary of crossing into the operational side of the Shire, though he acknowledged councillors had ultimate responsibility for the organisation. He said he could not discuss confidential information that informed tender processes and said inquiries about relations between trade groups and staff should be directed to Mr Evershed.

"I am very satisfied that the procedures are in accordance with the

Local Government Act," he said.

Although elected members always wanted to back up local businesses, Cr Colyer said the existing Shire policy was the best they could manage without breaching the Act and other consumer protection laws.

"We are locked in," the shire president said. "Councillors receive a recommendation through executive officers through a report. Councillors have no influence on the tender assessment panel."

Local member cautions Shire

MARGARET River MP Barry House says aggrieved local builders and architects deserve a hearing of their complaints about lopsided tender processes.

"The Shire should remember that a lot of local builders and individuals have generously committed their time and money into many community facilities over the years," he told the *Times*.

"There should be some recog-

nition and appreciation of this, 'all other things being equal' when tenders are let, especially in these tough economic times. At the very least there should be local content allowances built into the guidelines for projects where State Government is involved."

He said delivery of Government funding was partly motivated by the desire to stimulate regional economies.

November mee

Meeting will tackle tender issue

WARREN HATELY

THE shire president believes there will be positive outcomes from a debate started last week concerning local builders, architects and suppliers who feel let down by the lack of Shire support (AMT 18/11).

Ray Colyer said he would meet with members of the group and flagged a possible revision of the weighting given to price in determining future tenders for Shire jobs.

Builders criticised the Shire policy that only considered best price as 60

per cent of the tender process, though Cr Colyer said he had asked the CEO what leeway existed to tweak that figure upward.

"I think that's positive. I think we need to hear from architects and other people and hear their concerns," Cr Colyer said. "And it's good for some of the executives at the shire to understand where they're coming from. It is pretty difficult out there."

Mr Evershad would be involved in the meetings, which would answer to perceptions the Shire executives were out of touch with the community, Cr

Colyer said. "I understand where they're coming from and ... it's all been highlighted and we are now entering some dialogue so each party knows where they stand," he said.

Architect Neil Tweedie said he was appalled to have locals told they were guilty of sour grapes.

"Maybe we should have more confidence in our local architects and builders," he said.

If the Shire was hosting an international event it would not cater with wines from the Swan Valley, and its handling of an international standard

building should be the same, Mr Tweedie said.

"I guess that is what Gary is saying, it sounds like sour grapes, but wouldn't you turn to the people who've been involved and know the issues, unless he's saying the local people aren't up to doing those things?"

Rod Bedford from Margaret River Cowaramup Electrical Services and Station Road's Electrical Distributors manager Clint Moore said they backed last week's complaints.

"It doesn't make any sense," Mr

Bedford said. "If it is cheaper, at the end of the day they are saying (builders) couldn't possibly do that job."

Mr Bedford said it was disheartening for local businesses employing local people because each Shire tender could take up to 80 hours to complete, costing \$3000 at a time.

Mr Moore said it cost \$1 million for his company to establish a presence in Margaret River.

"That's the bit that annoys me most. They want us there, but they aren't willing to support us," he said.

CEO ‘disgraceful’ in Shire response

IT was most interesting to read the comments of prominent builders, architects and others of the attitude of the Shire chief executive and councillors towards the allocation of tenders.

There is justifiable angst. The years that I have lived in this shire, there has been a wonderful contribution from all sections of our community to make living so much better. All labour freely given and in many cases machinery made available at no cost, plus generous donations from many quarters.

The comments by Gary Evershed that the claims are rubbish and smack of sour grapes are disgraceful. I do not accept the garbage you put forward to justify your decision. Since he has been CEO he has ridden roughshod over the local community.

Back to the tenders for the Shire offices and library: I have been given an understanding that a local builder of repute tendered \$500,000 below the tender for the Shire offices and again tendered below the accepted tender for the library extensions. So when do the sour grapes come in?

The shire president states he isn't surprised at the angst from the builders and others that the preference is going to Perth and Bunbury companies. He then stressed, elected members had to be wary of crossing into the operational side of the Shire, but he acknowledged councillors had the ultimate responsibility for the organisation. Why not accept this responsibility by yourself and others and not just be a rubber stamp for the CEO?

I take the opportunity to make a statement of the cost of the Shire offices: \$648,000 per year for the next 20 years. The CEO says it won't cost this much as Woolworths will be paying \$80,000 per year in rates and this will come off the repayments. Take it a bit further: Coles, IGA, the hotel and tavern etcetera take their rates off and we will get the offices for nothing. This reasoning beggars belief. Nobody begrudges the better working conditions for the staff. The site and the cost is the community worry.

Eric Noakes, Forest Grove

Not all goes out of town

TIMES readers scanning last Friday's lead article may have gained the impression that when the Council awards a tender to an outside firm that all funds flow out of town.

I am therefore writing to correct this misconception, if it has occurred. The firms that have won tenders have done so because they were judged through the tender process to be the best firms to do the job irrespective of whether they are local or not.

An example is that Cimeco from Bunbury was appointed to do the new administration building and independently of council, have won the Woolworths construction tender.

What the article did not mention however was that when an out of town firm wins a tender, then the Shire has insisted that wherever possible local firms are employed to do the contracting.

In the case of the new administration centre the following local contractors received work - Margaret River Cowaramup Electrical Services, Doust Enterprises, Margaret River Survey Co, Independent Concrete, Margaret River Bricklaying, DCB Roofing, Safe Site Scaffold, Stone Age, Margaret River Engineering, Margaret River Brick Cartage, Cruise Control Security and Margaret River Polished Concrete. Suppliers involved were Holcim Concrete, Boranup Gal-

lery, Podmore Holdings, Margaret River Timber & Hardware, Reece Plumbing, Margaret River TradeHire, Aramup, Margaret River Tourist Park, Margaret River Resort, the Food Room Bakehouse plus local service stations, food outlets and others.

The article also did not mention that of the three most recent architectural jobs awarded by the Shire, two were to local architects. The architect for the extensions to the Recreation Centre was Willcox and Associates. Theo Matthews' firm was awarded the job for the Margaret River Library extensions. The Bollig Design group from Perth won their tender for the new administration centre from 22 of

the State's best architects and the Shire is very pleased with the resultant outcome.

A representative of Theo Matthews' architectural firm was also, as you would expect, a member of the tender evaluation panel that unanimously selected an outside builder as the preferred tenderer for library extension job.

While the Shire is hoping to award tenders to local contractors if they are the best firms to do the job, if an outsider wins a contract the Shire will endeavour to ensure that as many local firms as possible obtain work.

Gary Evershed, Shire of Augusta-Margaret River CEO

LETTERS

Back your local business

I WAS surprised to read Gary Evershed's dismissive response to the recent meeting of some of the town's builders, architects and suppliers as reported by the *Times* ("Builders blast council," AMT 18/11).

His follow-up letter printed in the last week did nothing to improve the situation.

I think we touched a nerve and so we should.

My business received less than half of one per cent of the \$10 million contract to build the Shire Civic Centre.

It is not that we were uncompetitive as evidenced by the fact that our quotation was used by Tate Construction in its tender, which was lowest until being rejected.

The point of our meeting was to share knowledge about the

Shire's new approach to tenders and the role of the new contracts manager employed by the Shire.

We also wanted to make a statement regarding the benefits of retaining a diverse and vibrant building industry by buying locally.

Local businesses provide a significant social benefit to our town, for example: employment, apprenticeships and

financial support to clubs and charities.

Are these social benefits being provided to the Margaret River community by the "big" builders or do our children now need to go to Bunbury for employment and apprenticeships?

**Malcolm Podmore,
Margaret River**

Royalties cash for local jobs: Tweedie

WARREN HATELY

A LEADING architect believes money allocated to the Shire by the Royalties For Regions program should be spent with local firms.

Architect Neil Tweedie – who won a joint award for his work on the Margaret River Education Campus and worked unpaid for years on the Gas Bay to Surfers Point concept plans – backed recent criticisms that the Shire of Augusta-Margaret River tender process was increasingly handing lucrative construction jobs to Perth and Bunbury firms.

“From an economic point-of-view, you spend money in the town, that creates jobs in the town and goes back into the town,” he said.

The architect said Royalties For Regions was designed to stimulate

local economies and provide infrastructure in country electorates.

“A lot of people think that’s a problem. We think the Shire is not addressing the triple bottom line. So how are we meant to address that?”

National Party leader Brendon Grylls said he hoped Royalties money was stimulating regional economies, but he stopped short of saying it should be a forced practice to only support businesses where the money was allocated.

He also said there was nothing in the legislation to enshrine a local spending component.

“I would be disappointed if local governments weren’t going out of their way to support local businesses,” he told the *Times*.

However, he said any policy that let local tenderers know they had an exclusive bite at building pro-

jects could also inflate prices and weaken competition. Mr Grylls encouraged concerned businesses to write to him as the Minister for Regional Development.

Prior to last week’s bushfires, shire president Ray Colyer said he would engage the aggrieved parties in a discussion about the tenders process and listen to their concerns.

He also flagged a possible upward revision of the 60 per cent consideration of best price in awarding tenders, which builders said favoured big, out of town contractors who did not necessarily offer the lowest price.

“Without fettering the tendering program, we can make sure each local supplier understands (what’s required),” Cr Colyer said.

Mr Evershed did not respond to inquiries from the *Times*.