Item 13.4 King Island Hub – Project Update

Reporting: **Growth & Strategy Manager – Helen Thomas**

SUMMARY:
This report provides an update for Councillors, including an outline of the information submitted to the grant administrators in the first progress report, a summary of community feedback received and responses provided, and an overview of the project governance framework.

DISCUSSION:

Grant acquittal

The terms of the grant deed in place under the Community Development Grants Program requires periodic progress reports to assure the Commonwealth that their grant funds are being acquitted appropriately. Receipt of a progress report also prompts the payment of grant funds.

The first progress report was due for submission in October 2022 with an expectation that Council would have confirmation of final designs and confirmation of final cost estimates. The final designs and budget are attached for reference, noting that the internal layout of furniture and fittings in each space are subject to change.

While the initial intent of the project was the commence the construction works at the Emergency Management & Recovery Centre ahead of the works at Lighthouse Street, a decision was made by the Project Control Group to align the timing of the two portions of the project through design and planning approval so that a combined tender may be possible for the two portions of work. This has had an impact on the timing of Council's expenditure, with $277k of anticipated construction expenditure deferred from this reporting period and now expected to be reported with the Milestone 3 progress report.

A contingency allowance of $56k was not utilised during the reporting period and further savings achieved thanks to consultant fees for the Development Application (DA) process coming in under budget overall.

Further community consultation identified the scale of historical development on the Lighthouse Street site and prompted the engagement of a heritage consultant, which was not specified in the project budget originally. This engagement has resulted in amendment of the site layout, bring the new building behind an existing walkway which was once the main access to the Lighthouse and the Lighthouse Keeper's residences.

The total grant funds requested from the Commonwealth with this progress report were $212k.

The next progress report is due when Council have engaged a building contractor for the project, anticipated to be in April 2023.

Community Feedback

In early September, Ms Brett Torossi, Council's Representative and Chair of the Project Control Group, attended the Island for three days of community information sessions. One-on-one meetings and drop-in sessions were offered in Naracoopa, Grassy and Currie, with a total of 14 individual meetings and further 25+ community members engaging with the team during their visit. Anecdotally the majority of individuals who spoke to the team during this visit were supportive of the project by the end of their conversation with the team. A summary of the comments shared during those conversations is attached.

Subsequent to this visit, Council received separate queries from two members of the community. Their concerns included the process that followed in selecting the Lighthouse Street site for the new Hub building, the potential relocation of the Currie Library and a desire to see the funding reallocated to different projects across the Island.

Private correspondence will be sent to these individuals directly addressing their questions. Generally speaking, the responses are as follows:

- ***Selection of 38 Lighthouse Street as the site for the new Hub building***
  Council undertook extensive community consultation through the completion of a feasibility study for the Hub project over the course of 2020, including seeking feedback on six sites around Currie in March / April and collection of community opinion through July / August on the benefits and challenges at the two sites which received the most community support - 28 Edward Street (behind the roundabout at the end of Main Street, Currie) and Les Ross Park at Currie Harbour. These two processes identified 28 Edward Street as the preferred location. Unfortunately, the owner of that property was unable to accept the offer for purchase made by Council. This was reported to Council in its ordinary meeting in October 2020.
  The feedback received from the community on the benefits and challenges at 28 Edward Street and Les Ross Park was reviewed and alternative locations suggested to select stakeholders. The feedback from these conversations was discussed with the Councillor Working Group and a decision made to use Council-owned land at 38 Lighthouse Street for the new Hub building.
  Council notes that there could have been more regular updates shared with the broader King Island community as these conversations were taking place and has now created a project-specific page on its website to try and improve accessibility to its decision making as the project progresses.

- ***Potential relocation of the Currie Library***
  The initial scope of the King Island Hub project which was offered funding from the Commonwealth government included the co-location of Service Tasmania, Libraries Tasmania, the Online Access Centre and the King Island Regional Development Organisation, including visitor information. Discussions with

Libraries Tasmania are ongoing but the decision on whether or not to move from their current location will be made by Libraries Tasmania and not Council. While the final design for the new building at 38 Lighthouse Street is capable of accommodating Libraries Tasmania should they decide to relocate, it is not reliant on their presence in the building from an operational point of view.

- ***Reallocation of funds to projects across the Island***
  The community member who made this suggestion was responding to a statement by Council's previous General Manager, Greg Alomes, that the guidelines for the Community Development Grants Program allowed for a broad scope of project types and wasn't specific to the construction of community buildings. While this is true, when funding is offered for a project under this grant program, the funding is offered specifically for that project and Council, as the grant recipient, are very limited in how far they can change the scope of that project. In the period between being offered the funding and signing a grant deed, Council determined and was able to negotiate variations to the scope of the project, including removing the provision of worker accommodation and separating the provision of an Emergency Management & Recovery Centre from the rest of the Hub functions. It is not possible under the terms of the grant program to simply re-allocate the funding to other projects, regardless of the community support for those projects.
  Council is always willing to hear about emerging needs in the community and, where significant investment is required to address those needs, will actively seek funding that is appropriate for those projects.

Project Governance Framework

The project is being delivered for Council by the Project Control Group (PCG) comprising: the Chair of the Councillor Working Group, Cr. Duncan McFie; Owners' Representative, New Insights; project architect, Core Collective Architects; Council's General Manager, Kate Mauric; and, Council's Growth & Strategy Manager, Helen Thomas.

The PCG refers key decisions and updates to the Councillor Working Group, chaired by Cr. Duncan McFie and including Crs Ira Cooke, Gina Green and Vernon Philbey. This group refers items to the full Councillor group for information and/or decision making – for example, Brett Torossi's project update at the Councillor workshop on 2 August 2022 – or for resolution, such as the decision to proceed with the grant deed on the current project scope presented at Council's ordinary meeting of December 2021.

Part of the role of the PCG is to provide Council with regular updates on the project as it progresses. As such, a project status report as of 4 November 2022 is attached for information.

FINANCIAL IMPLICATIONS:

The project is running to budget, with the anticipated capital expenditure for FY2022-23 in line with Council's approved capital works budget.

ATTACHMENTS:

The following documents are attached to this agenda as a separate pack:

- Final designs
- Final cost estimates
- Summary of community feedback – September 2022
- Project status report

Recommendation:

That Council receive and note the project update report.

Moved Cr I Cooke
Cr D McFie

That Council receive and note the project update report.

CARRIED unanimously

230/22