general purpose committee

section 3

organisation and resources

ITEM	SUBJECT	PAGE

SECTION 3 - ORGANISATION AND RESOURCES.

oooO END OF TABLE OF CONTENTS Oooo

ITEM: 41 **Monthly Financial Report - April 2003**

FILE NUMBER: GF011/005/FNC/OGF03NAX.F01

REPORT:

Summarised below, are particulars of both the income received and the expenditure incurred by Council for the month of April 2003. This information has been reconciled between the cashbook and the bank statement balance as at the end of April 2003. All expenditure is fully supported by vouchers and invoices which have been duly certified.

Cash Book (General Ledger) Reconciliation - April 2003	
Opening Balance as at 1 April 2003	$30,492.44
Add Receipts for the Month	$5,790,906.35
Less Payments for the Month	($6,157,138.06)
Closing Balance as at end of April 2003	($335,739.27)

Bank Statement Balance - April 2003	
Statement Balance as at end of April 2003	$396,307.73
Less Unpresented Cheques	($920,510.47)
Add Outstanding Deposits	$32,295.31
	($491,907.43)
Adjustment: Statement entries not yet posted to GL	$156,168.16
Balance as per Cash Book	($335,739.27)

Commentary

The above reconciliations reflect the cashflow for April 2003. Receipts include rate payments, fees and charges, grant payments and matured investments. Expenditure for the month typically consists of payments to contractors, employee salaries, purchase of stores and materials and lease/loan repayments.

The bank account balance may vary significantly from the cashbook balance. The difference is made up of unpresented cheques, outstanding deposits and bank statement entries that have not yet been recorded in the general ledger.

Cash management procedures are in place that ensure adequate funds are available to meet daily expenditure obligations. Active cash management minimises the risk of Council's bank account going into an overdraft situation.

Any surplus funds are invested so as to maximise interest earnings.

Investments - April 2003

The Local Government (Financial Management) Regulation requires that each month, details of all money that has been invested under section 625 of the Local Government Act, 1993 be reported to a meeting of Council.

The following table outlines the investment portfolio held by Council as at the end of April 2003. All investments have been made in accordance with the Act, Regulations and Council's Investment Policy.

April 2003

Investment Type	Balance Brought Forward	Deposits	Withdrawals	Interest Added to Investment	Balance End of Month
Managed Funds	$20,135,010.58		($1,000,000.00)	$95,651.13	$19,230,661.71
On Call Funds	$1,900,000.00	$2,000,000.00	($1,750,000.00)		$2,150,000.00
Term Investments	$1,235,000.00				$1,235,000.00
Rolling Investments	$6,639,027.34			$16,732.76	$6,655,760.10
TOTAL	$29,909,037.92	$2,000,000.00	($2,750,000.00)	$112,383.89	$29,271,421.81

Investment Commentary

Managed Fund performance exceeded the benchmark index for the month of April.

Official cash interest rates continue to be on hold (Currently at 4.75%).

Geoff Banting
Responsible Accounting Officer

RECOMMENDATION:

That the information be received.

ATTACHMENTS:

There are no supporting documents for this report.

oooO END OF ITEM 41 Oooo

ITEM: 42 **Remuneration for Councillors and Mayor**

FILE NUMBER: GA030/014/FNC/OGF03NAX.F05

REPORT:

The Local Government Remuneration Tributnal places Councils in categories and determines the maximum and minimum amounts of fees to be paid to Councillors and the Mayor for each financial year.

Hawkesbury City Council is currently categories as a Category 3 Council.

For the period 1 July 2003 to 30 June 2004, the Remuneration Tribunal has determined that the annual fees to be paid for a Category 3 council are as follows:

	Councillor Annual Fee		**Mayor Additional Fee**	
	Minimum	Maximum	Minimum	Maximum
Category 3	$5,705.00	$12,550.00	$12,125.00	$27,395.00

There is no fee for Deputy Mayor prescribed. Last year it was set at $3,630 (three thousand, six hundred and thirty dollars) with this being deducted from the Mayor's fee. It is proposed that the same percentage of the Mayor's fee be maintained for the Deputy Mayor in 2003/2004.

RECOMMENDATION:

That:

1. The fee for Councillors be $12,550 (twelve thousand, five hundred and fifty dollars).

2. The fee for the Mayor be $27,395 (twenty seven thousand, three hundred and ninety five dollars), and the Deputy Mayor be $3,885 (three thousand, eight hundred and eighty five dollars) to be deducted from the Mayor's fee.

ATTACHMENTS:

There are no supporting documents for this report.

oooO END OF ITEM 42 Oooo

ITEM: 43 **Exemption from Rating - 35 Ivy Avenue, McGraths Hill**

FILE NUMBER: 32418/FNC/OGF03NBX.F02

REPORT:

An application has been received from McCall Gardens Community Limited requesting exemption from rating for the property known as 35 Ivy Avenue, McGraths Hill (Lot 4 DP 1025505 - property number 32418).

The subject property consists of a five bedroom house, used to accommodate males who have an intellectual disability. The inhabitants have twenty four hour supervision.

The McCall Gardens Community Limited is a registered charitable organisation. The objects of the organisation include:

- To further the interests, develop and promote the welfare generally of intellectually disabled people.
- To seek to provide lifetime and geriatric care to those persons for whom the company agrees to provide care.
- To promote the needs, attitudes and aspirations of those in the company's care and to liaise with all government authorities to further the interest, development and welfare of those for whom the company provides care.
- To establish developmental programs and activity therapy programs for intellectually disabled persons.

Application for rate exemption is made in accordance with section 555 (1) (e) of the Local Government Act, 1993 which provides as follows:

"S.556 (h) The following land is exempt from all rates, other than water supply special rates and sewerage special rates:

(h) land that belongs to a public benevolent institution or public charity and is used or occupied by the institution or charity for the purposes of the institution or charity;"

It is recommended that exemption from rating be granted from their date of occupation being 1 December 2002.

The annual rates for 2002/2003 total $637.42 (six hundred and thirty seven dollars and forty two cents). The pro-rata amount applicable from 1 December 2002 to 30 June 2003 amounts to $368.48 (three hundred and thirty seven dollars and forty eight cents).

RECOMMENDATION:

That:

1. McCall Gardens Community Limited be granted exemption from rating for the property know as 35 Ivy Avenue, McGraths Hill (Lot 4 DP 1025505 - property number 32418) effective from 1 December 2002.

2. An amount of $368.48 (three hundred and sixty eight dollars and forty eight cents) be written off in respect of rates for the 2002/2003 rating year.

ATTACHMENTS:

There are no supporting documents for this report.

oooO END OF ITEM 43 Oooo

ITEM: 44 **Westpool Strategic Business Plan 2003 to 2005**

FILE NUMBER: 79426/CSV/OGF03NBX.C03

REPORT:

The Board of Westpool has prepared a Strategic Business Plan to inform member Council of its future direction.

This plan summarises Westpool history, current position and details goals and strategies for the future.

The Board believes that this plan indicates Westpool is sound, responsive and a progressive organisation providing essential and quality service to its member Councils.

RECOMMENDATION:

That the report be received and noted.

ATTACHMENTS:

AT-1 Westpool Strategic Business Plan 2003 to 2005 (distributed under separate cover).

oooO END OF ITEM 44 Oooo

ITEM: 45 **Tourist Railway Association Kurrajong (TRAK)**

FILE NUMBER: 83022/CSV/OGF03NBX.C04

REPORT:

Correspondence has been received from the Tourist Railway Association Kurrajong (TRAK) thanking Council for their ongoing assistance to their organisation.

TRAK have also advised that they are currently taking delivery of disused railway line which is being offered to them free of charge due to rail upgrading occurring in the Walgett area, a project that is likely to span over the next two years.

TRAK have already taken delivery of their first truckload of rail which is currently being stored at their carriage storing site at Londonderry. Due to the amount of railway line that will become available and the need for extra storage space, TRAK have asked Council if there may be any Council controlled property where the storage could take place.

TRAK have also requested that due to the cost of transporting the disused railway line back to Sydney, help is being sought from Hawkesbury City Council in the delivery of the line. TRAK have stated that should their organisation not achieve its aim, Council would have the right to sell the asset, being the stored railway line to recoup any transport costs incurred by Council. As the upgrading work in the Walgett area is sporadic, TRAK sees the need for no more than two truckloads of rail per month when the upgrading activities pick up.

At Council's Ordinary Meeting held on Tuesday 13 May 2003, Council resolved to allow TRAK to spend the remainder of its original Economic Development funding on its carriage restoration program. The balance of funds amounted to $2,200.00 (two thousand, two hundred dollars).

RECOMMENDATION:

That:

1. Council allow TRAK to store its disused railway line at Council's old East Kurrajong tip site.

2. TRAK be advised that no funds have been allocated by Council in its 2003/2004 draft budget towards the transportation cost of disused railway line from Walgett back to Sydney.

3. TRAK be advised that submissions to Council's Management Plan and Financial Estimates for 2003/2004 are currently being sought.

ATTACHMENTS:

There are no supporting documents for this report.

oooO END OF ITEM 45 Oooo

ITEM: 46 **139 Colonial Drive, Bligh Park**

FILE NUMBER: 26216/CSV/OGF03NBX.C07

REPORT:

At Council's Ordinary Meeting held on 11th March 2003, it was resolved that Expressions of Interest be sought for the proposed development of the site located at 139 Colonial Drive, Bligh Park. The matter was extensively advertised, with over thirty (30) information packs being forwarded to interested parties. Expressions of Interest closed on the 5th May 2003 with the public invited to attend. Seven (7) Expressions of interest were received:

- Robert Dunnett Pty Ltd (in conjunction with Ashe, Morgan, Winthrop);
- Grindley Construction Pty Ltd;
- Merton, Moit, Moit & Moit;
- Vinta Group Pty Ltd;
- Integrated Development Corporation Pty Ltd;
- Capital Land Corporation Pty Ltd (in conjunction with HHPM Architects);
- Defence Housing Authority (in conjunction with Landsbury's Property Advisory Services).

Company Details and Proposed Development

- **Robert Dunnett Pty Ltd.** The focus of Robert Dunnett Pty Ltd is on commercial, industrial, retail and quality residential property development and investment. Recently, Robert Dunnett Pty Ltd successfully tendered for Commonwealth Land in Willoughby which resulted in a unique and successful residential development.

  Robert Dunnett Pty Ltd, with the financial support of Ashe, Morgan, Winthrop, propose to acquire and develop the majority of the site as a "lifestyle" residential development comprising not less than thirty-seven (37) three (3) bedroom townhouses and/or villas with associated common areas of open space.

  The balance of the site would be dedicated to localised retail area of approximately 500-700sqm, in conjunction with a minimum 20 car space car park.

- **Grindley Construction Pty Ltd.** Grindley Construction Pty Ltd was formed in 1998. Over the past fifteen (15) years, Grindley Construction Pty Ltd have completed numerous 'large scale' projects including St Mary's Nursing Home, Sydney Futures Exchange, North Gosford Private Hospital, Southern Highlands Private Hospital and the Harrington Park Community Centre.

  Grindley Construction Pty Ltd have not indicated the proposed development. Instead, they have confirmed that they wish to acquire the site and tailor the development to Council's specific needs.

- **Merton, Moit, Moit & Moit.** Merton, Moit, Moit & Moit consist of a combination of Earthwork experience and Real Estate knowledge. N. Moit & Sons Earthworks have been contracting for twenty (20) years and have submitted their Expression of Interest in conjunction with Mr Andrew Merton, trading as Andrew Merton Real Estate.

  The proposed development of the site by Merton, Moit, Moit and Moit is a mix of commercial and residential which would compliment the existing Bligh Park and South Windsor Area(s).

- **Vinta Group Pty Ltd.** The Vinta Group is a privately owned, integrated property business that has specialised in the delivery and ownership of both retail and commercial assets for the last fifty (50) years. The Group has undertaken the development for various Federal Government Departments including Department of Education and Training (Bankstown), Department of Social Security (Ryde) and Commonwealth Employment Services (Newtown).

  The Vinta Group Pty Ltd have a long standing relationship with most major supermarket operators and, therefore, propose to acquire the site and develop a retail shopping centre with a major supermarket and a number of specialty shops including a pharmacy, newsagent, bakery and automatic teller machines (ATM's).

- **Integrated Development Corporation Pty Ltd.** Formed in 2002, Integrated Development Corporation Pty Ltd, specialises in small to medium retail projects. The Managing Director, Mr Terry Ludlow, has over twenty (20) years experience in the retail industry and was the Development Manager for many of the Woolworth Marketplace developments, including Richmond Marketplace.

  Therefore, Integrated Development Corporation Pty Ltd, propose to lease the land from Council for ninety-nine (99) years and develop a retail shopping centre similar to the Marketplace style of centre Mr Ludlow is so familiar with. Additionally, Integrated Development Corporation Pty Ltd propose to link the development with the existing Tiningi Community/Youth Centre.

- **Capital Land Corporation Pty Ltd.** Over the past twenty (20) years, Capital Land Corporation Pty Ltd, have been involved in many major retail and commercial developments. Most recently, Capital Land Corporation, developed the Piccadilly Centre in the heart of the Sydney CBD. The development took three (3) years to build and was completed on time. Other projects include Glenmore Park Town Centre and Kellyville District Shopping Centre (currently under construction).

  Capital Land Corporation Pty Ltd believes a neighbourhood shopping centre is the ideal development required to complete the Bligh Park area and, therefore, propose to acquire the land for this purpose. The proposed centre would include a major supermarket, a number of specialty stores and car parking for more than two-hundred and fifty (250) cars.

- **Defence Housing Authority.** The Defence Housing Authority is one of the largest occupiers of residential property in Australia. It is experienced in the development of a range of housing types in metropolitan, regional and remote locations.

The proposed development by DHA is likely to include a range of housing types and designs that will be complimentary to the surrounding area. The proposed development would require DHA to purchase the site from Council to provide local housing for defence personnel.

Due to the "Commercial in Confidence" nature of each Expression of Interest, details such as proposed lease fees or purchase prices cannot be disclosed in this report.

RECOMMENDATION:

That:

1. Selective tendering be called with five (5) of the abovementioned companies be invited to submit a tender for the proposed development of the site located at 139 Colonial Drive, Bligh Park:

   (a) Robert Dunnett Pty Ltd
   (b) Vinta Group Pty Ltd
   (c) Integrated Development Corporation Pty Ltd
   (d) Capital Land Corporation Pty Ltd
   (e) Defence Housing Authority

2. A further report be provided to Council with the results of the Tender for the most appropriate use and best financial return on the site for Council.

ATTACHMENTS:

There are no supporting documents for this report.

oooO END OF ITEM 46 Oooo

ITEM: 47 **Leasing of Old Hospital Site**

FILE NUMBER: 107/CSV/OGF03NBX.C08

REPORT:

Council has received two expressions of interest for leasing the Old Hospital Building in Macquarie Street, Windsor. The two proposals are as follows:

- Catholic Health Care Services Limited
- Dr Ian Rafter (First Choice Health Care)

Catholic Health Care Services Limited

Catholic Health Care Services (CHCS) have submitted an expression of interest to lease the entire old hospital building in Macquarie Street, Windsor. This does not include the old kitchen area which is located at the rear. The overall leased area would be approximately 685 (six hundred and eighty five) square metres.

CHCS is an organisation of approximately 1,300 (one thousand three hundred) staff. They are a not-for-profit organisation providing quality health and aged care services to community across the metropolitan/rural NSW. Head office for CHCS is presently located at Epping. Due to their significant growth, they are now looking elsewhere for additional accommodation for several of their corporate functions.

CHCS has strong links with the Hawkesbury Community, with the Hawkesbury District Health Service (HDHS) being their largest facility, employing in excess of 550 (five hundred and fifty) staff, the vast majority of whom live within the local area. It is their very strong view that the continuance of the relationship between CHCS/HDHS and the old hospital building would bring significant mutual benefit to both the residents or the Hawkesbury Community and their organisation.

Proposed Lease Terms

CHCS seek to lease the entire old hospital building on a 5 (five) year lease with a 5 (five) year option. Primary use of the building would be for office accommodation plus training / education facilities. CHCS do seek a temporary reduction in the rental on the building to account for the short to medium term lack of on site parking, plus disruption due to building works in the remainder of the old hospital precinct. Council is currently offering the lease of the building at $250.00 (two hundred and fifty dollars) per square metre including 15 (fifteen) reserved parking spaces.

CHCS would also like to negotiate the initial fit out costs and have stated that they do not expect to be seeking any significant structural changes to the building. Should CHCS be successful in coming to an agreement on terms, they would be keen to move into the building as quickly as possible. To this end, they would be happy to consider an arrangement for a number of their current staff to move in whilst fit out continues on other parts of the building.

Proposed Use and Benefits to the Hawkesbury Community

CHCS propose to use the building as office accommodation for several of their key corporate functions, including Human Resources, Payroll, Corporate Services, Information Technology and Engineering Administration. Up to 30 (thirty) staff will be permanently accommodated in the building, though CHCS would expect there to be regular visits by other CHCS staff attending training or seeking additional support from those based in the building.

Locating these corporate functions within the old hospital building has the potential to deliver significant benefits to Council and the Hawkesbury Community:

- A reliable stream of rental income by virtue of our tenancy
- Early tenancy of part of the building will commit Council to commence earlier collection of at least part rental.
- Fleet sales at this stage, most of the organisations vehicle are purchased from dealers in Windsor area bringing significant income to the area.
- Information technology - Our corporate IT function would be managed from the unit accommodated in the building. Much of CHCS's organisations IT requirements could be sourced from local suppliers.
- Engineering - Their engineering unit presently utilises a large number of local contractors in respect of meeting the needs of various facilities.
- Human Resources - Having their corporate Human Resources function located in the Hawkesbury area gives residents of the community, the opportunity to explore employment opportunities with their growing organisation.
- It is likely that over time CHCS will extend development and learning opportunities offered at this facility to other relevant organisations within the Hawkesbury Region.
- It is anticipated that these units will employ additional staff over the next couple of years, providing further employment opportunities for those in the Hawkesbury community, and
- Continuance of relationship with the HDHS with the site there re-enforcing the heritage value of the building.

CHCS have stated that if their proposal to lease the property is unsuccessful, they will have no alternative but to look elsewhere for suitable accommodation. CHCS is extremely keen to pursue the lease for this site and urges Council to seriously consider their expression of interest. CHCS are prepared after formal negotiations to the signing of a lease agreement within two to four weeks.

Doctor Ian Rafter (First Choice Health Care)

Council staff have now been negotiating with Dr Rafter since the early part of 2003 for the purpose of leasing the old hospital building as well as the old kitchen area located at the rear for a proposed day surgery centre. The proposal put forward by Dr Rafter is to have the building used for what it was originally built for, ie. a hospital. Dr Rafter proposes to develop the site for the purpose of establishing the Hawkesbury Cosmetic Medicine/Surgery and Healthy Aging Institute. Services and procedures to be carried out in the centre would include:

- Medical Practitioners trained in conventional and natural medicine,
- Naturopath/Homeopath/Nurses,
- Massage/Lymphatic drainage
- Laser surgery for:
  - Scars
  - Facial rejuvenation
  - Veins/Capillaries
  - Hair transplant
- Liposuction
- Other cosmetic procedures
- Other surgical procedures
- Assessments on Health
  - Chronic disorders (inflammatory and auto-immune)
  - Women's Health and Natural Hormone Treatment
  - Men's Health
  - Adolescents Health
- Consulting facilities for other specialists
- Other facilities including:
  - Pharmacy with compounding chemist
  - X-Ray (Ultrasound, Bone density, General)
  - Pathology

Dr Rafter's employment history includes:

- Rotating Cardiothoracic Registrar at the Alfred and St Vincent's Hospitals, Melbourne, including 6 (six) months Pediatric Cardiac Surgery at the Royal Children's Hospital.
- Deputy Director of Accident and Emergency Department, Ballarat Base Hospital.
- Cardiothoracic Surgical Fellow, Royal Melbourne Hospital
- Cardiothoracic Surgical Fellow, Royal Prince Alfred Hospital, Sydney
- ICU Department and General Surgeon at Wollongong Hospital

Dr Rafter is also trained in Naturopathy and is a current member of the Cosmetic Physicians Society of Australasia.

Proposed Lease Term

Dr Rafter seeks to lease the entire hospital building including the old kitchen area at the rear. The primary use of the building would be consulting rooms, as well as the operation of a pharmacy that would also be open to the general public. As part of the fit out of the building, Dr Rafter proposes to fill in the rear verandahs of the building (both ground floor and first floor), to allow a corridor for patients and staff to have access to other areas of the centre. Dr Rafter has had extensive plans drawn up by architect, Mr Aladdin Naizmand from Health Projects International, who has met with the Heritage Office to discuss the proposed development. All indications are that there are no problems with the proposed development and alterations to the building.

The terms of the lease which Dr Rafter has requested are as follows:

- 10 (ten) year term with a further 5 (five) year option.
- $250.00 (two hundred and fifty dollars) per square metre for approximately 1,035 (one thousand and thirty five) square metres, which includes 15 (fifteen) reserved car parking spaces. This would equate to a yearly rental income of $258,750.00 (two hundred and fifty eight thousand, seven hundred and fifty dollars).

Proposed Use and Benefits to the Hawkesbury Community

As previously stated, Dr Rafter will be using the building as a day surgery, cosmetic medicine and healthy ageing centre. The benefits that the centre will bring to the local community will include:

- The employment of over 40 (forty) staff.
- Opportunity of employment for local residents of the Hawkesbury area.
- Long term and reliable income stream by virtue of the tenancy.
- Influx of people attending the centre which will have a flow on effect to local businesses providing an economic benefit to the local economy.
- Overnight accommodation for visitors boosting the local tourism industry.
- Usage of Library and Regional Art Gallery by day visitors.
- Use of local suppliers and contractors, again providing an economic benefit to the local economy.
- Benefit to Hawkesbury residence providing a service within the local area, which is currently not available.
- Presence at the centre 7 (seven) days per week.

The proposed Hawkesbury Cosmetic Medicine / Surgey and Healthy Ageing Institute Centre will be unique to the Hawkesbury and through First Choice Health Care's extensive advertising program, will further promote and enhance the Hawkesbury area.

Dr Rafter has also shown interest in leasing out the Cafe/Coffee Shop area which would service the overall Hospital precinct. The Cafe/Coffee shop would cater for and promote healthy lifestyle and living.

Summary

In summary both proposals offer Council an assured income stream for a number of years. The CHCS proposal, which does not include the old kitchen area at the rear of the old hospital building would give Council an assured income stream in the vicinity of $171,250.00 (one hundred and seventy one thousand, two hundred and fifty dollars) at $250.00 (two hundred and fifty dollars) per square metre. Within CHCS's proposal however, a temporary rental reduction has been requested.

The fit out cost to Council would be $455,000 (four hundred and fifty five thousand dollars) which includes the demolition of the old kitchen building which Council has approval to do so.

Dr Ian Rafter (First Choice Health Care) would give Council an assured income stream in the vicinity of $258,750 (two hundred and fifty eight thousand, seven hundred and fifty dollars). Dr Rafter has agreed to pay the lease of $250.00 (two hundred and fifty dollars) per square metre.

The fit out costs to Council including the old kitchen area, would be $665,000 (six hundred and sixty five thousand dollars). Dr Rafter (First Choice Health Care) has requested that Council carry out the structural changes to the building, including the filling in of the rear verandah's. This would then only cost Council $408,000.00 (four hundred and eight thousand dollars) and First Choice Health Care will complete the remainder of the fit out in conjunction with their fit out which is estimated to cost in the vicinity of $1,159,000.00 (one million, one hundred and fifty nine thousand dollars). (See the attached architectural drawing of the proposed fit out.)

Dr Rafter has requested that the $257,000 (two hundred and fifty seven thousand dollars) (difference between $665,000.00 [six hundred and sixty five thousand dollars] less $408,000 [four hundred and eight thousand dollars] totalling $257,000 [two hundred and fifty seven thousand dollars]), which will be owed to him by Council, be offered as a rent free period for the first 12 (twelve) months of the lease. This would be in lieu of Council making a contribution towards his fit out costs.

In conclusion, Dr Rafter's (First Choice Health Care) proposal as compared to CHCS will net Council a further $87,500 (eighty seven thousand, five hundred dollars) per annum in lease payments based on a flat $250.00 (two hundred and fifty) square metre, and over a 10 (ten) year period would net in the vicinity of $875,000.00 (eight hundred and seventy five thousand dollars) through an additional Council out lay of $210,000.00 (two hundred and ten thousand dollars) for restoring and fitting out the old kitchen area instead of demolishing the building.

RECOMMENDATION:

That:

1. The old Hawkesbury Hospital building including the old kitchen building at the rear, be leased to Dr Ian Rafter (First Choice Health Care) for a lease period of 10 (ten) years with a further 5 (five) year option.

2. The rental be calculated in the following manner:

Year One:	$250.00 per square metre
Year Two, Three, Four and Five:	CPI increase (to be capped at 4%).
Year Six:	Market review
Years Seven, Eight, Nine and Ten:	CPI Increase (to be capped at 4%).
Year Eleven:	Market Review
Years Twelve, Thirteen, Fourteen and Fifteen:	CPI Increase (to be capped at 4%).

   All outgoings such as rates, electricity charges, water usage etc. will be met by Dr Ian Rafter. Al figures will include GST

3. Council's estimated fit out costs of both the old hospital building and old kitchen building is $665,000.00 (six hundred and sixty five thousand dollars). All costs incurred by Council for any re-alignment works carried out on the building, including the old hospital building and the old kitchen building at the rear, would be deducted from this $665,000.00 (six hundred and sixty five thousand dollars) and the balance would be allowed to Dr Rafter (First Choice Health Care) as a rent free period. All other fit out costs would be at Dr Rafter's (First Choice Health Care) expense.

4. The rent free period would commence from 1 January 2004 allowing sufficient time for Council and First Choice Health Care to complete the fit out of both buildings.

5. Fifteen reserved car parking spaces would be made available to Dr Ian Rafter, initially on the other side of Macquarie Street adjacent to the new hospital building.

6. A bank guarantee of $100,000.00 (one hundred thousand dollars) would be taken out by Dr Rafter (First Choice Health Care) before any works are carried out on the building. Once construction had been completed, the bank guarantee would be reduced to $50,000 (fifty thousand dollars) and would be held for the duration of the lease period to ensure that all lease payments would remain up to date.

7. All necessary documentation be executed under common seal of Council including the agreement to lease document.

ATTACHMENTS:

AT-1 Dr Rafter (First Choice Health Care) Proposed Fit Out - Ground Floor
AT-2 Dr Rafter (First Choice Health Care) Proposed Fit Out - First Floor

Att 1 - Dr Rafter (First Choice Health Care) Proposed Fit Out - Ground Floor

Att 2: Dr Rafter (First Choice Health Care) Proposed Fit Out - First Floor

oooO END OF ITEM 47 Oooo