

# **COUNCIL AGENDA ADDENDUM**

**ORDINARY COUNCIL MEETING**

**16 October 2024**

## ADDENDUM ITEMS

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**CORP 04**

**Recruitment of CEO**

<b>Strategic Objective</b>	Visionary, Leading, Responsible Ensure Council is accountable and financially sustainable through the strategic management of assets and resources
<b>File Ref</b>	333681.2024
<b>Report By</b>	Farooq Portelli - Director Corporate Support
<b>Approved By</b>	Farooq Portelli - Director Corporate Support

**EXECUTIVE SUMMARY**

One of the prescribed functions of the governing body of a Council is to determine the process for the appointment of the General Manager (s223).

On 24 April 2024, Council temporarily appointed Mr Jason Breton to act in the position of CEO in accordance with s334 of the Local Government Act. Council later on 29 May 2024, extended Mr Breton's appointment for a period of up to 12 months.

Council is now required to fill the vacant position. When recruiting a new CEO/GM, the position must be advertised in a manner sufficient to enable suitably qualified persons to apply for the position (s348 LGA).

This report sets a process for the recruitment of the CEO in accordance with the legislation and "Guidelines for the Appointment and Oversight of General Managers/CEOs (Guidelines).

**RECOMMENDATION**

That Council:

1. Notes that Mr Jason Breton continue as A/CEO with all delegated authority currently assigned to the position Chief Executive Officer until such time as a new permanent Chief Executive Officer is appointed and commences in the position.
2. Undertake a competitive process of appointing a Chief Executive Officer.
3. Engage a suitable independent consultant to assist in the recruitment process.

4. Engage an independent Probity Advisor to participate in the recruitment process.
5. Establish a selection panel to undertake the following tasks:
  - a. work with the appointed independent Consultant to revise and finalise a Position Description for the Chief Executive role and ensure the proposed salary range reflects the responsibilities of the position;
  - b. provide instruction to the appointed consultant on advertising and interview arrangements;
  - c. with guidance and assistance from the independent consultant, negotiate and agree on in-principle contract terms, subject to approval by Council, with the preferred candidate; and
  - d. with guidance from the appointed independent consultant, prepare a report to the Council that provides a detailed assessment of the interviewed candidates, and makes a recommendation for appointment by the Council.
6. Notes that the final decision to appoint a Chief Executive Officer, will be made by the Council, as required by S.344 of the *Local Government Act 1993*.
7. Note that once a permanent Chief Executive Officer is appointed a separate Committee will need to be established to set and monitor key performance indicators for the new Chief Executive Officer.

## **REPORT**

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One of the prescribed functions of the governing body of a Council is to determine the process for the appointment of the General Manager (s223).

When recruiting a new GM/CEO, the position must be advertised in a manner sufficient to enable suitably qualified persons to apply for the position (s348). As with all appointments of council staff, Council must ensure that the appointment is made using merit selection principles (s349) and equal opportunity principles (s349).

Following the temporary appointment of Mr Jason Breton as Acting CEO, Council is now required to fill the vacant position.

This report sets a process for the recruitment of the CEO in accordance with the legislation and Guidelines for the Appointment and Oversight of General Managers (CEO) published by the Office of Local Government.

The Guidelines recommend the engagement of an external recruitment consultant to assist them with the recruitment process and that person should have a role in verifying that proper processes and procedures are followed in the appointment. Selection panels, where possible,

should have a mix of genders and be made up of at least the Mayor, Deputy Mayor, another Councillor and a suitably qualified person independent of the Council.

The Mayor, or another person independent of council staff, should be the contact person for the position and should maintain confidentiality with respect to contact by potential applicants.

This report is intended to commence the recruitment of the GM/CEO process by seeking the services of a suitable independent consultant, and separately, the services of an independent Probity Advisor; and establishing a selection panel.

## **FINANCIAL IMPLICATIONS**

Costs associated with this recommendation have been included in Council's budget for the current year and long-term financial plan.

## **CONSIDERATIONS**

<p><b>Legislative</b></p>	<p>Local Government Act 1993</p> <p>Guidelines for the Appointment and Oversight of General Managers 2022 (Guidelines)</p> <p>Section 334 of the Local Government Act provides that Council must appoint a person to be its general manager. The governing body is responsible for determining the process for appointment of the general manager. The Guidelines have been issued under section 23A of the Local Government Act and must be considered by Council's governing body when exercising their functions in relation to the recruitment and oversight of the general manager.</p> <p>Section 348 of the Local Government Act requires Council to advertise positions in a manner sufficient to enable suitably qualified persons to apply for the position. This does not apply to appointments that are for not more than 12 months.</p> <p>Section 349 of the Local Government Act requires that Council make appointments on merit. Council may only appoint a person who has applied for the position and must appoint the applicant who has the greatest merit. Merit is to be determined having regard to:</p> <ul style="list-style-type: none"> <li>• the nature of the duties of the position,</li> <li>• the abilities, qualifications, experience and standard of work performance of applicants relevant to the duties of the position,</li> </ul>
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	<ul style="list-style-type: none"><li>the objects of Part 4 of Chapter 11 of the Local Government Act 1993 (Equal Opportunity).</li></ul>
<b>Risk</b>	There is no risk associated with this report.

**ATTACHMENTS**

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Nil

**OPER 03****Carnes Hill Aquatic and Recreation Centre -  
Amended masterplan design**

<b>Strategic Objective</b>	Healthy, Inclusive, Engaging Improve liveability and quality of life for the community by delivering vibrant parks, places and facilities
<b>File Ref</b>	280797.2024
<b>Report By</b>	Iqra Hoda - Assistant Project Manager (WSIGP) Luke Morley - Senior Project Manager WSIG Program
<b>Approved By</b>	Peter Scicluna - Acting Director Operations

**EXECUTIVE SUMMARY**

Council has a \$53.4m grant through the NSW Government's Western Sydney Infrastructure Grants Program to deliver an aquatic centre at Carnes Hill. The current Carnes Hill Aquatic and Recreational Masterplan requires a revision so a viable centre can be delivered to the community with the available funds.

This report recommends the revision of the masterplan to include a 25m indoor pool that can be delivered with the grant funding, and a staged approach to future components of the plan, if funds become available. It also seeks the redirection of a \$4.265 Internal Reserve that will supplement the budget.

**RECOMMENDATION**

That Council:

1. Endorse a revision to the Carnes Hill Aquatic and Recreational Centre masterplan to include an indoor 25m 8-lane pool and a staged approach to delivery, that aligns with available funding and the Long-Term Financial Plan; and
2. Redirect \$4.265m in funding currently set aside for Liverpool Council's Biochar enterprise to the Carnes Hill Aquatic Centre project.

## **REPORT**

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### **Background**

In February 2023 Council was advised it had succeeded in securing \$53.4 million to deliver an aquatic and recreational centre at Carnes Hill through the Western Sydney Infrastructure Grant (WSIG) Program – formerly WestInvest. A Deed of Agreement was signed in December 2023 to deliver the project.

With the onboarding of the WSIGP project team in April 2024, and subsequent interrogation of the aquatic centre cost plan, it was identified that the \$53.4 million would be insufficient to deliver all elements of the current Carnes Hill Aquatic masterplan. New cost estimates found it would cost \$93 million to undertake the intended scope which included a 50m pool. To verify the cost overrun an independent cost plan was commissioned. This estimate costed the project at \$100 million.

The project team has been working on strategies to resolve budget and scope within the grant funding allocation. This has included:

- 1) A revision of the Masterplan that includes:
  - Reducing the scope of deliverables by staging additional components of the masterplan, based on future funding;
  - Commencement of value engineering principles; and
  - Cost plan verification of proposed changes.
- 2) Seeking other sources of funding to supplement the \$53.4 million WSIG grant.
- 3) Retaining the intended community outcomes to satisfy the Outcome Logic Map identified in the WSIG Deed of Agreement.
- 4) Obtaining operational and maintenance cost modelling to understand the running cost implications of new masterplan design proposals.

This process has resulted in a revised masterplan (Attachment A) that includes a 25m indoor pool in addition to the original components of the 2023 masterplan. The project team will develop the masterplan with provisions to allow for flexibility in design and delivery based on future opportunities if funding becomes available (Figure 1).

The following components will be delivered with the WSIG funding allocation as **Stage 1** (Figure 2):

- Indoor 25m 8-lane pool
- Indoor Learn-to-swim pool
- Indoor Splash Pad
- Change rooms, family and group
- Storage and plant spaces
- Café/ Restaurant

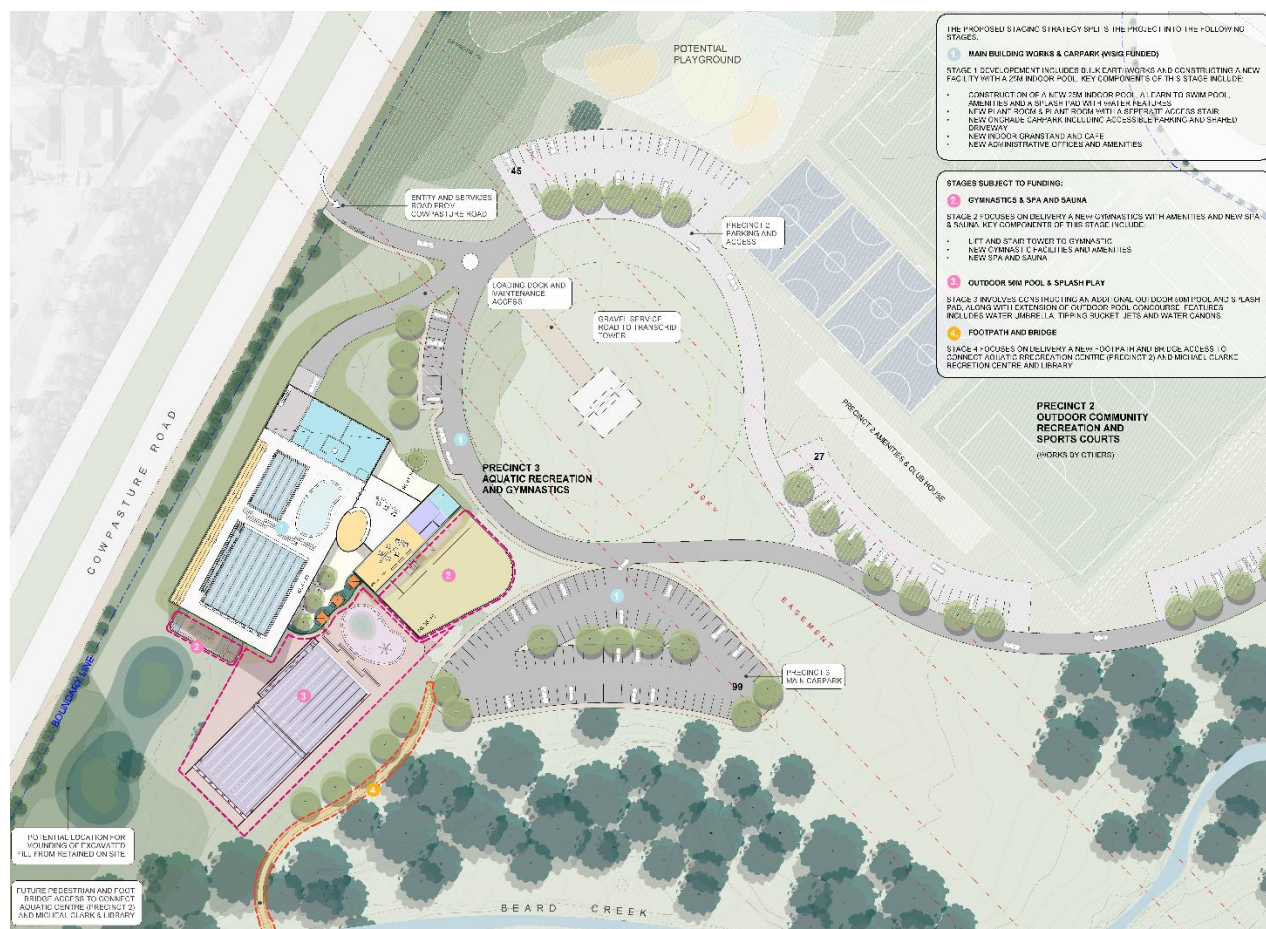


- Reception/ Foyer and Kiosk
- Pool Concourse.

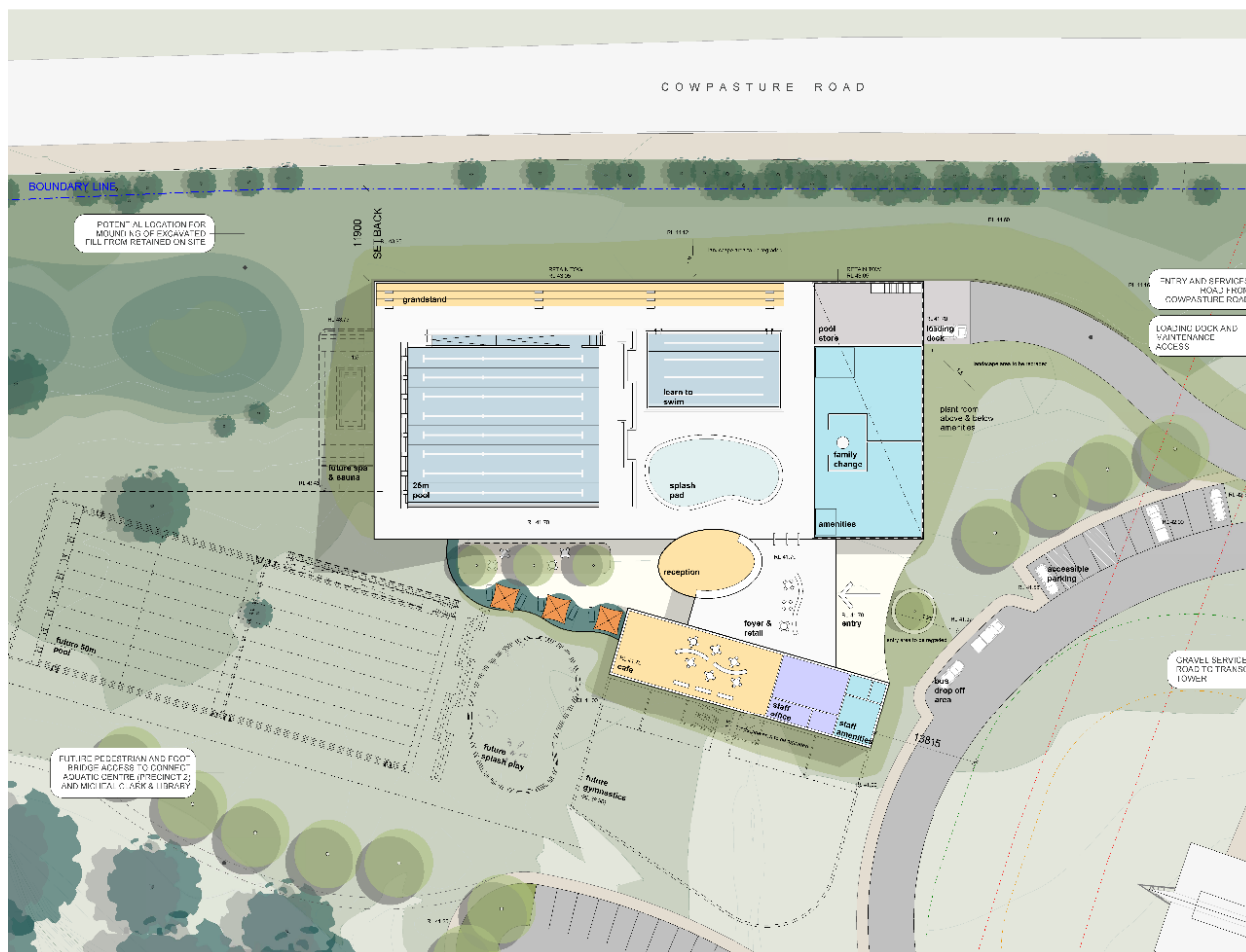
The overall precinct masterplan includes the following additional components that can be delivered if funds become available:

- Outdoor 50m pool
- Outdoor waterplay area
- Gymnastic Centre
- Spa and sauna.

A presentation occurred in July 2024 to the WSIG Project Office advising them of the proposed change. The direction from WSIG Project Office was to resolve first with Council the approved change. Then following endorsement of the amended masterplan, LCC project team will need to apply for a scope and time variation to the executed Deed.



**Figure 1: Masterplan of Precinct Showing the proposed staging of Carnes Hill Aquatic and Recreational Centre and Shared Access Road.**



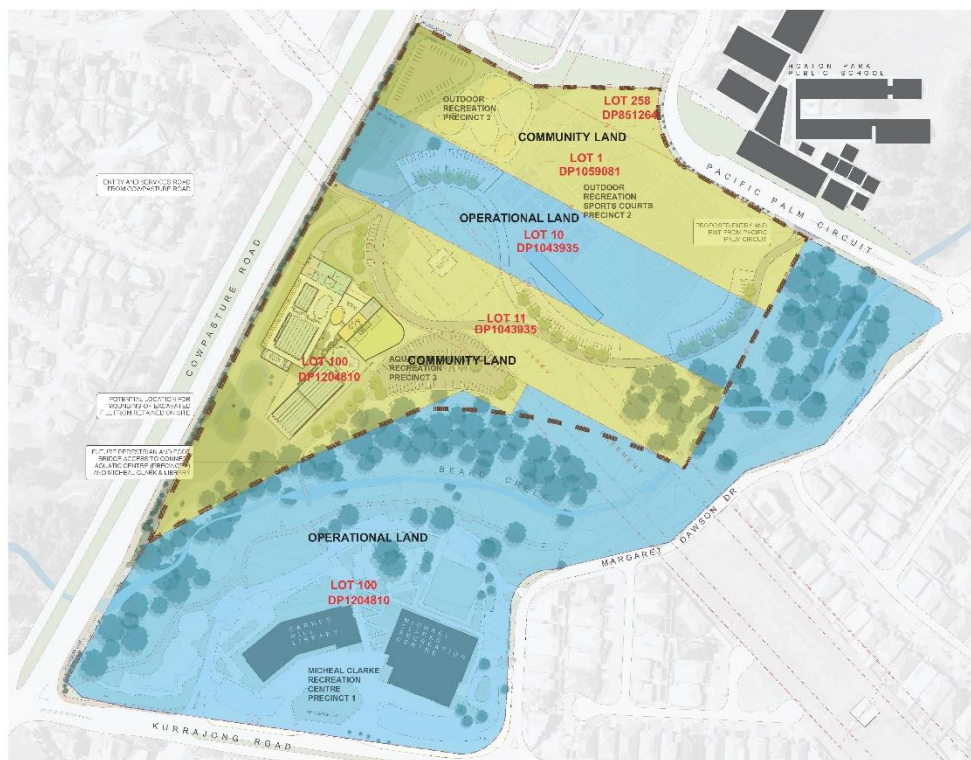
**Figure 2: Revised Aquatic Centre Masterplan – 8-Lane 25m Indoor Pool**

The proposed Stage 1 of the revised masterplan has been costed (and independently verified) at \$57.6 million. Given that the available WSIG funds are \$53.4 million, the project requires an additional \$4.2 million in funding.

It should also be noted that revised masterplan options which included both a 50m indoor pool and a 50m outdoor pool in lieu of a 25m indoor pool were considered during the planning process. The estimated costs for these facilities are \$71.8 million and \$58.4 million, respectively. However, available funds ruled out the possibility of a 50m indoor pool. The justification for recommending a 25m indoor pool over a 50m outdoor pool is addressed later in this report, which considers the Long-Term Financial Plan (LTFP) and the Liverpool City Aquatic and Leisure Centre Strategy.

A final note the land parcels do not contain Crown land. Currently, there is no Plan of Management that relates to this site. A Plan of Management will be completed as part of this development application and background investigation works on this are underway.

The current lot classifications are as below. Any reclassification or boundary consolidation works will be part of the concept design phase and lodged with the DA.



### Internal Reserve Redirect

In December 2023 Council voted to direct \$4.265m in funds from the Carnes Hill Redevelopment Stage 2 Internal Reserve to Council's Biochar Enterprise (Attachment E). The funds were originally allocated to the Carnes Hill aquatic project and redirected when Council was awarded the WSIG grant.

Council's Chief Financial Officer identified the Carnes Hill Internal Reserve had a balance of \$4.265m as of 30 June 2024. The Biochar Enterprise project is currently on hold, so the project team is requesting Council return the \$4.265m to the aquatic centre project as it will make a significant positive impact upon the budget.



## **FINANCIALS**

### **Budget / Forecast Cost**

The current budget status is summarised below:

<b>Item</b>	<b>Expense</b>	<b>Income source</b>	<b>Income</b>
25m indoor pool aquatic centre	\$57.6m (including \$8.3m contingency)	WSIG grant	\$53.4m
Biochar Enterprise	N/A	Internal reserve	\$4.27m
<b>Total</b>	<b>\$57.6m</b>	<b>Total</b>	<b>\$57.6m</b>

The attached cost plan shows a total construction cost of \$59.7, however the project team have identified a cost saving of \$2.1m that have been considered in the above table.

### **Long-Term Financial Plan**

The project team has obtained operational and maintenance cost information for the project through an Operational and Cost Analysis report by independent consultant LARCAN (Attachment C), and an internal assessment using current data from the LGA.

The results indicate that the project falls within the range of Council's Long-Term Financial Plan (LTFP) forecast. The LTFP implications are outlined in the table below:

<b>Item</b>	<b>25 m pool - LARCAN report 'Realistic Scenario'</b>	<b>50m Outdoor Pool - LARCAN report</b>	<b>25 m pool - Internal assessment using current LGA attendance data</b>	<b>Current LCC LTFP forecast based on 2023 masterplan</b>
Income	\$2,407,584	\$3,130,716	\$2,875,096	\$4,689,371
Expense	\$3,302,060	\$4,169,810	\$3,404,761	\$5,070,867
Net Result of Expenditure v Income	<b>-\$894,476</b>	<b>-\$1,039,094</b>	<b>-\$529,665</b>	<b>-\$381,496</b>
Lifecycle Asset Maintenance	-\$259,100	-\$384,400	-\$259,100	-\$279,600
Depreciation	-\$1,151,085	-\$1,379,209	-\$1,151,085	-\$1,375,335
Net Result after Assets & Depreciation	<b>-\$2,304,661 (A)</b>	<b>-\$2,802,703</b>	<b>-\$1,939,850 (B)</b>	<b>-\$2,036,431 (C)</b>

Current LTFP forecasts comparisons show a range of \$268,230 (A-C) shortfall to a surplus of \$96,580.28 (B-C) per year in relation to the LTFP forecast for the recommended 25m pool project.

The range above is considered conservative as LARCAN also provides an alternative depreciation calculation given Council has received grant funding of \$53.4 million: *“This should be considered within the depreciation calculation. It would therefore be a valuable exercise to calculate the depreciation on the capital costs only that are above the cost of \$53.4 million”*. In this case LARCAN's Net Result after Assets and Depreciation would be -\$1,236,661 per year, which is \$799,770 within LCC's LTFP forecast costs for the facility.

Calculations were also undertaken by LARCAN on a masterplan option that considered a 50m outdoor pool in lieu of a 25m indoor pool. As per the table above, LARCAN found a 50m outdoor pool would deliver a *Net Result after Assets and Depreciation* of -\$2,802,703. This is well outside LCC's LTFP.

## **LCC AQUATIC AND LEISURE CENTRE STRATEGY**

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In 2019 Liverpool City adopted the *Aquatic and Leisure Centre Strategy* (ALCS). The purpose of the strategy was to provide a “road map” for the provision of future aquatic and leisure facilities. The plan considered Council's current direction against deliverability, effectiveness, and assessed the viability of replacing and redeveloping existing facilities as well as developing new facilities.

The strategy sought to ensure future centres met key market indicators. The guiding principles were:

- Health and Community
- Inclusiveness
- Connectiveness
- Place Making
- Capability and;
- Affordability.

In 2021 Warren Green Consulting was engaged to assist Liverpool Council with the *Aquatic and Leisure Centre Provision – Implementation and Priority Plan* (ALCP) (Attachment D). The scope was to:

- Consider the current leisure centre concepts and the alignment against the ALCP.
- Review and refine the existing ALCP to ensure that it is realistic and deliverable and effectively meets future demand.
- Assess the viability of redeveloping/ upgrading existing facilities.
- Develop a plan for the prioritisation and implementation of the future infrastructure provision.

### Carnes Hill Recommendation

A significant recommendation within the ALCP was to reduce the length of the pool in the Carnes Hill Aquatic and Leisure Centre Masterplan from 50m to 25m. The rationale for the recommendation was summarised as follows:

- **Community Feedback:** Previous consultation was clear about the need for more informal leisure pools to meet resident needs in hot weather.
- **Function:** When comparing a 25m and 50m pool it is noted that a 25m pool is generally warmer with no “deep” water. This results in a 25m pool being more suitable for year-round usage.
- **Social and Demographic Factors:** Residents in Liverpool are likely to have a lower propensity to swim based on several factors including place of birth.
- **Demand:** An assessment of the catchment indicates that the demand for aquatic visits would be around 250k per annum which could be accommodated by a range of aquatic spaces including a 25m pool.

The revised CHARC Masterplan presented with this report aligns with the ALCP recommendation.

## **PROGRAM**

The target completion date for Stage 1 Carnes Hill Aquatic and Leisure Centre is November 2028.

## **CONSIDERATIONS**

<b>Economic</b>	<p>Provide efficient parking for the precinct.</p> <p>Facilitate economic development.</p> <p>The financial impacts are outlined in the report above.</p>
<b>Environment</b>	<p>Enhancement of liveability and the environment of the LGA.</p> <p>Manage the environmental health and health of the precinct riparian zone</p> <p>Protect, enhance and maintain areas of endangered ecological communities and high-quality bushland as part of an attractive mix of land uses.</p> <p>Raise community awareness and support action in relation to bush regeneration along the riparian zone.</p>

<b>Social</b>	<p>Provide a centre and activities for the enjoyment of physical activities.</p> <p>Promote community harmony and address discrimination in design of facility.</p> <p>Support access and services for people with a disability.</p> <p>Deliver high quality services for children and their families.</p>
<b>Civic Leadership</b>	<p>Deliver services that are customer focused.</p>
<b>Legislative</b>	<p>Local Government Act 1993</p> <p>The Local Government Act 1993 aims to facilitate engagement with the local community. There is no express obligation to consult on revisions to the plan and for reasons set out in the report it is not proposed to conduct further engagement on the proposed changes to the masterplan.</p>
<b>Risk</b>	<p>Rejection of the recommendation risks termination of the executed Deed and return of funds to WSIGP as a viable aquatic centre could not be delivered within the available budget.</p>

## **ATTACHMENTS**

1. Attachment A - Amended Masterplan & Staging Plan (Under separate cover)
2. Attachment B - TCubed Cost Estimate (Under separate cover)
3. Attachment C.1 – LARCAN Operational Costing Report (Under separate cover)
4. Attachment C.2 – LARCAN Operational Costing Report Supplementary Report (Under separate cover)
5. Attachment D – Aquatic and Leisure Centre Provision – Implementation and Priority Plan (ALCP) (Under separate cover)
6. Attachment E - Council 2023-12-13 - Biochar Minutes (Under separate cover)