



KEMPSEY
Shire Council

DIRECTOR SHIRE SERVICES REPORT

12th December 2006

DSS3	BUS SHELTERS - METRO ADVERTISING PROPOSAL
FILE: 423 MJT	{ Folio No. * }

SUMMARY:

Reporting on the proposal from Metro Advertising Pty Limited for the supply and maintenance of bus shelters in Kempsey, in exchange for advertising rights on such shelters.

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DESCRIPTION:

Council receives numerous requests each year from residents and bus companies for the supply of bus shelters throughout the Shire, particularly on rural bus routes. The current budget allows for the supply and erection of only one (1) shelter per year (\$9,200).

A list of 21 shelters has been compiled, 9 in residential areas and 12 on rural bus routes where requests have been made by residents and/or bus companies for the erection of a new bus shelter. The average cost of erecting bus shelters has increased over the past twelve (12) months and it is anticipated significant increases will occur with the introduction of Commonwealth regulations in regard to Disability Standards for Accessible Public Transport.

The new Transport Standards which have been legislated by the Commonwealth Government, have not been funded by either the Commonwealth or State Governments, leaving Council to bear the costs. Council is required to ensure compliance with the new standards on all existing bus stops by the following target dates:

- 31 December 2007 - 25% of bus stops
- 31 December 2012 - 55% of bus stops
- 31 December 2017 - 90% of bus stops
- 31 December 2022 - 100% of bus stops

An estimate to retrofit each shelter on the existing town bus route, not including road rehabilitation, is in the vicinity of \$3000 to \$4000 per shelter. This estimate is for a basic retrofit including such things as concrete slab, adjustments to seating, timetables, tactile ground surface indicators and immediate access paths to the sites.

The table below is indicative of the cost to Council to supply bus shelters on the town route in Kempsey:

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Item Type	Existing Shelters	\$ per shelter	Total Cost
Replacement	X 3	\$12,000	\$36,000
Retrofit	12	\$4,000	\$48,000
Requested	4	\$12,000	\$48,000
Total			\$132,000

The table below indicates the cost to supply shelters in other areas where Council has received requests:

Item	Number required	\$ per Shelter	Cost
Rural Shelters	12	\$10,000 *	\$120,000
Villages	5	\$12,000	\$60,000
			\$180,000

* Rural school bus stops exempted from Disability Standards.

It will take 31 years for Council to meet current requests/needs with the existing budget allocation, not including future needs or replacement of existing shelters.

THE PROPOSAL

Metro Advertising Pty Ltd have made a proposal, at its sole expense, to supply and install a minimum of ten (10) advertising bus shelters at locations as agreed to between Council, and an additional one (1) advertising-type bus shelter each year for the term of this agreement.

Ownership of the bus shelters installed by Metro Advertising pursuant to this agreement shall pass to Council upon installation of the bus shelters.

The full draft proposal is attached at [Appendix E](#)

In particular Metro Advertising shall not display:

- a) any advertisement which is controversial in nature, or that is likely to be considered offensive;
- (b) any advertisement depicting smoking or for a tobacco product;
- (c) any advertisement which resembles in shape, size or colour any traffic signs, or which has the appearance of giving any instructions or other directions to traffic, or which flashes or contains any moving parts whether glary or luminous.

Metro Advertising shall not be required to obtain approval of Council for each individual advertisement proposed to be displayed as long as it is satisfied it has and will comply with the obligations of the Local Government Act 1919, as amended with regard to each advertisement and the display of each advertisement.

Council may, in writing, direct Metro Advertising to remove any advertisement which in its reasonable opinion, infringes the above clauses and Metro Advertising shall promptly obey any such direction.

Maintenance

Metro Advertising shall at its sole expense during the term of this agreement carry out all routine maintenance and cleaning of all advertising bus shelters erected by Metro Advertising.

Duration and costs

Metro Advertising shall be responsible for all costs and charges relating to the supply and installation of all advertising bus shelters including the concrete slab that the bus shelter may be placed on.

Subject to the terms and conditions of this agreement the rights conferred on Metro Advertising by this agreement shall extend for a period of ten (10) years commencing the 1st day of March 2007. Provided that Metro Advertising has duly and faithfully observed and performed its covenants and conditions under this agreements, a renewal of this agreement for periods of five (5) years under the same terms and conditions of this agreement will automatically apply unless either party has given the other notice that they do not wish to renew not more than six (6) months nor less than three (3) months prior to the end of the term.

Indemnity and insurance

Metro Advertising shall indemnify Council from and against all actions, claims, costs and demands in relation to the bus shelters.

Metro Advertising shall itself, or through its parent Company, effect and maintain in full force and effect for the duration of this agreement, a public risk insurance cover for an amount not less than \$100 million (one hundred million dollars) for any individual claim.

REPORT IMPLICATIONS:

- *Environmental*

There are no adverse environmental implications arising from this report.

- *Social*

There are no social implications arising from this report.

- *Economic (Financial)*

There is a significant immediate cost saving to Council in the vicinity of \$150,000 for the supply and installation of ten (10) new shelters. Vandalism and maintenance costs on these shelters will be met by the supplier for the duration of the agreement.

- *Policy or Statutory*

Adopting this proposal will assist Council in complying with the Statutory requirements of the (Commonwealth) Disability Standards, Accessible Public Transport.

Director's Review

The proposal by Metro Advertising will allow Council to provide essential facilities for the community at no financial cost to Council.

RECOMMENDATION:

That Council enter into an agreement with Metro Advertising Pty Limited for the supply, installation and maintenance of a minimum of ten (10) bus shelters over ten years, in return for exclusive advertising rights on these shelters.

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A P Vermeulen
DIRECTOR SHIRE SERVICES