



Att 3 - Risks Derived from Council Decisions

as at 29 November 2017

	Date of Meeting	Item Title	Risk	Initial Risk Rating	Residual Rating	Risk Action Plan	Initial Officer Comments	Officers Status Update	Directorate Responsibility	Due Date
1	22/06/16	Council Decision - 15.1 Statement of Financial Activity for the period ended 31 May 2016	Community Contribution Mia Mia	High (12)	Medium (8)	Manage by transferring income received to reserve such that the organization does not rely on the revenue for operations.	The 2015/16 Adopted Budget includes a community contribution of \$464,845 under the Mia Mia lease. This lease expires in December 2019 and income is uncertain after this date.	Previously In communication with Mia Mia via legal team. Mia Mia reply received, claims rejected by TOPH, reply sent by TOPH Legal team. Possible discussion regarding reduction of the Community contribution to take place. Await Mia Mia response. No response received from Mia Mia regarding Town's offer to discussion on acceptable terms. Advised A/CEO to proceed with debt recovery of all outstanding rates and lease fees, but negotiate on reduction in Community Facilities Contribution. Acting Director Corporate Services initiated debt recovery proceedings for the full amount owing. Debt recovery for rates and outgoings in progress. Discussion regarding community contribution to follow between Mia Mia and CEO. No feedback received from Mia Mia. Await permission to resume debt recovery of full outstanding amount. Response received from Mia Mia, currently under consideration. Letter sent 4/8/17 advising client of Town's intention to go to Arbitration. 23/11/2017 - First Arbitration Conference held on 23/11/17. Programming orders were made for the parties to file their claims, defences, counterclaims, set-offs and discovery between now and February 2018. The parties are to participate in a mediation conference by 31/3/18	Director Corporate Services	Ongoing
2	22/06/16	Council Decision - 15.1 Statement of Financial Activity for the period ended 31 May 2016	FMG Memberships	High (12)	Low (4)	Manage by transferring net income to reserve	FMG under agreement with the Town provide an annual contribution of \$500,000 towards the operations of Wanangkura Stadium. Under the agreement FMG employees are entitled to drawdown on this amount for activities through the Leisure Facilities and Matt Dann, with budgeted expenses of \$240,000 for Stadium activities and \$10,000 for Matt Dann activities, effectively providing a subsidy of \$250,000. FMG have a five year agreement with the Town which commenced on the 1 October 2012 and ends on the 30 September 2017.	Revised Agreement with FMG was signed on 7/4/16, effectively reducing contribution by \$300,000. This event is deemed closed, revised agreement for current period only. 23/11/2017 - Revised agreement is now in place, with income projections reduced accordingly.	Director Development, Sustainability and Lifestyle	30/09/17
3	27/07/16	Council Decision - 12.2.3 South Hedland Bowling and Tennis Club Self Supporting Loan	That SHBTC default on the loan in its entirety	High (12)	Medium (8)	The item will be by the placed on the Risk Register and monitored by the administration and overseen by the Audit, Risk & Governance Committee.	Principle loan amount was \$500,000 (plus interest) Annual payments are \$40,838.00	Loan repayment extended to 23/2/2017. Financial condition of SHBTC improving and expected to meet the obligation. Payment of outstanding monies received 15/3/17. Future payments will be closely monitored. 10/8/17 - Next Loan repayment due 26/8/17 and indications from the SHBTC committee is that payment will be made on time. They have commenced \$500 weekly payments which are being held until such a time that the invoice is raised. 23/11/2017 - The 'February 2017' invoice for the Self Supporting Loan was raised on 26/08/2017 in line with extension decision and this has been paid. The council resolution stated that the loan was to be extended by 6 months so Final payment is now due 23 Feb 2034 instead of the originally scheduled 28 August 2033. The next invoice is due to be raised in Feb 2018.	Director Development, Sustainability and Lifestyle	Ongoing
4	28/09/16	12.3.1 Kingsford Smith Business Park – Heavy Vehicle Access	That there is a serious traffic accident directly attributable to the larger RAV5A vehicle	High (12)	Low (4)	Control through a traffic plan	Await response from Main Roads regarding access of RAV5A vehicles to Wallwork road. Action will be considered on receipt of response	Main roads responded and accepted the TOPH proposal for limited RAV access between GNH and KSBP. Risk is reduced to minor. No further traffic plans is required. the risk assessment was made after Wallwork road was downgraded off the RAV network. The initial risk rating was overstated. Residual risk is Low as no longer a high risk.	Director Works and Services	Ongoing
5	24/05/17	12.2.1 Hedland Aquatic Facility Operation and Master Planning	There is a risk rating of 15 (High) assigned to the reputational risk associated with the inability to return South Hedland to full operation during winter months and the delay associated with development of a new facility.	High (15)	Medium (8)	Monitor the operation of the South Hedland Aquatic Centre.	Council supported the motion to approve the operational use for the SHAC for winter months only. Risk will be ongoing.	Work is continuing to try and get the pool operational this Winter. Council has supported and funded masterplanning of the South Hedland Sports precinct, including investigating a replacement facility for SHAC. Issues with the plant mean the risk is ongoing. 23/11/2017 - Works have commenced to repair and upgrade the South Hedland Aquatic Centre. Official re-opening set for 26 January 2018	Director Development, Sustainability and Lifestyle	31/12/17
6	24/05/17	15.2 Port Haven TWA Village – Lease Renewal	There is a risk rating of high (15) assigned to the risk that failure to reach agreement on terms for an extension of the Port Haven lease will create lasting and serious damage to the Town's relationship with BHPBIO.	High (15)	Medium (8)	Risk is ongoing until negotiation has been finalised.	Council approved the "in principle" extension of the Port Haven Lease at the Ordinary Council meeting held on 24 May 2017. Lease is yet to be negotiated. Risk will be ongoing until the risk has been mitigated.	Formal discussions between BHP and the Town have not yet commenced although Council's in principle support has allayed some concerns about the future of the lease. The risk is ongoing until discussion commence and a formal lease extension is requested. 23/11/2017 - To be considered by Council at the December 2017 OCM. PHIA has asked for approval of a 10+10 year lease renewal.	Executive Services	31/12/17
7	23/08/17	16.1 Potential Sale of Lots 402, 403 & 404 Kingsford Smith Business Park - CONFIDENTIAL ITEM	There is a risk rating of High (12) assigned to the risk that if no offer is accepted, the offers will be withdrawn and the Town will lose the potential to dispose of these lots at this time.	High (12)	Low (4)	Lots are now under contract	If no offer is accepted, the offers will be withdrawn and the Town will lose the potential to dispose of these lots at this time.	The lots are now under contract and the risk is very low that the sales will not be completed	Director Development, Sustainability and Lifestyle	31/12/17
8	27/09/17	Award of Tender 2017-12 Supply of Project Management and Site Supervision Services	There is a risk rating of High (12) assigned to the risk that there could be compliance and reputation ramifications if the Town do not assign the right expertise and experience required to undertake a specific project.	High (12)	High (12)	Monitor the contract to ensure a high level of performance and delivery is achieved. Monitor timesheets to ensure they reflect the agreed program of works. Ensure all invoicing is in line with rates tendered.	Tender has been endorsed by Council and all contracts have been signed.	Happy with current controls that are in place	Infrastructure and Town Services	Ongoing
9	04/10/17	Award of Tender 2017-18 South Hedland Aquatic Centre – Renewal Works	There is a risk rating of High (12) assigned to the reputational risk associated with the inability to return SHAC to working condition and the necessary timeframe required for the development of the Master Plan for the South Hedland Sports Precinct.	High (12)	High (12)	Monitor works daily to ensure they are being delivered, as per the design and scope of works. Monitor program to ensure the timelines released to the Community are met.	Tender has been endorsed by Council and all contracts have been signed.	Works are progressing as per the program and the timelines are being met. Happy with the current controls that are in place.	Infrastructure and Town Services	Ongoing
10	22/11/17	12.3.1 Award of Tender 2017-09 Supply of Plant Equipment and Operators for Road Renewals and Maintenance (File No. 23/08/0067)	As per the risk matrix contained in policy 1/022 'Risk Management', the level of risk is considered to be High (10). There could be compliance and reputation ramifications if the Town do not have access to suitably qualified and experienced plant hire contractors to complete various civil construction projects/works which can be both planned and/or unscheduled.	High (12)	High (12)	Monitor the contract to ensure a high level of performance and delivery is achieved. Monitor timesheets to ensure they reflect the agreed program of works. Ensure all invoicing is in line with rates tendered.	Tender has been endorsed by Council. Contracts will be signed by 08th December 2017.	None required at this stage	Infrastructure and Town Services	Ongoing

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22/11/17	12.3.2Award of Tender 2017–11 Supply and Lay of Bituminous Asphalt (File No. 28/16/0035)	As per the risk matrix contained in policy 1/022 'Risk Management', the level of risk is considered to be High (10). There could be compliance and reputation ramifications if the Town do not effectively forecast budgets associated to maintain the Towns assets.	High (12)	High (12)	Monitor the contract to ensure a high level of performance and delivery is schieved. Monitor delivery dockets to ensure they refelct the agreed program of works and tonnages. Ensure all invoicing is in line with rates tendered.	Tender has been endorsed by Council. Contracts will be signed by 08th December 2017.	None required at this stage	Infrastructure and Town Services	Ongoing