



**Shire of Derby /
West Kimberley**

UNCONFIRMED MINUTES

**Ordinary Council Meeting
Thursday, 27 February 2020**

Date: Thursday, 27 February 2020

Time: 5.30pm

**Location: Council Chambers
Clarendon Street
Derby**



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REPORTS**1 EXECUTIVE SERVICES**

Item 18.5 was discussed and deemed not confidential by Council at the meeting on Thursday 27 February 2020.

18.5 SHIRE OF DERBY/WEST KIMBERLEY CONTRIBUTION TO SUPPLY, INSTALLATION AND OPERATION OF A TAKEAWAY ALCOHOL MANAGEMENT SYSTEM.

File Number: 6310

Author: Amanda O'Halloran, Chief Executive Officer

Responsible Officer: Amanda O'Halloran, Chief Executive Officer

Authority/Discretion: Executive

SUMMARY

The Shire of Broome have requested that the Shire of Derby/West Kimberley support the shortfall in funding of the TAMS implementation by \$12,500.00 ex GST which is proportionate with the number of units per Council to assist in addressing the shortfall of funding provided by the Kimberley Regional Council \$100,000.00. The Shire of Broome are currently contributing \$95,854.55.

DISCLOSURE OF ANY INTEREST

Nil

BACKGROUND

The Shire of Broome has undertaken an open public tender process to appoint a suitable contractor for the supply (hire or sale), installation and operation of a Takeaway Alcohol Management System at point of sale for takeaway packaged liquor outlets within the Broome and Derby Townships.

A RFT process has been undertaken for a Takeaway Alcohol Management System (**TAMS**) to enable the implementation of the restrictions in the two towns. Under the contract, TAMS units would be installed at point of sale counters in takeaway liquor outlets – and monitor purchases in-line with the relevant accord restrictions.

The Liquor Accord (**Accord**) is a voluntary group of licensees that seeks to minimise alcohol-related problems in Derby and promote responsible practices in the sale, supply and service of liquor and provide a safe environment for the community. The endeavours of the Derby Liquor Accord are auspiced by the Shire of Derby/West Kimberley (**Shire**).

Backed by the Kimberley Regional Group (**KRG**), the Shire has been proactive in working with the Accord and has reached agreement on voluntary liquor restrictions for a 12 month trial in Derby. With the support of the Shire of Broome, the same liquor restrictions have been agreed to for Broome.

These restrictions are included below for clarity:

Restriction Type	Wording
Packaged liquor may only be sold or supplied in the following quantities per day:	<ul style="list-style-type: none"> • Light beer (2.7% or less per industry standard) in any quantity. • Mid strength Beer and RTD (2.8% to 3.5% per industry standard) to a maximum of 2 cartons of 30 cans (375ml). • Full strength beer (over 3.5% to 7% per industry standard) to a maximum of 1 carton of 30 cans (375ml). • Beer, Cider and RTD products over 7% in 375ml • Can/bottle to a maximum 12 cans/bottles per day. • Wine to a maximum of six bottles (750ml) per day. Fortified wine to a maximum of 1 bottle per day.
Packaged liquor may only be sold or supplied in the following combinations	<ul style="list-style-type: none"> • Cartons of mid-strength beer; or • 1 carton of full-strength beer and 1 carton of mid-strength beer; or • 1 carton of mid-strength beer and 6 bottles of wine; or • 1 carton of full-strength beer and 3 bottles of wine; or 1 bottle of spirits and 3 bottles of wine; or • 1 bottle of spirits plus 1 carton of either full-strength or mid-strength
<ul style="list-style-type: none"> • The floor price of wine will be set at \$10. • The floor price of fortified wine will be set at \$25 per bottle. • The sale of cask wine is prohibited. • The sale of beer in glass bottles of 750mls or more; wine in bottles in bottles larger than 750mls; and spirits in bottles larger than 1 litre is prohibited. • Operators of taxis or buses are not to be knowingly sold packaged liquor on behalf of persons in the vehicle. • Occupants of taxis or buses must exit the vehicle to purchase packaged liquor to allow for a thorough responsible service of alcohol assessment by staff. • Packaged liquor may only be sold and supplied on a day other than Good Friday or Christmas Day – from 12pm – 10pm. 	

Exemptions	
<p>The sale and supply of packaged liquor is only permitted to a person who is present at the time of purchase on the licensed premises conducting the sale, unless that person is:</p>	<ul style="list-style-type: none"> a. A liquor merchant; or new or existing account customer at a takeaway alcohol retailer. Account customers will be required to complete an account application form including standard business information, proof of ID and nominated authorised person. Point of sale history must be kept by retailers and made available for WAPOL upon request. b. Tourism business or operator and only on the condition that: <ul style="list-style-type: none"> i) the liquor has been pre-ordered the day prior to pick-up/delivery; and ii) the register contains the following information in relation to the tourism business or operator: <ul style="list-style-type: none"> - name - address - address to which the liquor is being delivered/ taken - description and quantity of liquor ordered c. a station owner or pastoralist and only on the condition that: <ul style="list-style-type: none"> i) the liquor has been pre-ordered the day prior to pick-up/delivery; and ii) the register contains the following information in relation to the tourism business or operator: <ul style="list-style-type: none"> - name - address - address to which the liquor is being delivered/ taken - description and quantity of liquor ordered d. person who has received an exemption and only on the condition that: <ul style="list-style-type: none"> i) a formal exemption has been requested from the Broome Liquor Accord or its delegate a minimum of 3 days (72 hours) prior to collection/delivery ii) a bulk order form is lodged to the customer's preferred outlet a minimum of 3 days (72 hours) prior to collection/delivery iii) a formal exemption has been approved by the Broome Liquor Accord or its delegate; and a valid code can be presented at the place of purchase iv) the customer is present for the collection or delivery of alcohol

The scope of work included within the RFT includes:

- Supply and installation of hardware and/or software to enable real time monitoring and implementation of quantity restrictions on the purchase of alcohol
- Hardware and/or software should consist of the following at a minimum:
 - Software to monitor and limit quantity of alcohol able to be purchased by an individual over a 24 hour period from participating outlets in Broome and/or Derby
 - Software to enable a manual over-ride of the restrictions and issuing of an exemption where one may be granted
 - Hardware installed at each point of sale system
 - Cloud-based software to link all point of sale systems, store purchasing records for a 24 hour period and retain an error log for hardware
 - Replacement units for point of sale hardware to be available onsite within 24hrs
 - Software to enable manual override for an individual to voluntarily participate in an exclusion register
- Training of the retail, Shire and WAPOL staff in the operation of the units; including:
 - Point of sale process for the entry of personal identification and purchase quantities
 - Process for issuing and processing an exemption
- Ongoing training, maintenance and support of the infrastructure

In addition to the TAMS, the Shire is also committing resources to:

- the development of communication materials to support TAMS
- contract management and administration
- ongoing efforts to source additional funding, including towards independent monitoring

Through the Derby Liquor Accord, the Shire has been successful in gaining the support of service providers including WA Police, Derby Hospital and Garl Garl Patrol to provide statistics to monitor trends throughout the trial.

STATUTORY ENVIRONMENT

Nil

POLICY IMPLICATIONS

Nil

FINANCIAL IMPLICATIONS

Given the significance, reputational risk and stakeholder expectation of these restrictions, it is recommended that Council authorise additional budget required to deliver the works without waiting for further external funding to supplement the funding already allocated.

The worst-case financial exposure to Council would be \$12,500.00 should minor variations to the scope be unable to be negotiated. Given the indicative commencement date of February 2020, this additional funding could be split across FY 19/20 and 20/21; or allocated towards either.

It is recommended that the funds be allocated from an anticipated under expenditure in the Councillor Governance area, with savings anticipated in IT allowances, and Property Maintenance to adequately cover this unbudgeted expense.

It is also noted for the benefit of Councillors that the production of communication materials and an independent audit of the trial results are currently unfunded despite multiple discussions with potential funding bodies.

STRATEGIC IMPLICATIONS

GOAL	OUTCOME	STRATEGY
<p>Goal 1: Community Wellbeing</p> <p>A diverse, caring and safe community providing opportunities for all its people.</p>	<p>Outcome 1.1: Accessible health and family support services that meet the needs of the community</p> <p>Outcome 1.9: A safe and responsible community</p>	<p>The Shire is committed to building a supportive community that has adequate support mechanism and capacity building opportunities that provide for a strong positive community.</p>

RISK MANAGEMENT CONSIDERATIONS

RISK	LIKELIHOOD	CONSEQUENCE	RISK ANALYSIS	MITIGATION
<p>Reputation: Insufficient Funding</p>	Possible	Moderate	Medium	<p>The Shire has undertaken a significant amount of advocacy regarding seeking industry involvement and agreement in the trial, and it is recommended that additional funding is provided to ensure it proceeds. Proceeding with a reduced scope would not meet the expectations of the industry or allow for effective auditing of the trial.</p>
<p>Reputation: Derby Liquor Accord</p>	Possible	Moderate	Medium	<p>The Shire has been working with Accord Members to gain their</p>

Dissatisfaction				support and confidence.
Financial: Poor return on investment	Unlikely	Minor	Low	Effective contact management and ongoing buy in by community, and stakeholders.
Reputation: System does not read cards	Possible	Moderate	Medium	Work with service providers to ensure community members are informed of requirements and have appropriate personal identification.

CONSULTATION

Significant consultation has been undertaken by the Shire, Derby Liquor Accord, Kimberley Regional Group (Shires of Broome, Wyndham – East Kimberley, Shire of Halls Creek) and WAPOL.

COMMENT

1. Procurement Process

The request advertised through an open public tender. The tender was released through Tenderlink with advertisements placed in the West Australian and Broome Advertiser.

Three submissions were received from the following parties prior to the closing date:

1. Mytech
2. Retail Solutions
3. Scantek Solutions

The selection criterion utilised in this RFT consisted of compliance, qualitative and value for money pricing assessment.

Based on the Evaluation Panel’s initial review, the tenderer was invited to present to the Broome Liquor Accord on 14 November 2019. Few queries were raised by the Accord, and there was a general consensus from the attendees that Scantek would be able to deliver the required scope of work.

The Shire of Broome accepted the Tender submitted by Scantek Solutions as the most advantageous tender from which to form a contract for RFT 19/13 Supply (hire or sale), Installation and Operation of a Takeaway Alcohol Management System at their 12 December 2019 Ordinary Meeting of Council.

Project Budget

Funding has been allocated from the KRG and Broome Shire to date Shire – but attempts to gain financial support from State Government have been unsuccessful.

The KRG has committed \$100,000 towards the initial trial period, with the Broome Shire allocating \$50,000 (inc GST) at the meeting of 29 August 2019.

The preferred supplier has tendered a price of \$195,853 ex GST. This is \$50,400 ex GST in excess of the available budget for the project.

Negotiations between the preferred supplier and Broome Shire Officers are expected to reduce the total contract amount. However, Broome Shire has endorsed a budget allocation to cover the full exposure to negate the risk of delay should the negotiations be unsuccessful.

Broome Shire has requested that a funding contribution from the Shire of Derby /West Kimberley in an effort to reduce the financial impact on the Shire of Broome.

The request for funding contribution of \$12,500 is based on costs after the Kimberley Regional Group funding, and distribution of TAMS units/servicing.

The current unit allocation is 86% in Broome (20 of 23 units) and 13% in Derby (3 of 23 units).

Please note that all figures are based on maximum exposure, and we are confident of reducing these costs through minor variations and negotiations with the preferred tenderer. The calculation of the requested amount is included below:

Current tendered amount 12 months plus setup and beta testing (max exposure ex GST)	\$195,854
Kimberley Regional Group contribution	\$100,000
Balance to be allocated to Local Governments	\$95,854
Shire of Broome Contribution based on 87% of balance	\$83,351
Shire of Derby West Kimberley Contribution based on 13% of balance*	\$12,503

*pending

VOTING REQUIREMENT

Absolute majority

ATTACHMENTS

Nil

RESOLUTION 28/20

Moved: Cr Paul White

Seconded: Cr Keith Bedford

That Council approves the allocation of \$12,500.00 towards the installation and operation of the Takeaway Alcohol Management System in the Shire of Derby/West Kimberley.

In Favour: Crs Geoff Haerewa, Paul White, Geoff Davis, Chris Kloss, Andrew Twaddle, Steve Ross, Rowena Mouda, Pat Riley and Keith Bedford

Against: Nil

CARRIED 9/0