



TOWN OF PORT HEDLAND

ORDINARY COUNCIL MEETING MINUTES

WEDNESDAY 26 OCTOBER 2016 AT 5:30PM

**COUNCIL CHAMBERS, MCGREGOR STREET,
PORT HEDLAND**

DISCLAIMER

No responsibility whatsoever is implied or accepted by the Town of Port Hedland for any act, omission, statement or intimation occurring during Council Meetings. The Town of Port Hedland disclaims any liability for any loss whatsoever and howsoever caused arising out of reliance by any person or legal entity on any such act, omission, and statement of intimation occurring during Council Meetings.

Any person or legal entity that acts or fails to act in reliance upon any statement, act or omission occurring in a Council Meeting does so at their own risk. The Town of Port Hedland advises that any person or legal entity should only rely on formal confirmation or notification of Council resolutions.

**“A nationally significant, friendly city that people are proud
to call home”**

*Chris Linnell
Acting Chief Executive Officer*

Item 1	Opening of Meeting	4
Item 2	Acknowledgement of Traditional Owners	4
Item 3	Recording of Attendance	4
	3.1 Attendance.....	4
	3.2 Apologies.....	4
	3.3 Approved Leave of Absence.....	4
	3.4 Disclosures of Interest.....	4
Item 4	Response to Previous Questions	5
	4.1 Response to Questions taken on notice from Public at the Ordinary Council Meeting held on Wednesday 28 September 2016.....	5
	4.1.1 Mr John Peters.....	5
	4.2 Response to Questions taken on notice from Elected Members at the Ordinary Council Meeting held on Wednesday 28 September 2016.....	5
Item 5	Applications for Leave of Absence	5
Item 6	Attendance by Telephone/Instantaneous Communications	5
Item 7	Public Time	5
	7.1 Public Question Time.....	6
	7.1.1 Mr Jim Henneberry.....	6
	7.1.2 Mr John Peters.....	6
	7.2 Public Statement Time.....	7
	7.2.1 Mr Darryl Brown.....	7
	7.2.2 Ms Mary Attwood.....	7
	7.2.3 Mr John Peters.....	7
	7.2.4 Mr Jim Henneberry.....	8
	7.2.5 Mr Roger Higgins.....	8
	7.2.6 Ms Kerry Jacobi.....	8
	7.3 Petitions/Deputations/Presentations/Submissions.....	9
	7.3.1 Town of Port Hedland Rates Incentive Draw.....	9
Item 8	Questions from Members without Notice	9
	8.1 Councillor Jan Gillingham.....	9
	8.2 Councillor Louise Newbery.....	10
	8.3 Mr Councillor Lincoln Tavo.....	10
Item 9	Declarations of All Members to Have Given Due Consideration to All Matters Contained in the Business Paper before the Meeting	11
Item 10	Confirmation of Minutes of Previous Meeting	11

10.1 Confirmation of Minutes of the Ordinary Council Meeting held on Wednesday 28 September 2016	11
Item 11 Announcements by Presiding Member without Discussion	11
Item 12 Reports of Officers.....	13
12.1 Corporate Services	13
12.1.1 Review of Ordinary Council Meeting Schedule for 2017	13
12.1.2 Statement of Financial Activity for the period ended 30 September 2016	17
12.2 Community and Development Services	38
12.2.1 Proposed Initiation of the Draft West End Local Planning Policy	38
12.3 Works and Services	39
12.3.1 Water Corporation Deed Agreement – Port Hedland International Airport	39
Item 13 Reports of Committees.....	44
13.1 Audit, Risk and Governance Committee Minutes – 4 October 2016.....	44
Item 14 Motions of Which Previous Notice Has Been Given	44
Item 15 New Business of an Urgent Nature.....	45
15.1 Summary of The North West Festival 2016.....	45
15.2 Port Hedland International Airport – Apron Strengthening Works	59
Item 16 Matters for Which Meeting May Be Closed (Confidential Matters)	65
16.1 Port Hedland Dust Management Taskforce Report to Government....	65
Item 17 Closure.....	68
17.1 Date of Next Meeting	68
17.2 Closure	69

Item 1 Opening of Meeting

The Deputy Mayor declared the meeting open at 5.30pm.

Item 2 Acknowledgement of Traditional Owners

I acknowledge the traditional custodians, the Kariyarra people. I recognise the contribution of Kariyarra elders past, present and future, in working together for the future of Port Hedland.

Item 3 Recording of Attendance

3.1 Attendance

Deputy Mayor Camilo Blanco
 Councillor Jan Gillingham
 Councillor David Hooper
 Councillor Julie Arif
 Councillor Troy Melville
 Councillor Louise Newbery
 Councillor Richard Whitwell
 Councillor Lincoln Tavo

Officers

Chris Linnell	Acting Chief Executive Officer
Adam Majid	Acting Director Community and Development Services
Kathryn Crothers	Acting Director Corporate Services
Ray Davy	Acting Director Works and Services
Tammy Wombwell	Administration Officer Governance/Minute Taker

Public	20
ToPH Officers	6
Media	1

3.2 Apologies

Nil

3.3 Approved Leave of Absence

Nil

3.4 Disclosures of Interest

Name	Item no.	Interest	Nature
Councillor Arif	16.1	Financial	BHP Shareholder and her husband is an BHP employee
Councillor Melville	16.1	Financial	BHP employee
Councillor Tavo	16.1	Financial	BHP Shareholder and FMG Employee

Item 4 Response to Previous Questions

4.1 Response to Questions taken on notice from Public at the Ordinary Council Meeting held on Wednesday 28 September 2016**4.1.1 Mr John Peters**

How many dogs are registered in Port Hedland?

The Coordinator Ranger Services advises the following dog registrations for each upcoming year:

Year	Registrations
2016	645
2017	257
2018	313
2019	10
Lifetime	312

For the period of 31 October 2015 to October 2016, there are 526 dogs registered with the Town of Port Hedland.

4.2 Response to Questions taken on notice from Elected Members at the Ordinary Council Meeting held on Wednesday 28 September 2016

Nil

Item 5 Applications for Leave of Absence

Nil

Item 6 Attendance by Telephone/Instantaneous Communications

Nil

Item 7 Public Time

Important note:

'This meeting is being recorded on audio tape as an additional record of the meeting and to assist with minute-taking purposes which may be released upon request to third parties. If you do not give permission for recording your participation please indicate this at the meeting. The public is reminded that in accordance with Section 6.16 of the Town of Port Hedland Local Law on Standing Orders nobody shall use any visual or vocal electronic device or instrument to record the proceedings of any meeting unless that person has been given permission by the presiding member to do so. Members of the public are also reminded that in accordance with section 6.17(4) of the Town of Port Hedland Local Law on Standing Orders mobile telephones must be switched off and not used during the meeting.'

In accordance with section 6.7(3) of the Town of Port Hedland Local Law on Standing Orders, members of the public are required to complete a question form and place the completed form in the tray provided.

The Deputy Mayor opened public question time at 5.34pm.

7.1 Public Question Time

7.1.1 Mr Jim Henneberry

My questions are in relation to item 12.2.1 'Proposed Initiation of the Draft West End Local Planning Policy. Will Council, in respect to Town Planning Scheme No. 5, repeal and remove amendment 22 together with the design criteria so that the West End may again become a de-constrained residential area?

Will Council take a lead position on ensuring Port Hedland have independent dust monitoring, and assist the Pilbara Ports Authority and the Department of Environment Regulation in policing and enforcing regulations?

The Deputy Mayor advised that both these questions would be taken on notice.

7.1.2 Mr John Peters

In reference to item 12.2.1 'Proposed Initiation of the Draft West End Local Planning Policy' what is Council doing to safeguard its residents in the West End of the town who are being exposed to dust?

The Deputy Mayor advised that the question would be taken on notice.

What is Council doing about the low commercial sales of properties in the West End?

The Deputy Mayor advised that commercial and private sales of properties is not a matter for the local government.

The Acting Chief Executive Officer advised that it is very difficult for the local government to comment as it is the real estate's business, he advised that the Town are doing everything they can to work with the state government whom are leading the dust taskforce findings which will be discussed later in the meeting as a confidential item.

The business confidence is at the lowest ever, is Council taking up the dust issue with the Pilbara Ports Authority?

The Deputy Mayor advised that they are discussing all options with all relevant agencies and the Town will be ensuring that the residents across Port Hedland are well supported through Council.

The Deputy Mayor closed public question time at 5.40pm.

The Deputy Mayor opened public statement time at 5.40pm.

7.2 Public Statement Time

7.2.1 Mr Darryl Brown

Mr Brown gave a statement in relation to item 12.2.1 'Proposed Initiation of the Draft West End Local Planning Policy'. Mr Brown is a business proprietor and a local land owner of the West End. He came in 1964, pre iron ore and he expressed he lived a very happy life back then. Mr Brown stated that in the last 50 years every city and town in Australia has benefitted from the iron ore boom, except the local people who stayed in Port Hedland. Mr Brown claims that the iron ore dust in the 70's, 80's and 90's was heavily laced with asbestos and he himself tried without success to find a company in Australia that would analyse Port Hedland's dust.

Then came the dust report and amendment 22, which he believes only benefited the multi-national companies. He further states that clean air is a right and that the multi-nationals companies need to make necessary changes like they have in Esperance and Queensland. He believes that the mining companies should not have any involvement with dust monitoring which he suggests should be done independently. He urges a strong united Council to take up the fight that his mother started nearly 50 years ago.

7.2.2 Ms Mary Attwood

Ms Attwood gave a statement in relation to item 12.2.1 'Proposed Initiation of the Draft West End Local Planning Policy'. Ms Attwood is a descendant of Tommy Anderson, an aboriginal Elder and apical on the Kariyarra Native Title Claims in the Pilbara, in land surrounding Port Hedland and extending inland. She has lived in Port Hedland with her siblings and extended family all her life. Her family are currently registered claimants on the Kariyarra Native Title Claim and more recently following a challenge by the State Government, they were successful in retaining their status as respondents on all Kariyarra Claims.

Ms Attwood listed the recommendations from the Impact of Dust in Port Hedland Report 2010 and stated that Amendment 22 was passed following the receipt of this report. Ms Attwood discussed the Impact of Amendment 22 on the community and stated that the West End has been totally deserted by the public sector and the long-term residents living in the area have found it difficult to sell their properties resulting in BHP buying all housing in the area which they have cleared and are now sitting vacant.

Ms Attwood expressed that she felt the Council abrogated their responsibility to protect and serve the ratepayers and the community by making the amendment which infringed on their property rights. Ms Attwood listed and outlined the importance of Article 12 and 17 of The Universal Declaration of Human Rights and asked the Council to make their decisions with due care to the community as she is willing to fight for her rights and believes the dust problem should be the responsibility of the mining companies.

7.2.3 Mr John Peters

Mr Peters gave a statement in relation to item 12.2.1 'Proposed Initiation of the Draft West End Local Planning Policy' on behalf of the Port Hedland Ratepayers Association. The members request that Council not support the officer's recommendation for item 12.2.1 and instead hold a consultation session with West End residents and home owners about what they would like to happen in the West End.

7.2.4 Mr Jim Henneberry

Mr Henneberry gave a statement in relation to item 12.2.1 'Proposed Initiation of the Draft West End Local Planning Policy'. Mr Henneberry spoke with Mr Arnold Carter who was President of the Council in 2011 when Scheme Amendment 22 was adopted. Mr Carter advised that there was concern that there could be a health risk and that Scheme Amendment 22 was introduced as a precautionary measure pending a health assessment. It was not envisaged that the Dust Taskforce report would take six years to be produced with the recommendations still not being public knowledge. Mr Henneberry believes that if there are potential health risks in the area there are usually protocols that follow. These being to mitigate the risk and pursue those that are causing the pollutions, independent monitoring and place notification on certificates of titles warning people in those areas. Mr Henneberry states that the mosquito risk in Mandurah is stated on the title so people are aware of the risks.

Mr Henneberry asks that Council repeal Scheme Amendment 22 and put in place a special redevelopment zone and consult owners that live in West End. More than one and two bedroom properties should be allowed otherwise the West End is going to look like a TWA which puts a restriction on landowners. Mr Henneberry believes the West End should be opened up to individual homes, high rise hotels, sports stadiums and shopping centres. Mr Henneberry trusts the Council to do what is right for the community.

7.2.5 Mr Roger Higgins

Mr Higgins gave a statement in relation to item 12.2.1 'Proposed Initiation of the Draft West End Local Planning Policy'. He outlines his frustration towards this policy and the wording used from page 53-57 of the agenda which he doesn't agree with. Mr Higgins states that all areas in Port Hedland are subject to dust, however, the level of dust would be significantly less without the existence of iron ore industry in Port Hedland.

Mr Higgins discusses the complex nature of the proposed filtration system in this item and questions if the current producers of iron ore have these said systems put in place in their working premises. He questions why these same criteria's would need to apply to houses in Kingsmill for example; for works that do not have the same building requirements. He further questions the accuracy as to the direction of the wind and urges the Council to challenge the content of this policy.

7.2.6 Ms Kerry Jacobi

Ms Jacobi made a statement in relation to item 12.2.1 'Proposed Initiation of the Draft West End Local Planning Policy'. She lives in Pretty Pool however owns property in the West End which was built by her grandfather-in-law. Ms Jacobi stated that if a cyclone knocks down her house why she can't rebuild it to the same specifications as before it was knocked down. Ms Jacobi asked how it is fair that flats are allowed to be built in the West End when the others houses were there well before. Ms Jacobi asked why workers and houses aren't tested if the dust is toxic. Ms Jacobi stated that the having Nelson Point was manageable however what is there now is not and is going to make selling houses difficult. Ms Jacobi asked that Council reverse what the previous Council put in place so that the residents have a right to stay in the West End and rebuild if their houses are knocked over.

The Deputy Mayor closed public statement time at 6.01pm.

7.3 Petitions/Deputations/Presentations/Submissions

7.3.1 Town of Port Hedland Rates Incentive Draw

The Senior Rates Officer drew the names from a system generated list for the Town of Port Hedland Rates Incentive Draw.

The following names were drawn:

1. Horizon Power
2. Gavin Raymond Malcolm
3. Telstra Corporation Ltd
4. Jessica Peta Ellis
5. Robert Gregory Paddon

The following additional names were drawn should any of the above people not be eligible:

6. Pilbara Ports Authority
7. Giselle Julie Jones
8. BHP Billiton Minerals Pty Ltd
9. Commonwealth of Australia
10. Harry Roberts

Item 8 Questions from Members without Notice

8.1 Councillor Jan Gillingham

In reference to the median strip gardens in the Wedge Street area, is there anything more being done to maintain the gardens?

The Acting Chief Executive Officer advised that the Town have a regular maintenance program at West End and Wedge Street and that there have been issues recently with the retic system which has caused some deterioration.

The gardens didn't look like they had been tended to at all recently.

The Acting Chief Executive Officer ensured that the Town crews will attend to rectify all issues.

Where is the Mosaic sign that was recently removed from the Port Hedland International Airport?

The Deputy Mayor was of the understanding that the mosaic was being given to the historical society and requested the Acting Chief Executive Officer seek clarification on this matter and advise Elected Members.

Can an update on when the replica plane of Sir Charles Kingsford Smith is being installed?

The Acting Chief Executive Officer advised that the replica plane is part of the consideration in the Airport master plan, and advised that he will follow up on this matter with the Airport and advise Elected Members.

The Deputy Mayor asked for further clarification as to whether the plane was the plane that has been sitting at the Airport for years?

The Acting Chief Executive Officer advised that this plane is the one that has been in the shed for a while, half replica of The Spirit of Australia

8.2 Councillor Louise Newbery

The ABC News have been alleged to have taken photos of the dusty cars at the Port Hedland BP Station that have been located there for years. The ABC are reporting on the news that these cars are in this current state as a direct result of the dust problem in Port Hedland. Is there a way the Town can correct the information?

The Deputy Mayor has advised that the cars are located on private property.

The Acting Chief Executive Officer advised that through the Town's media response the Town can express that the account in the article is not accurate and that the cars have been there for quite a long period of time and not just over night.

8.3 Councillor Lincoln Tavo

Why has item 12.2.1 'Proposed Initiation of the Draft West End Local Planning Policy' been removed from the agenda tonight?

The Acting Chief Executive Officer advised that the item was withdrawn from the Council meeting based on the discussions that were brought up around the item at the Public Agenda Briefing last Wednesday. There were a lot of questions from the community and Elected Members and the Town thought it would be beneficial for further discussion to take place at a confidential concept forum. The item would then be represented to Council for consideration.

The Deputy Mayor asked the Acting Chief Executive Officer if there was any plan to amend item 12.2.1 'Proposed Initiation of the Draft West End Local Planning Policy'?

The Acting Chief Executive Officer advised that the Town have a Town Planning Scheme which includes amendment 22 and part of the requirements within the scheme is to develop a policy. The Town were putting the item up as a draft for community engagement as the Town would like to hear what the community have to say. The department of Planning would also be required to provide a response to the issue of the dust which the Town have struggled to get in the past. The Acting Chief Executive Officer outlines that this would be a good opportunity to give the community a chance to state their opinion on what this restriction does to personal property values, rights to enjoyment of property before it becomes a policy of Council.

Will the statements that were made at this meeting be taken into consideration when reviewing the draft West End policy?

The Acting Chief Executive Officer advised that the draft policy has not been reviewed, it's an element of the Town Planning Scheme. The Town has yet to receive a direction from the Department of Planning as how they would like the Town to address the West End.. This is one way that the Town will receive a comment from the Department of Planning. It is a requirement for the Town to undertake the work that is currently being completed with the policy to comply with the scheme however that is not to say that the Town will not address some of the issues that the Town currently faces.

The Deputy Mayor asked the Acting Chief Executive Officer if the public will be able to attend the concept forum for the planning policy?

The Acting Chief Executive Officer advised that a public workshop can be arranged if the Council would like to request this.

Item 9 Declarations of All Members to Have Given Due Consideration to All Matters Contained in the Business Paper before the Meeting

The following Elected Members declared that they had given due consideration to all matters contained in the agenda:

- Acting Mayor Camilo Blanco
- Councillor Troy Melville
- Councillor David Hooper
- Councillor Julie Arif
- Councillor Louise Newbery
- Councillor Richard Whitwell
- Councillor Lincoln Tavo

Councillor Jan Gillingham declared that she had not read item 15.1 Summary of the North West Festival 2016.

Item 10 Confirmation of Minutes of Previous Meeting

10.1 Confirmation of Minutes of the Ordinary Council Meeting held on Wednesday 28 September 2016**CM201617/071 OFFICER RECOMMENDATION/ COUNCIL DECISION****MOVED: CR ARIF****SECONDED: CR WHITWELL**

That Council confirm that the Minutes of the Ordinary Council Meeting held on Wednesday 28 September 2016 are a true and correct record.

CARRIED 8/0

Item 11 Announcements by Presiding Member without Discussion

The Deputy Mayor expressed his gratitude to the state government for funding of \$112,000,000 for the Spoilbank Marina Development. The Deputy Mayor commends the Council for progress works that are currently being carried out on Marquee Park, the South Hedland swimming pool and the Port Hedland boat ramp. The Deputy Mayor ensured the members of the public that the Council are united in supporting the community in the West End and the greater region.

Disclaimer

Members of the public are cautioned against taking any action on Council decisions, on items on this evening's Agenda in which they may have an interest, until formal notification in writing by the Town has been received. Decisions made at this meeting can be revoked, pursuant to the Local Government Act 1995.

Item 12 Reports of Officers

12.1 Corporate Services

12.1.1 Review of Ordinary Council Meeting Schedule for 2017

File No: 13/06/0003
 Applicant/ Proponent: N/A
 Subject Land/ Locality: N/A
 Date: 30/09/2016
 Author: Louise O'Donnell, Governance Officer
 Authorising Officer: Kathryn Crothers, Acting Director Corporate Services
 Disclosure of Interest from Author: Nil
 Authority/Discretion: Executive – the substantial direction setting and oversight role of the Council. E.g. adopting plans and reports, accepting tenders, directing the Chief Executive Officer, setting and amending budgets.

Attachments:
 Nil

CM201617/072 OFFICER RECOMMENDATION/COUNCIL DECISION

MOVED:CR ARIF

SECONDED: CR GILLINGHAM

That with respect to the 2017 Ordinary Council Meeting Schedule, Council:

1. Approve the following Ordinary Council Meeting dates, times and venues for the year ahead:

Date	Time	Venue
Wednesday, 25 January 2017	5:30pm	Council Chambers
Wednesday, 22 February 2017	5:30pm	Council Chambers
Wednesday, 22 March 2017	5:30pm	Council Chambers
Wednesday, 26 April 2017	5:30pm	Council Chambers
Wednesday, 24 May 2017	5:30pm	Council Chambers
Wednesday, 28 June 2017	5:30pm	Council Chambers
Wednesday, 26 July 2017	5:30pm	Council Chambers
Wednesday, 23 August 2017	5:30pm	Council Chambers
Wednesday, 27 September 2017	5:30pm	Council Chambers
Wednesday, 25 October 2017	5:30pm	Council Chambers
Wednesday, 22 November 2017	5:30pm	Council Chambers
Wednesday, 13 December 2017	5:30pm	Council Chambers

2. Request that the Chief Executive Officer or his authorised officer advertise the approved dates by Public Notice and on the Town of Port Hedland website.

CARRIED 8/0

EXECUTIVE SUMMARY

The *Local Government (Administration) Regulations 1996* requires a local government to give local public notice of the dates, times and place at which the Ordinary Council meetings are to be held for the next 12 months.

BACKGROUND

At the Ordinary Council Meeting held on 28 October 2015, Council determined its meeting dates up to and including the 14 December 2016, and will now need to consider meeting dates for the next 12 months in accordance with the *Local Government (Administration) Regulations 1996*.

It is recommended that Council continue holding ordinary meetings on the fourth Wednesday of each month at 5:30pm in Council Chambers and to advertise this information to the public via way of public notice as per statutory regulations, and to upload it on the Town's website.

With regard to the December 2017 meeting, it is proposed to hold it on the second Wednesday of the month, being 13 December 2017, as opposed to the fourth Wednesday, being 27 December 2016, to ensure availability of Elected Members in the lead up to the Christmas holiday period.

The Easter holiday period for 2017 commences Friday 14 March. Therefore the OCMs for both March and April can remain on the standard fourth Wednesday of the month.

Included in the 2015 Council Decision for the 2016 meeting dates, was a meeting in Yandeyarra. The Town did visit Yandeyarra in September 2016 however it was not a formal Council meeting. There is still the intent to visit the community in 2017, but not in the capacity as a Council Meeting but a more less-formal setting.

CONSULTATION

These dates have been discussed with the Governance team and Executive Leadership Team and it was agreed that these dates are most suitable taking public holidays into consideration.

LEGISLATIVE IMPLICATIONS

In accordance with regulation 12(1) of the *Local Government (Administration) Regulations 1996*, the local government must give local public notice of the dates, time and address of the ordinary council meetings to be held in the next 12 months.

POLICY IMPLICATIONS

Policy 1/018 'Public Agenda Briefings' relates to this item as it outlines the process for the briefings.

FINANCIAL IMPLICATIONS

The financial impact on the budget will be the same or a decrease from previous years. Town officers will be seeking confirmation of attendance from Elected Members prior to Council meetings so adequate catering can be provided.

The Town is currently over catering for dinner after Council meetings as officers do not know which Elected Members are staying after the meeting. This may result to have a positive impact on the 2016/17 Budget.

STRATEGIC IMPLICATIONS

Section 4.1 'Strategic and best practice local government administration ' of the Town's 2014-2024 Strategic Community Plan applies as adopting the 2017 Council meeting dates ensure compliance with the Act.

SUSTAINABILITY IMPLICATIONS

Environmental

There are no significant identifiable environmental impacts arising from adoption of the officer's recommendation.

Economic

There are no significant identifiable economic impacts arising from adoption of the officer's recommendation.

Social

There are no significant identifiable social impacts arising from adoption of the officer's recommendation.

Risk

Risk	That the dates for the 2017 Council meetings not be adopted and therefore the Town of Port Hedland will be breaching the Local Government (Administration) Regulations 1996.
Risk Likelihood (based on history and with existing controls)	Rare (1)
Risk Impact / Consequence	Major (4)
Risk Rating (Prior to Treatment or Control)	Low (1-4)
Principal Risk Theme	Compliance - 4 Major - Non-compliance results in termination of services or imposed penalties
Risk Action Plan (Controls or Treatment proposed)	Accept Officer Recommendation

Risk Matrix

Consequence Likelihood		Insignificant	Minor	Moderate	Major	Catastrophic
		1	2	3	4	5
Almost Certain	5	Medium (5)	High (10)	High (15)	Extreme (20)	Extreme (25)
Likely	4	Low (4)	Medium (8)	High (12)	High (16)	Extreme (20)
Possible	3	Low (3)	Medium (6)	Medium (9)	High (12)	High (15)
Unlikely	2	Low (2)	Low (4)	Medium (6)	Medium (8)	High (10)
Rare	1	Low (1)	Low (2)	Low (3)	Low (4)	Medium (5)

A risk is often specified in terms of an event or circumstance and the consequences that may flow from it. An effect may be positive, negative or a deviation from the expected and may be related to the following objectives; occupational health and safety, financial, service interruption, compliance, reputation and environment. A risk matrix has been prepared and a risk rating of 4 has been determined for this item. Any items with a risk rating over 10 (considered to be high or extreme risk) will be added to the Risk Register, and any item with a risk rating over 17 will require a specific risk treatment plan to be developed.

CONCLUSION

It is recommended that Council adopt the officer's recommendation for the 2017 Council meeting dates.

12.1.2 Statement of Financial Activity for the period ended 30 September 2016

File No: 12/14/0003
Applicant/ Proponent: N/A
Subject Land/ Locality: N/A
Date: 10/10/2016
Author: Rakana Smith, Finance Officer Grants Administration
Authorising Officer: Kathryn Crothers, Acting Director Corporate Services
Disclosure of Interest from Author: Nil
Authority/Discretion: Information Purposes - includes items provided to Council for information purposes only, that do not require a decision of Council (i.e. - for 'noting').

Attachments:

1. Monthly Financial Health Check for the period ended 30 September 2016
2. Statement of Financial Activity for the period ended 30 September 2016 – Under Separate Cover
3. Material Variance Report – Under Separate Cover
4. Accounts paid under delegated authority for the month of September 2016 – Under Separate Cover
5. Credit Card Statements for the month of September 2016
6. Bank Account Summary for the month of September 2016

CM201617/073 OFFICER RECOMMENDATION/COUNCIL DECISION

MOVED: CR ARIF

SECONDED: CR TAVO

That with respect to the Statement of Financial Activity for the period ended 30 September 2016, Council:

1. **Receive the Monthly Financial Health Check;**
2. **Receive the Statement of Financial Activity (and supporting information);**
3. **Note the Material Variance report;**
4. **Note the accounts paid under delegated authority;**
5. **Receive the Credit Card Statements; and**
6. **Receive the Bank Account Summary.**

CARRIED 8/0

EXECUTIVE SUMMARY

This report presents the Statement of Financial Activity for the period ended 30 September 2016. Supplementary information regarding the Town's financial activities is attached to this report.

The net current assets and opening surplus figure presented in this report and attachments are interim only and are subject to change pending end of financial year non-cash (accrual) and other accounting adjustments required as part of finalising the 2015/16 annual financial statements. The annual financial statements will be audited by the Town's independent auditors RSM Bird Cameron and presented to Council upon completion.

BACKGROUND

The attachment details the Town's financial performance for the period ending 30 September 2016.

When Council adopted the 2016/17 Budget on 25 September 2016, the threshold of materiality to be used in statements for reporting material variances was set as per the below:

1. With regards to expenditure classified as operating, a variance of 10% or \$10,000, whichever is the greater, of the year to date current month Current Budget, with Program as the level that requires explanation;
2. With regards to expenditure classified as capital, a variance of 10% or \$10,000, whichever is the greater, of the 12 month Current Budget, with individual project as the level that requires explanation;
3. With regards to income, a variance of 10% or \$100,000, whichever is the greater, of the 12 month Current Budget, with Nature and Type as the level that requires explanation;
4. With regards to all other items not specifically identified above, a variance of 10% or \$100,000, whichever is the greater, of the 12 month Current Budget, with Nature and Type as the level that requires explanation?

Commentary is provided on variances as details above as per attachment 3 Material Variance report.

The interim net current asset position as at 30 September 2016 is \$22.974M. The interim unrestricted cash position as at 30 September 2016 is a \$2.371M. This means the Town has sufficient funds to cover expenditure without utilising cash dedicated to cash backing reserves or requiring an overdraft facility. These figures are subject to change as part of the finalisation of the 2015/16 financial year and are calculated as follows:

	2016/17 Actuals
Current Assets: Cash and Investments	242,160
Restricted Cash – Reserves	239,789
Unrestricted Cash Position as at 31 July 2016	2,371

CONSULTATION

Internal consultation with the Acting Manager of Financial Services, the Acting Director of Corporate Services, and the Manager Technical Services, Works and Services.

LEGISLATIVE IMPLICATIONS

Regulation 34 of the Local Government (Financial Management) Regulations 1996 requires the following:

1. The local government to prepare each month a statement of financial activity reporting on the revenue and expenditure, as set out in the annual budget for that month in the following detail:

- annual budget estimates, taking into account any expenditure incurred for an additional purpose; and
 - budget estimates to the end of the month
 - material variances between budget estimates and actual amounts of expenditure
 - the net current asset at the end of the month
2. Each statement of financial activity is to be accompanied by documents containing:
 - an explanation of the composition of the net current assets less committed assets and restricted assets
 - an explanation of each of the material variances and;
 - such other supporting information considered relevant
 3. The information in the statement of financial activity may be shown:
 - according to nature and type classification; or
 - by program
 - by business unit
 4. A statement of financial activity, and the accompanying documents are to be:
 - presented at an ordinary meeting of the council within 2 months after the end of the month to which it relates; and
 - recorded in the minutes of the meeting at which it is presented
 5. Each financial year, a local government is to adopt a percentage or value, calculated in accordance with the AAS, to be used in the statements of financial activity for reporting material variances

If the local government has delegated to the CEO the exercise of its power to make payments from the municipal fund or the trust fund, as this Council has, Regulation 13 of the *Local Government (Financial Management) Regulations 1996* requires the Town to prepare a list of accounts paid by the CEO each month showing for each account paid since the last such list was prepared —

1. the payee's name; and
2. the amount of the payment; and
3. the date of the payment; and
4. sufficient information to identify the transaction.

POLICY IMPLICATIONS

In accordance with regulations 34 (5) of the *Local Government (Financial Management) Regulations 1996* and *AASB 1031 Materiality*, the level to be used in statements of financial activity in 2016/17 for reporting material variances adopted by the Council on 25 September 2016 shall be:

1. With regards to expenditure classified as operating, a variance of 10% or \$10,000, whichever is the greater, of the year to date current month Current Budget, with Program as the level that requires explanation;
2. With regards to expenditure classified as capital, a variance of 10% or \$10,000, whichever is the greater, of the 12 month Current Budget, with individual project as the level that requires explanation;
3. With regards to income, a variance of 10% or \$100,000, whichever is the greater, of the 12 month Current Budget, with Nature and Type as the level that requires explanation;

4. With regards to all other items not specifically identified above, a variance of 10% or \$100,000, whichever is the greater, of the 12 month Current Budget, with Nature and Type as the level that requires explanation.

FINANCIAL IMPLICATIONS

A municipal surplus occurs where revenue exceeds expenditure in a particular financial year. As per the adopted 2016/17 budget, the estimated municipal surplus is \$1,589. A budget variation was adopted on 28 September 2016 Council Resolution CM201617/070 to amend the 2016/17 Budget, resulting in a municipal deficit position as at 30 June 2017 of (\$28,411). This amendment will be reflected in the October Financial Statements.

Council Decision CM201617/038 Part J states that the organisation continue to identify efficiencies, savings, and business system improvements and /or additional revenues, such that the budget draw on the forecast interest earned on the Port Hedland International Airport Long Term Lease Reserve at 30 June 2017 is reduced by \$2M, from such areas as, but not limited to:

1. Consultants
2. Contractors
3. Legal expenses
4. IT expenses
5. Accommodation and travel expenses etc.

STRATEGIC IMPLICATIONS

The Town provides monthly Statements of Financial Activity as part of its delivery of high quality corporate governance, accountability and compliance. The Town's goals and actions in this regard are set out in the Leading our Community section of the Strategic Community Plan 2014-2024.

SUSTAINABILITY IMPLICATIONS

Environmental

There are no significant identifiable environmental impacts arising from adoption of the officer's recommendation.

Economic

There are no significant identifiable economic impacts arising from adoption of the officer's recommendation.

Social

There are no significant identifiable social impacts arising from adoption of the officer's recommendation.

Risk

The Town of Port Hedland is exposed to a number of financial risks.

Most of these risks exist in respect to recurrent revenue streams which are required to meet current service levels. Any reduction in these revenue streams into the future is likely to have an impact on the Town's ability to meet service levels or asset renewal funding requirements, unless the Town can replace this revenue or alternatively reduce costs.

Risk	Rates Revenue – TWA GRV Valuations/Income
	The Town has received new valuations for all the GRV Transient Works Accommodation (TWA) properties from Landgate based on the SAT determination on the valuation basis of TWA's. The result is only one TWA valuation has been revised and this will result in approximately \$125,000 reduction in rate revenue in 2016/17, based on the proposed rate in the dollar. The remaining TWA's valuations have not changed, therefore further reductions in GRV TWA rate revenue due to valuation decreases is unlikely.
Risk Likelihood (based on history and with existing controls)	Unlikely (3)
Risk Impact / Consequence	Moderate (3)
Risk Rating (Prior to Treatment or Control)	Medium (5-9)
Principal Risk Theme	Financial Impact - 3 Moderate - \$300,001 - \$3M
Risk Action Plan (Controls or Treatment proposed)	Accept Risk

Risk	Waste Management Reserve
	As at 30 June 2016 the budgeted closing balance of the Waste Management Reserve is \$11.956m. Council will need to adopt a strong policy position with regards to the replenishment of the Waste Management Reserve in order to meet future capital costs for the closure and rehabilitation of the current landfill site at the end of its useful life and for the establishment of a new landfill site.
Risk Likelihood (based on history and with existing controls)	Unlikely (2)
Risk Impact / Consequence	Major (4)
Risk Rating (Prior to Treatment or Control)	Medium (5-9)
Principal Risk Theme	Financial Impact - 4 Major - \$300,001 - \$3M
Risk Action Plan (Controls or Treatment proposed)	Manage by building reserve balance to required level to mitigate financial loss

Risk	Underground Power Debtor
	Council has one Debtor who is currently disputing the works on the basis of rateability. The value of this Debtor is over \$271K with accrued interest.
Risk Likelihood (based on history and with existing controls)	Possible (3)

Risk Impact / Consequence	Moderate (3)
Risk Rating (Prior to Treatment or Control)	Medium (5-9)
Principal Risk Theme	Financial Impact - 3 Moderate - \$30,001 - \$300,000
Risk Action Plan (Controls or Treatment proposed)	Manage by creating provision for doubtful debt in the case that the amount is unrecoverable

Risk	Unspent Grant Funding
	The Town currently has unspent grant funding, including funding from Royalties for Regions and Country Local Government Fund. This funding is associated with capital works programs such as the South Hedland Library Community Centre and Kerbing Construction. If the Town does not expend and acquit the funding in a timely manner the funding bodies may not approve carry-over into future years and the funding could potentially be 'lost'. This could also damage future funding opportunities.
Risk Likelihood (based on history and with existing controls)	Possible (3)
Risk Impact / Consequence	Moderate (3)
Risk Rating (Prior to Treatment or Control)	Medium (5-9)
Principal Risk Theme	Reputation - 3 Moderate - Substantiated, public embarrassment, moderate impact on key stakeholder trust or moderate media profile
Risk Action Plan (Controls or Treatment proposed)	Manage by monitoring progress towards project completion

Risk Matrix

Consequence Likelihood		Consequence				
		Insignificant	Minor	Moderate	Major	Catastrophic
		1	2	3	4	5
Almost Certain	5	Medium (5)	High (10)	High (15)	Extreme (20)	Extreme (25)
Likely	4	Low (4)	Medium (8)	High (12)	High (16)	Extreme (20)
Possible	3	Low (3)	Medium (6)	Medium (9)	High (12)	High (15)
Unlikely	2	Low (2)	Low (4)	Medium (6)	Medium (8)	High (10)
Rare	1	Low (1)	Low (2)	Low (3)	Low (4)	Medium (5)

A risk is often specified in terms of an event or circumstance and the consequences that may flow from it. An effect may be positive, negative or a deviation from the expected and may be related to the following objectives; occupational health and safety, financial, service interruption, compliance, reputation and environment. A risk matrix has been prepared and a risk rating has been determined for each of these items. Any items with a risk rating over 10 (considered to be high or extreme risk) will be added to the Risk Register, and any item with a risk rating over 17 will require a specific risk treatment plan to be developed.

CONCLUSION

As at 30 September 2016, the net current asset position is \$22.974M compared to the current budgeted closing position for 30 June 2016 of \$1,589. A budget variation was adopted on 28 September 2016 Council Resolution CM201617/070 to amend the 2016/17 Budget, resulting in a municipal deficit position as at 30 June 2017 of (\$28,411). This amendment will be reflected in the October Financial Statements.

This item has highlighted any material variances in attachment 3 and also identified any known risks and rated them accordingly.

MONTHLY FINANCIAL HEALTH CHECK



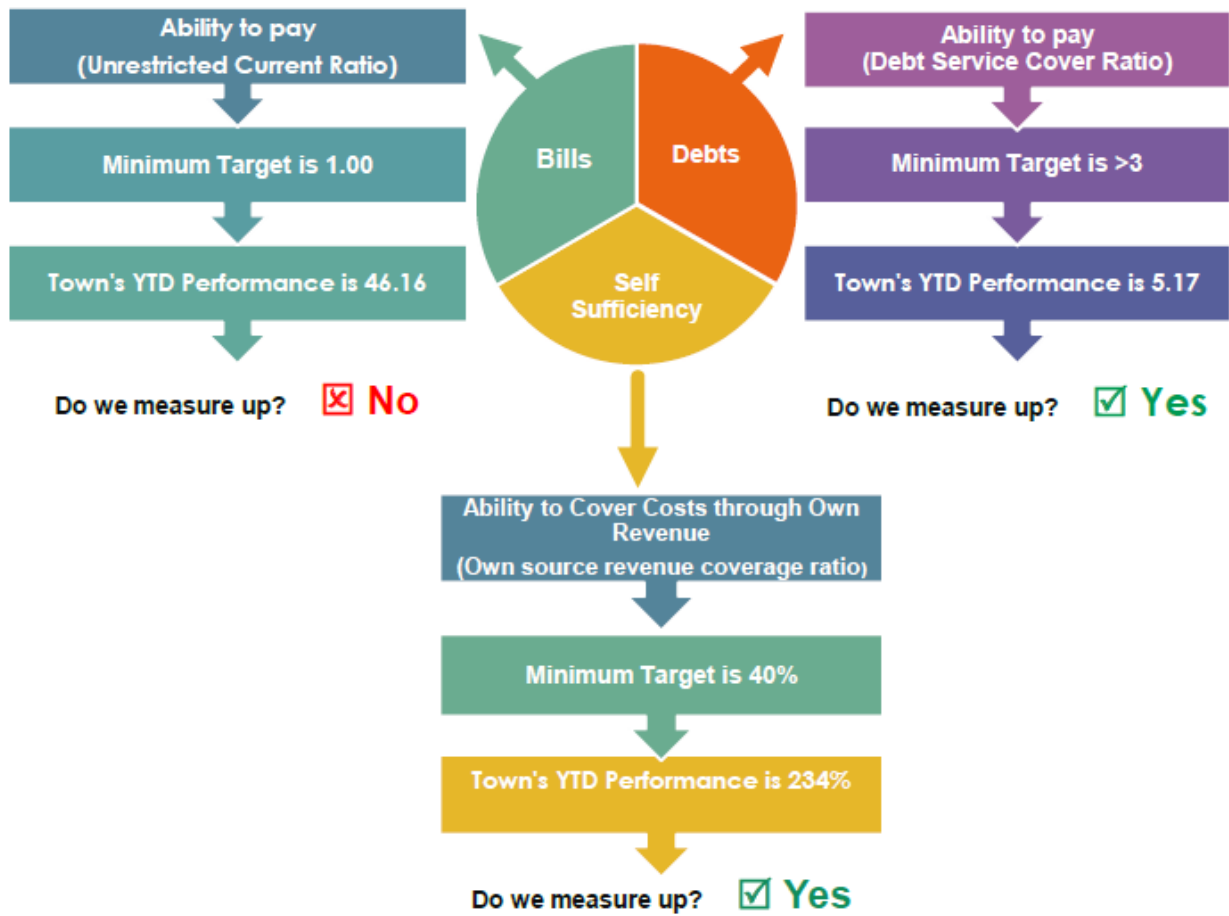
As at 30 September 2016

Highlighting how the Town of Port Hedland is tracking
against financial ratios



Financial Snapshot (Year to Date)	Actual (000's)
Operating Revenue	\$29,610
Operating Expenditure (Including Non-Cash Items)	(\$8,863)
Non-Cash Items	\$0
Capital Revenue	\$96
Capital Expenditure	(\$1,153)
Loan Repayments	(\$289)
Transfers to/from Reserves	(\$192)
Surplus Brought Forward 1 July 2016	\$3,765
Current Municipal Surplus Position at 30 September 2016	\$22,975
Current Budget Municipal Deficit Position at 30 June 2017	(\$28)

▶ Financial health indicators



▶ Cash in the bank



How are we tracking against our budgeted targets?

Adjusted Operating Surplus

A measure of the Town's ability to cover its operational costs including depreciation and have funds left over to cover capital expenditure (including principal loan repayments) without relying on debt or reserves.

Note: Adjusted for an off expenditure related to major works at PHIA classified as operating due to lease of the facility

- The increase in depreciation (following revaluation of assets at fair value over the last three years) has significantly increased the annual depreciation charge and puts pressure on the operating surplus result.
- To assist in reducing the negative ratio, the budget adoption Council Resolution CM201617/038 included an additional \$2M savings is to be identified in efficiencies, savings and business system improvements and/or revenues across the organisation by 30 June 2017.
- Adjusted operating surplus and self-sufficient ratios are high due to rates being fully invoiced at beginning of the financial year. However as the year progresses, operating expenditure will continue to draw on this revenue source reducing to target by 30 June 2017.

Minimum Target is 1%

Town's YTD Performance is 60%

Do we meet the target? No

Asset Sustainability Ratio

Measures if the Town is replacing or renewing existing non-financial assets at the same rate that its overall asset stock is wearing out.

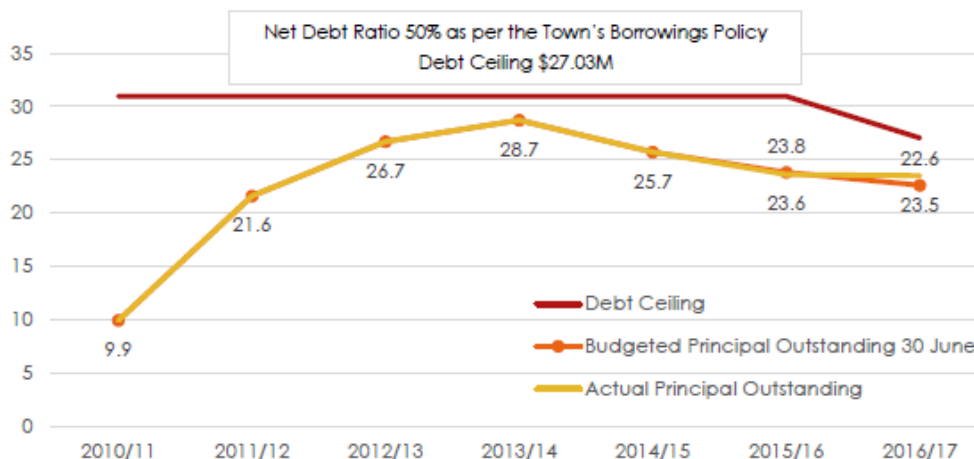
- A reduced Capital Works Program (including renewals) and an increase in the budgeted depreciation as a result of revaluations has had a two-fold effect on the asset sustainability ratio resulting in the ratio coming in just below the target.
- With a history of high levels of capital expenditure in the past 4 years, the Town need to ensure expenditure on capital renewal is maintained at the same rate as depreciation moving forwards.

Minimum Target is 90%

Town's YTD Performance is 7%

Do we meet the target? No

Debt levels



Original Budget Principal Outstanding Forecast at 30 June 2017 = \$22.6M
 Original Budget Operating Revenue = \$54.06M
 Budgeted Net Debt Ratio = 42%
 Actual Net Debt Ratio = 43%
 Actual Principal Outstanding 30 September 2016 = \$23.8M
 Debt Ceiling 50% pursuant to Policy (\$54.06M x 50%) = \$27.03M

Intergenerational Loans		
Loan Purpose	Outstanding Amount	Remaining Term
1. Marquee Park	\$4.58M	14/15 years
2. JD Hardie Upgrade	\$2.62M	14/16 years
3. Wanangkura Stadium	\$9.09M	15/16 years
4. GP Housing	\$1.35M	16 years

Any feedback on this document is greatly appreciated and can be emailed to council@porthedland.wa.gov.au

ATTACHMENT 5 TO ITEM 12.1.2

TOWN OF PORT HEDLAND

Summary of Credit Card Statements for the Month of September 2016

Attachment 6

Account Name	Account Number	Card Holder	Debit Balance (\$)
Town of Port Hedland	██████████-8349	Tandy Williams	\$3,836.67
Town of Port Hedland	██████████-8364	Jessica Dodd	\$4,061.55
Town of Port Hedland	██████████-8885	Chris Linnell	\$0.00
Town of Port Hedland	██████████-7068	Andrea Pears	\$4909.02
Town of Port Hedland	██████████-8868	Jessica Rankin	\$0.00
Town of Port Hedland	██████████-4948	Megan Cocciardi	\$3,211.25
Town of Port Hedland	██████████-5176	Ashley Groch	\$0.00
Town of Port Hedland	██████████-8444	Kelly Andrews	\$255.00
			\$16,273.49

At the Town of Port Hedland, the Council's Corporate Services Directorate and Finance Team have an overriding objective of providing quality corporate governance; accountability; transparency and compliance and welcome any questions or queries on the credit card statements from not just Elected Members, but the general public.



NAB Connect

Transaction History Report

Account details

Account name
TOWN OF PORT HEDLAND
Account number
[REDACTED]-8349
Currency
AUD

Account balance summary

Opening balance: 0.00 CR
Total credits: 1,169.00 CR
Total debits: 5,005.67 DR
Closing balance: 0.00 CR
Date from: 01 September 2016
Date to: 30 September 2016

Transaction details

Date	Narrative	Reference	Debit amount	Credit amount	EOD balance
02/09/2016	CREDIT CARD PURCHASE KEYSPOT SERVICES		75.00 DR		75.00 DR
06/09/2016	CREDIT CARD PURCHASE PORT HEDLAND PTY LTD		94.00 DR		
06/09/2016	CREDIT CARD PURCHASE Charmers Jewellers		100.00 DR		194.00 DR
07/09/2016	CREDIT CARD PURCHASE THINKTANK MEDIA BAL		2,414.50 DR		2,414.50 DR
08/09/2016	CREDIT CARD PURCHASE VIRGIN AUST 7958223253336		7.72 DR		
08/09/2016	CREDIT CARD PURCHASE VIRGIN AUST 7952133051696		594.00 DR		601.72 DR
19/09/2016	CREDIT CARD REFUND QANTAS AIRWAYS			1,169.00 CR	
19/09/2016	CREDIT CARD PURCHASE QANTAS AIRWAYS		738.50 DR		430.50 CR
21/09/2016	CREDIT CARD PURCHASE WOOLWORTHS 4316		111.14 DR		
21/09/2016	CREDIT CARD PURCHASE WOOLWORTHS 4316		132.31 DR		243.45 DR
27/09/2016	CREDIT CARD PURCHASE QANTAS AIRWAYS		738.50 DR		738.50 DR

Transaction History Report (Continued)

Account details

Account balance summary

Account name	Opening balance:	0.00 CR
TOWN OF PORT HEDLAND	Total credits:	0.00 CR
Account number	Total debits:	3,724.85 DR
██████████-8364	Closing balance:	0.00 CR
Currency		
AUD	Date from:	01 September 2016
	Date to:	30 September 2016

Transaction details

Date	Narrative	Reference	Debit amount	Credit amount	EOD balance
01/09/2016	CREDIT CARD PURCHASE QANTAS AIRWAYS		222.00 DR		222.00 DR
02/09/2016	CREDIT CARD PURCHASE VIRGIN AUST 7952132931253		222.70 DR		222.70 DR
06/09/2016	CREDIT CARD PURCHASE DROPOX*7GJRF75VLMJ3		119.00 DR		119.00 DR
09/09/2016	CREDIT CARD PURCHASE MAILCHIMP		66.02 DR		66.02 DR
12/09/2016	CREDIT CARD PURCHASE CCH AUSTRALIA LTD		300.00 DR		300.00 DR
13/09/2016	CREDIT CARD PURCHASE RIVERINA WORKWEAR		1,298.98 DR		1,298.98 DR
21/09/2016	CREDIT CARD PURCHASE FAST FLOWERS PTY LTD		76.90 DR		
21/09/2016	CREDIT CARD PURCHASE WOOLWORTHS ON LINE		206.45 DR		283.35 DR
23/09/2016	CREDIT CARD PURCHASE QANTAS AIRWAYS		60.00 DR		
23/09/2016	CREDIT CARD PURCHASE QANTAS AIRWAYS		404.20 DR		464.20 DR
26/09/2016	CREDIT CARD PURCHASE QANTAS AIRWAYS		668.60 DR		668.60 DR
30/09/2016	CREDIT CARD PURCHASE Charmers Jewellers		80.00 DR		80.00 DR

Transaction History Report (Continued)

Account details	Account balance summary	
Account name TOWN OF PORT HEDLAND	Opening balance:	0.00 CR
Account number [REDACTED]-7068	Total credits:	0.00 CR
Currency AUD	Total debits:	5,102.21 DR
	Closing balance:	0.00 CR
	Date from:	01 September 2016
	Date to:	30 September 2016

Transaction details

Date	Narrative	Reference	Debit amount	Credit amount	EOD balance
01/09/2016	CREDIT CARD PURCHASE PAYPAL *MERRYMUSIC		29.00 DR		
01/09/2016	CREDIT CARD PURCHASE COLES 0385		248.30 DR		277.30 DR
05/09/2016	CREDIT CARD PURCHASE KMART 1103		100.00 DR		100.00 DR
06/09/2016	CREDIT CARD PURCHASE COMPASS PORT HAVEN		1,235.41 DR		1,235.41 DR
07/09/2016	CREDIT CARD PURCHASE HEDLAND HOME HARDWARE		109.91 DR		109.91 DR
09/09/2016	CREDIT CARD PURCHASE KMART 1103		100.00 DR		
09/09/2016	CREDIT CARD PURCHASE QANTAS AIRWAYS		586.60 DR		686.60 DR
16/09/2016	CREDIT CARD PURCHASE AMBER ROSE FLOWERBOX		100.00 DR		
16/09/2016	CREDIT CARD PURCHASE AMBER ROSE FLOWERBOX		100.00 DR		
16/09/2016	CREDIT CARD PURCHASE QANTAS AIRWAYS		404.20 DR		
16/09/2016	CREDIT CARD PURCHASE CENTRE FOR PAVEMENT EN		1,071.00 DR		1,675.20 DR
19/09/2016	CREDIT CARD PURCHASE VIRGIN AUST 7958223366350		4.15 DR		
19/09/2016	CREDIT CARD PURCHASE VIRGIN AUST 7952133275212		319.00 DR		323.15 DR
29/09/2016	CREDIT CARD PURCHASE COLES 0385		230.44 DR		230.44 DR
30/09/2016	CREDIT CARD PURCHASE QANTAS AIRWAYS		60.00 DR		
30/09/2016	CREDIT CARD PURCHASE QANTAS AIRWAYS		404.20 DR		464.20 DR

Transaction History Report (Continued)Account details

Account name
TOWN OF PORT HEDLAND
Account number
[REDACTED]-4948
Currency
AUD

Account balance summary

Opening balance: 0.00 CR
Total credits: 0.00 CR
Total debits: 3,211.25 DR
Closing balance: 0.00 CR
Date from: 01 September 2016
Date to: 30 September 2016

Transaction details

Date	Narrative	Reference	Debit amount	Credit amount	EOD balance
05/09/2016	CREDIT CARD PURCHASE FACEBK KA9LCA69D2		30.01 DR		
05/09/2016	CREDIT CARD PURCHASE QANTAS AIRWAYS		668.60 DR		698.61 DR
06/09/2016	CREDIT CARD PURCHASE FACEBK CN2SKAS9D2		60.35 DR		60.35 DR
07/09/2016	CREDIT CARD PURCHASE ASIC		9.00 DR		
07/09/2016	CREDIT CARD PURCHASE AUSTRALIAN INSTITUTE		1,050.00 DR		1,059.00 DR
08/09/2016	CREDIT CARD PURCHASE ASIC		9.00 DR		9.00 DR
09/09/2016	CREDIT CARD PURCHASE QANTAS AIRWAYS		668.60 DR		668.60 DR
12/09/2016	CREDIT CARD PURCHASE FACEBK MY75GA2XK2		30.22 DR		30.22 DR
14/09/2016	CREDIT CARD PURCHASE FACEBK BN57LAWWK2		60.03 DR		60.03 DR
26/09/2016	CREDIT CARD PURCHASE RENDEZVOUSSGRAND HOTEL		543.44 DR		543.44 DR
27/09/2016	CREDIT CARD PURCHASE ASIC		27.00 DR		27.00 DR
28/09/2016	FEE ANNUAL FEE		55.00 DR		55.00 DR

Transaction History Report (Continued)Account details

Account name
TOWN OF PORT HEDLAND
Account number
[REDACTED]-8444
Currency
AUD

Account balance summary

Opening balance: 0.00 CR
Total credits: 0.00 CR
Total debits: 1,313.72 DR
Closing balance: 0.00 CR
Date from: 01 September 2016
Date to: 30 September 2016

Transaction details

Date	Narrative	Reference	Debit amount	Credit amount	EOD balance
28/09/2016	FEE ANNUAL FEE		55.00 DR		
28/09/2016	CREDIT CARD PURCHASE WOOLWORTHS 4316		200.00 DR		255.00 DR
30/09/2016	CREDIT CARD PURCHASE COLES 0385		300.00 DR		
30/09/2016	CREDIT CARD PURCHASE COLES 0385		375.00 DR		
30/09/2016	CREDIT CARD PURCHASE COLES 0385		383.72 DR		1,058.72 DR

ATTACHMENT 6 TO ITEM 12.1.2



NAB Connect

Account Balance History Report

Details

Date range: 30-Sep-2016 to 30-Sep-2016
Account name: TOPH MUNICIPAL
Account number: 086-905 50-836-4446
Currency: AUD

Date	No. of debits	Debit amount	No. of credits	Credit amount	EOD balance
30/09/2016	11	2,140,722.15	50	505,080.58	2,511,460.89 CR

End of report



NAB Connect

Account Balance History Report

Details

Date range: 30-Sep-2016 to 30-Sep-2016
Account name: TOWN OF PORT
Account number: 083-817 83-883-9096
Currency: AUD

Date	No. of debits	Debit amount	No. of credits	Credit amount	EOD balance
30/09/2016	0	0.00	2	2,103,409.74	5,403,409.74 CR

End of report



NAB Connect

Account Balance History Report

Details

Date range: 30-Sep-2016 to 30-Sep-2016
Account name: TOPH RES FND
Account number: 086-905 50-836-4462
Currency: AUD

Date	No. of debits	Debit amount	No. of credits	Credit amount	EOD balance
30/09/2016	0	0.00	0	0.00	1,000.00 CR

End of report



NAB Connect

Account Balance History Report

Details

Date range: 30-Sep-2016 to 30-Sep-2016
Account name: TOPH TRUST
Account number: 086-905 50-836-4489
Currency: AUD

Date	No. of debits	Debit amount	No. of credits	Credit amount	EOD balance
30/09/2016	0	0.00	1	23,555.02	61,141.07 CR

End of report

12.2 Community and Development Services

12.2.1 Proposed Initiation of the Draft West End Local Planning Policy

Note: This item was withdrawn from the meeting.

12.3 Works and Services

12.3.1 Water Corporation Deed Agreement – Port Hedland International Airport

File No: 27/01/0009 & 27/01/0004
Applicant/ Proponent: Water Corporation of Western Australia
Subject Land/ Locality: Port Hedland International Airport
Date: 10/10/2016
Author: Nasir Shah, Manager Technical Services
Authorising Officer: Ray Davy, Director Works and Services
Disclosure of Interest from Author: None
Authority/Discretion: Executive – the substantial direction setting and oversight role of the Council. E.g. adopting plans and reports, accepting tenders, directing the Chief Executive Officer, setting and amending budgets.

Attachments:

1. Developer Funded and Constructed Works Agreement (Water) – Under Separate Cover
2. Developer Funded and Constructed Works Scoping Agreement (Wastewater) – Under Separate Cover

CM201617/074 OFFICER RECOMMENDATION/COUNCIL DECISION

MOVED: CR WHITWELL

SECONDED: CR HOOPER

That with respect to deed agreements with Water Corporation for Water Supply and Wastewater Collection at Port Hedland International Airport (PHIA), Council:

1. **Authorise execution by the Mayor and the Chief Executive Officer of the Developer Funded and Constructed Works Agreement (DFCWA) for detail design and construction of a water supply pipeline by affixing the Common Seal to the Agreement.**
2. **Authorise execution by the Mayor and the Chief Executive Officer of the Developer Funded and Constructed Works Scoping Agreement (DFCWSA) for scoping of design and construction of a wastewater pump station and pressurised wastewater pipeline by affixing the Common Seal to the Agreement.**

CARRIED 8/0

EXECUTIVE SUMMARY

Under the terms of the Agreement for Lease between the Town and PHIA Asset Pty Ltd the Town is required to undertake at its own cost a number of works including an upgrade of water and wastewater services to the Airport. The Town has been working on the scoping and design these projects and has now reached a point where in order to undertake further work on these projects, the Town is required to execute the attached deeds with the Water Corporation.

BACKGROUND

Port Hedland International Airport (PHIA) is located on land that is not serviced by a reticulated wastewater system. The terminal, housing and businesses adjacent to the terminal are serviced by a septic and treatment pond system that has reached its capacity.

Similarly, the pressure main that provides water to the district has reached the end of its design life and will need to be replaced.

The projects do not appear in Water Corporation's 5 year Capital Investment Program. However, the upgrade of this infrastructure has been identified as necessary to facilitate the future development of the PHIA, and the Town is required under the terms of the Agreement for Lease to deliver both projects to satisfy its contractual obligations with PHIA Operating Company (OpCo), which operates the Airport and the PHIA Asset Trust.

The Town has been working on both Water Supply and Wastewater Collection projects, and has now reached a point where it needs to enter into agreements with Water Corporation to progress the projects further.

The Water Supply project has already been through the scoping phase and is now ready for "Design and Construction" phase. The Wastewater Collection project is ready for the "Scoping" phase which will be followed by a design and construction phase. By executing the attached deed agreements both projects can progress into their respective next stages.

The effect of the deeds is to ensure that the works are executed at every stage to a standard approved by the Water Corporation, in order to ensure that the operation of the completed facilities can be transferred to the Water Corporation and/or integrated with the Corporation's network.

Contractual implications

Although there are no explicit timeframes for delivery of these projects under the terms of the Lease, Clause 7.8(b)(1) of the *Novation and Operating Deed – Port Hedland International Airport (Deed)* states that "the Town will use reasonable endeavours to have the Town Works completed within a reasonable period of time".

Conversely, failure by the Town to deliver these projects will impact on the obligations of OpCo to invest in the further development of the PHIA and could trigger delay claims from OpCo and a deferral of valuable investment in the local economy. OpCo is required by Clause 8 of the Deed to deliver its Capital Works Program obligations within 5 years of the Commencement Date of the Lease. The relevant details of this obligation are:

- Clause 8.1(a)(2) - "the Lessee must (A) deliver the Capital Works Program; and (B) incur capital expenditure of \$40 million within the first 5 years of the Term..."
- Clause 8.1(b) - "the sole remedy of the Town in respect of a breach on the Lessee's obligations (relating to the delivery of the Capital Works Program) is to require that the Lessee make the lump sum payment" of \$40 million on the fifth anniversary of the Commencement Date of the lease.

Should the delivery of the Lessee's Capital Works be reliant on the completion of the water and wastewater, the Lessee would have entitlement to claim a delay. This would in turn result in a delay to the commencement of Capital Works and/or receipt by the Town of \$40M (minus costs incurred by the Lessee prior to the 5 year anniversary) to complete the works.

Accordingly it is in the Town's interests to complete the water and wastewater before they impact on the OpCo's Capital Works programme.

CONSULTATION

The Town has already agreed to delivery of both projects in the Agreement for Lease. As neither project will have any direct impact on the community and other stakeholders, no consultation is deemed required.

LEGISLATIVE IMPLICATIONS

Neither of the projects will have any legislative implications for the Town.

POLICY IMPLICATIONS

Neither of the projects will have any policy implications for the Town.

FINANCIAL IMPLICATIONS

Both projects will fall under "Airport Projects" category within the FY 2016/17 budget for which a total of \$15,872,130 has been allocated under Job Code E1210100.

The direct cost of the water supply project is estimated to be \$3.6M.

For wastewater collection project, it is proposed to undertake the project in 2 stages whereby the infrastructure will be installed to meet the immediately foreseeable needs of the precinct with capacity to be upgraded in future if and when sufficient development occurs to warrant further expenditure. A detailed estimate of the cost to deliver Phase 1 of the revised design is yet to be completed following the project scoping stage, but is anticipated to be approximately \$6.1M. Similarly, no estimate for phase 2 has been completed however the maximum cost of delivering the project is anticipated to be less than \$3,900,000. Phase 2 will only be required to be implemented should all or substantially all of the projects identified in the 2012 Airport Master Plan proceed. Under current planning forecasts, this is considered unlikely within 10 years, if at all. These figures will be refined upon completion of the detailed design phase and during the Request for Quotation period.

Upon completion of the projects, the assets will be transferred to Water Corporation. It follows that there will be no asset management implications.

STRATEGIC IMPLICATIONS

Both projects are in line with section 2.1 and 2.2 of 2014-2024 Strategic Community Plan. The projects will contribute towards making Port Hedland a nationally significant gateway city and will positively impact the economy.

Both projects are consistent with the Growth Plan as they contribute directly to transport infrastructure upgrade more specifically PHIA.

SUSTAINABILITY IMPLICATIONS

Environmental

The Wastewater Collection project will have positive environmental impact by eliminating the need for Septic Tank which is a greater environmental risk in flood prone area. Both projects will have minor temporary environmental impacts during construction i.e. disturbance of land, vegetation removal and dust generation etc. The Town will ensure that these impacts are kept to a minimum during construction phase.

Economic

Both projects will have positive economic impact by improving the water supply and wastewater collection capacities at PHIA. This will facilitate the activities of new and existing businesses on PHIA premises and also allow the planned future expansion of PHIA to occur over time.

Social

Both projects will have positive social impacts as a consequence of positive economic impacts stipulated above.

Risk

Risk	That the project might have time and cost overruns	That OpCo might delay its share of Capital Works Program
Risk Likelihood (based on history and with existing controls)	Unlikely (2)	Possible (3)
Risk Impact / Consequence	Moderate (3)	Moderate (3)
Risk Rating (Prior to Treatment or Control)	Medium (5-9)	Medium (5-9)
Principal Risk Theme	Financial Impact - 4 Major - \$300,001 - \$3M	Reputation - 3 Moderate - Substantiated, public embarrassment, moderate impact on key stakeholder trust or moderate media profile
Risk Action Plan (Controls or Treatment proposed)	Control through delivering the projects while estimates are still recent and accurate.	Control through delivering these projects ASAP in order to prevent delay claims from OpCo.

Risk Matrix

Consequence Likelihood		Insignificant	Minor	Moderate	Major	Catastrophic
		1	2	3	4	5
Almost Certain	5	Medium (5)	High (10)	High (15)	Extreme (20)	Extreme (25)
Likely	4	Low (4)	Medium (8)	High (12)	High (16)	Extreme (20)
Possible	3	Low (3)	Medium (6)	Medium (9)	High (12)	High (15)
Unlikely	2	Low (2)	Low (4)	Medium (6)	Medium (8)	High (10)
Rare	1	Low (1)	Low (2)	Low (3)	Low (4)	Medium (5)

CONCLUSION

Both deed agreements have been prepared after extensive engagement between the following projects stakeholders:

- Town of Port Hedland
- Water Corporation
- Jacobs Australia (Consulting Engineers)

The Town has reviewed both deed agreements in detail and has satisfied itself that they are appropriate for execution and represent the best course of action for the Town in order to deliver on its commitments under the PHIA Lease agreement.

Finally, it is noted that the Town has strict timing/programme obligations for the delivery of the projects under the DFCWA agreement with the Water Corporation for the water supply project which has already been through the scoping phase.

Item 13 Reports of Committees

Note: The Minutes of this Committee meeting are enclosed under separate cover.

13.1 Audit, Risk and Governance Committee Minutes – 4 October 2016**CM201617/075 OFFICER RECOMMENDATION/COUNCIL DECISION****MOVED: CR ARIF****SECONDED: CR HOOPER**

That Council receive the Minutes of the Ordinary Meeting of the Audit, Risk and Governance Committee held on 4 October 2016 at 5:30pm inclusive of the following decisions:

- Item 12.1.2 Funding and Donations for the period of 1 July to 30 September 2016**
- Item 12.1.3 Progress Update on Internal Audit and Risk Officer**

CARRIED 8/0

Item 14 Motions of Which Previous Notice Has Been Given

Nil

Item 15 New Business of an Urgent Nature

15.1 Summary of the North West Festival 2016

File No:	03/02/0005
Applicant/ Proponent:	N/A
Subject Land/ Locality:	N/A
Date:	21/10/2016
Author:	Trina Stoddart, Acting Coordinator Community Activation
Authorising Officer:	Chris Linnell, Acting Chief Executive Officer
Disclosure of Interest from Author:	Nil
Authority/Discretion:	<input checked="" type="checkbox"/> Executive – the substantial direction setting and oversight role of the Council. E.g. adopting plans and reports, accepting tenders, directing the Chief Executive Officer, setting and amending budgets.

Attachments:

1. Audited Financial Statements
2. North West Festival & Fringe 2016 – Date and Insight – Culture Counts (Under Separate Cover)
3. Detailed Budget (Under Confidential Cover)

CM201617/076 OFFICER RECOMMENDATION/COUNCIL DECISION
MOVED: CR ARIF
SECONDED: CR GILLINGHAM
That with respect to the North West Festival, Council:

1. **Note the following in relation to the 2016 North West Festival:**
 - a. **The audited financial statement; and**
 - b. **The social survey report.**
 - c. **The key performance indicators and event target milestones**
2. **Request the Chief Executive Officer or his authorised officer, develop a report for Council consideration in relation to a 2017 North West Festival.**

CARRIED 5/3

For: Councillor Arif, Councillor Newbery, Councillor Melville, Councillor Hooper and Councillor Gillingham

Against: Deputy Mayor Blanco, Councillor Whitwell, Councillor Tavo

EXECUTIVE SUMMARY

The North West Festival (inclusive of the Music Weekender, Sunday Sundowner, and the North West Fringe) was delivered in August 2016. Event management was undertaken by Sunset Events.

This item presents both the audited financial statements that have been received from Sunset Events and reports on the social and economic impact of the North West Festival 2016 for Council to note.

Additionally this item outlines key performance indicators of the North West Festival 2016 and recommends that Council requests the Chief Executive Officer to develop a report for Council regarding a 2017 North West Festival.

BACKGROUND

This year the fifth North West Festival (NWF) was held during August 2016. The event consisted of the Music Weekender - a contemporary outdoor music festival – and the Fringe – a mixture of community and cultural activities throughout the month.

Sunset Events, the contracted event manager, coordinated all elements of the event, including publicity and marketing, radio, print, a local street team, website, social media (multiple platforms), local Facebook pages, community notices, and flyers.

As in previous years, NWF16 attracted attendees from across the region, state and country.

There were 50% attendance from the Pilbara, of which 75% were from Port Hedland. There were 660 attendances where postcode information was not collected, this has been attributed to door sales and postcodes entered incorrectly into the Moshtix system.

There were a total of 1755 people who bought tickets (1215 via Moshtix and 540 gate sales). A further breakdown of ticket sales can be found in the tables below. The total audited financials also include presale prices and fees.

	Ticket Price Moshtix	Ticket Price Gate	Total Sales	Moshtix Sales	Gate Sales
Total			1755	1215	540
Friday	\$120	\$150	181	115	66
Saturday	\$120	\$150	280	144	136
Sunday	\$30	\$40	322	155	167
Sunday U18	\$15	\$20	98	65	33
Weekender 18+	\$165	\$200	692	570	122
Weekender U18	\$90	\$100	94	78	16
VIP Weekender	\$250		88	88	

Social and Economic Impact

To explore the social and economic benefits of the NWF to Port Hedland a survey was conducted to find out what attendees and the local community thought of the festival.

377 members of the public were surveyed between 13th August and 5th September 2016.

This survey asked the public about their experience of the festival. Specifically:

- Local Impact - It's important that it's happening here
- Excellence - The event is one of the best examples of its type that I have seen
- Authenticity - I think that the event reflects the unique character of the area and its people
- Perception - The North West Festival & Fringe events increase the positive perception of Port Hedland.
- Creativity - Port Hedland's creativity and vibrancy is enhanced by the North West Festival & Fringe events.

The survey found that the majority of the respondents were from Port and South Hedland and aged between 20 and 40. That half of the respondents were attending for the first time with the Music Weekender being the most popular event. Over 90% of respondent agreed or strongly agreed that the North West Festival increases the positive perception of Port Hedland (local impact (84%) and creativity (81%) also scored very positively). The North West Festival scored higher than the benchmark for local impact indicating respondents were more likely to say the festival was important for the local area when compared to respondents from other similar events. Further results are attached in the document "North West Festival & Fringe 2016, Data and Insights – Culture Counts".

Separate from the Culture Counts survey local businesses were also asked to respond to a survey regarding the impact that the NWF has on their business. Whilst the survey was distributed through a number of channels, there were only 18 respondents. The responses showed that 91% felt that the NWF was an important event, 75% felt that the NWF is beneficial to their business, and 66% saw an increase on profit. Given the low return rate the results cannot be seen as representative.

Financial

Sunset Events have provided ToPH with audited financials. This audited statement includes the bar net profit as a contribution toward the event management fees but not as part of the income and expenditure. Sunset Events advised that this was necessary due to the Department of Racing, Gaming, and Liquor requiring that the proceeds of the sales of liquor being paid directly to Sunset Events as the license holder. Sunset Events in turn reduced the event management fee by the same amount. These audited financials and the detailed budget (confidential attachment) received from Sunset Events show that there has been a number or notable comparisons from previous NWF's. The NWF16 achieved a decrease in sponsorship from ToPH but an increase in total sponsorship from 2015, a reduction in complimentary ticket attendances, a reduction in expenditure and income, and a reduction in management fees. The NWF16 also saw a decrease in paid ticketed attendance and a decrease in the financial position (before management fee payment).

The following table shows some details from the NWF16 audited financial statements and budget in comparison to 2014 and 2015 (both comparable 3 days events).

Category	2014	2015	2016
Ticket Attendance (paid)	3,920	3,171	2,629
Ticket Attendance (comp)	2,016	1,451	1,113
ToPH Sponsorship	\$500,000	\$500,000	\$328,182
Sponsorship and event management fee (ToPH)	\$500,000	\$525,696	\$412,730
Sponsorship (not inc. ToPH)	\$687,059	\$486,500	\$587,818
Financial Position (before management fee payment)	\$174,144	\$124,304	\$19,120
Management Fee Paid (from audited reports)	\$174,144	\$150,000	\$138,000

In total (including ToPH) there were 15 financial sponsors with a total combined investment of \$916,000. Sunset Events also indicated that there was an estimated total of in kind contribution of approximately \$314,000 from 9 sponsors.

Key Performance Indicators

There are a number of Key Performance Indicators (KPIs) for NWF16 that help measure the success and progress of the North West Festival. The CEO will utilise these targets to develop a report for Council regarding a 2017 North West Festival. The report on the 2017 event requested under part 2 of the officer's recommendation will evaluate whether the KPIs have been achieved for the 2016 event.

Below are the KPI's that have been taken from the Agreement with Sunset Events and the letter of intent.

ToPH-Sunset Event North West Festival Agreement - Schedule C - Event Target Milestones	
Attendance (3 Days)	5390
Cash Sponsorship (inc GST)	1,000,000
In-Kind Sponsor	14
Breakdown of Acts	2x Pilbara acts 2x profile Aus. 2x WA acts
Community Activations	38
ToPH-Sunset Events KPI's from 2016 addendum (letter of intent)	
Expenditure being at least \$50,000 less than 2015	
Increase in sponsorship by \$50,000	
Event Manager surveying attendees at the 2016 event to ascertain satisfaction levels	
Economic modelling to ascertain the benefits to the local economy of the festival	
Social Modelling to articulate the benefits to 'community' of the event, including social wellbeing	
Event manager to survey sponsors and key stakeholders to seek their level of satisfaction with the event	
Investigating the purchasing of the liquor for the North West Festival from local suppliers, subject to it not significantly impacting on the event budget	
Involve local community organisations in staffing and operating the event's catering activities, where appropriate, to enable them to raise funds for their organisation	

CONSULTATION

- Details of the NWF16 including the audit financial statements were referred to the Acting CEO, Acting Director of Community Services and Development and Manager of Community Development.

- The local community, visitors, and local businesses were asked to respond to surveys asking for opinions and feedback on the NWF16 and its social and economic impact. Summary reports on the outcomes are attached.

LEGISLATIVE IMPLICATIONS

There are no significant legislative implications arising from adoption of the officer's recommendation.

POLICY IMPLICATIONS

There are no significant policy implications arising from adoption of the officer's recommendation.

FINANCIAL IMPLICATIONS

The ToPH made an investment of \$412,730 into the 2016 North West Festival. This includes \$328,182 in sponsorship, and \$84,548 in event management fees to Sunset Events.

STRATEGIC IMPLICATIONS

The delivery of NWF16 supports The Strategic Community Plan 2014 – 2024, as outlined below:

Outcome 1.1 - A unified community across our Town.

Provide safe and accessible community facilities, services, events and open spaces that connect people and neighbours.

Outcome 1.2 - A vibrant community rich in diverse cultures.

Deliver and support programs, events, facilities and services which attract and retain residents to increase our permanent population.

The delivery of the North West Festival aligns with 1.1 (A unified community across our townships) and 1.2 (A vibrant community rich in diverse cultures) in our 2014-2024 Strategic Community Plan.

SUSTAINABILITY IMPLICATIONS

Environmental

There are no significant identifiable environmental impacts arising from adoption of the officer's recommendation.

Economic

Due to Macro Realty Developments defaulting on sponsorship arrangements the Town of Port Hedland provided a further \$178,182 in sponsorship for the North West Festival 2016

Social

Feedback and survey responses identified a number of social outcomes as noted in the attached social survey report.

Risk

Risk	That council do not accept officers recommendation
Risk Likelihood (based on history and with existing controls)	Unlikely (2)
Risk Impact / Consequence	Minor (2)
Risk Rating (Prior to Treatment or Control)	Low (1-4)
Principal Risk Theme	Failure to effectively manage, coordinate and review critical projects
Risk Action Plan (Controls or Treatment proposed)	Accept Officer Recommendation

Risk Matrix

Consequence Likelihood		Insignificant	Minor	Moderate	Major	Catastrophic
		1	2	3	4	5
Almost Certain	5	Medium (5)	High (10)	High (15)	Extreme (20)	Extreme (25)
Likely	4	Low (4)	Medium (8)	High (12)	High (16)	Extreme (20)
Possible	3	Low (3)	Medium (6)	Medium (9)	High (12)	High (15)
Unlikely	2	Low (2)	Low (4)	Medium (6)	Medium (8)	High (10)
Rare	1	Low (1)	Low (2)	Low (3)	Low (4)	Medium (5)

CONCLUSION

In closing out the 2016 North West Festival it is recommended that the audited financial statements, social and economic survey reports, detailed budget, and key performance indicators are noted and that the Chief Executive Officer, or his authorised officer, are requested to develop a report for Council to consider in relation to a 2017 North West Festival.

ATTACHMENT 1 TO ITEM 15.1

**NORTH WEST FESTIVAL
2016**


**Statement of Receipts & Payments
For the Period Ended 7 October 2016**

North West Festival		
Statement of Receipts & Payments		
For the Period 21 October 2015 to 7 October 2016		
	2016	2015
Attendance from paid tickets	2,629	3,171
Income		
Bar Net Profit	\$0	\$57,235
Exhibition/Stalls	\$2,450	\$1,800
Merchandise	\$3,545	\$5,282
Sponsorship	\$916,000	\$986,500
Sundry	\$7	\$25
Ticket Sales	\$212,405	\$304,558
Total Income	\$1,134,407	\$1,355,399
Costs		
VIP Catering Expenses	\$5,219	\$18,334
Event Costs	\$205,962	\$204,334
Event Staff	\$171,845	\$197,639
General Expenses	\$18,745	\$23,576
Marketing	\$61,666	\$74,799
Office, admin & overhead costs	\$20,000	\$25,000
Production	\$131,251	\$147,037
Site Infrastructure	\$49,304	\$40,763
Sponsorship Costs	\$58,753	\$56,102
Talent	\$323,055	\$372,445
Travel & Accom (Event Staff)	\$69,488	\$71,066
Total Costs	\$1,115,287	\$1,231,095
Gross Profit	\$19,120	\$124,304
Event Management Services		
Gross profit from event	\$19,120	\$124,304
Bar Net Profit	\$34,332	\$0
Shortfall payment by TOPH	\$84,548	\$25,696
Total Event Management Services	\$138,000	\$150,000
Net Profit / (Loss)	\$0	\$0

North West Festival 2016
Notes to the Receipts and Payments Statement
For the period 21 October 2015 to 7 October 2016

1. The attached statement is based on cash receipts and payments, however the following accruals have been Included:
 - Accountancy Fees: \$2,600
 - APRA: \$4,498
 - Site Infrastructure: \$3,888
 - Travel & Immigration: \$13,000
 - Admin-Postage: \$60
2. Except otherwise stated, all amounts referred to in this statement are GST exclusive.
3. The North West Festival was held on the 19th and 20th of August 2016 at the Port Hedland Turf Club on McGregor Street, Port Hedland WA 6721 and on the 21st August 2016 at the Port Hedland Yacht Club.
4. The only bank account used for this project was Bankwest account # 306046-0180620 which is in the name of Sunset Events.

Directors Signatures



James Legge



Dave Chitty

10/10/2016

NWF 2016 Bar Profit & Loss Statement	
21 October 2015 to 7 October 2016	
Income	
Bar Sales	\$114,617.32
Sundry income	\$1,327.27
Total Income	\$115,944.59
Cost Of Sales	
Bar Stock	\$26,851.46
Bar Infrastructure	\$17,546.96
Bar Contractor Costs	\$22,281.80
Bar Staff Wages	\$14,032.24
Audit Fees	\$900.00
Total Cost Of Sales	\$81,612.46
Net Profit/(Loss)	\$34,332.13

Notes

As per the Town of Port Hedland letter dated 19 August 2016, all income earned from bar operations for the 2016 festival were to be retained by Sunset Events and all bar expenses incurred to be paid by Sunset Events, with the net profit to be applied towards Sunset Events' management fee for the North West Festival.

Directors Signatures



James Legge



David Chitty

North West Festival 2016
Notes to the Bar Sales and Expenses Statement
For the period 21 October 2015 to 7 October 2016

1. The attached statement is based on cash receipts and payments, however Audit fee accrual of \$900 has been included.
2. Except otherwise stated, all amounts referred to in this statement are GST exclusive.
3. Bar income was recorded at the North West Festival on the 19th and 20th of August 2016 at the Port Hedland Turf Club on McGregor Street, Port Hedland WA 6721.
4. The only bank account used for this project was bankwest account #306046-0180620 which is in the name of Sunset Events.

Directors Signatures



James Legge

19/10/16



Dave Chitty

19/10/16



Suite 5/195 Main Street,
Osborne Park WA 6017
PO Box 199, Kingsway WA 6065
Tel: (08) 9349 3540/9349 3542
Email: enquiries@auditplus.com.au
Web: www.auditplus.com.au

**INDEPENDENT AUDITOR'S REPORT TO
THE TOWN OF PORT HEDLAND and SUNSET EVENTS
IN RESPECT OF NORTH WEST FESTIVAL 2016**

We have audited the accompanying statement of Receipts and Payments of the North West Festival 2016 (the "Festival") for the period of 21 October 2015 to 7 October 2016, a summary of significant accounting policies and other explanatory information. The financial statement has been prepared by the Directors of the Event Manager using the basis of accounting described in Notes to the statement of receipts and payments.

The Directors of the Event Manager are responsible for the preparation of the financial statement in accordance with the notes to the statement of receipts and payments; this includes determining that basis of accounting is an acceptable basis for the preparation of the financial statement in the circumstances, and for such internal control as the Directors of the Event Manager determine are necessary to enable the preparation of a financial statement that is free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on the financial statement based on our audit. We conducted our audit in accordance with Australian Auditing Standards. Those standards require that we comply with relevant ethical requirements relating to audit engagements and plan and perform the audit to obtain reasonable assurance about whether the financial statement is free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statement. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statement, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Event Manager's preparation of the financial statement in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Event Manager's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the Directors of the Event Manager, as well as evaluating the overall presentation of the financial statement.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Independence

In conducting our audit, we have complied with the independence requirements of the Australian professional accounting bodies.

**Audit Opinion**

In our opinion, the statement of receipts and payments of the North West Festival 2016 presents fairly, in all material respects, in accordance with the receipts and payments basis of accounting described in the attached Notes.

Basis of Accounting

Without modifying our opinion, we draw attention to the Notes to the statement of receipts and payments, which describes the basis of accounting. The financial statement is prepared to provide information to the Town of Port Hedland and Sunset Events. As a result, the financial statement may not be suitable for another purpose.

Dated this 10th day of October 2016 in Osborne Park, Western Australia.

A handwritten signature in black ink, appearing to read 'Viral Patel', with a horizontal line drawn underneath it.

VIRAL PATEL
T/AS AUDITPLUS SOLUTIONS
CPA, FCCA, Registered Company Auditor (No.333615)



Suite 5/195 Main Street,
Osborne Park WA 6017
PO Box 199, Kingsway WA 6065
Tel: (08) 9349 3540/9349 3542
Email: enquiries@auditplus.com.au
Web: www.auditplus.com.au

**INDEPENDENT AUDITOR'S REPORT TO
THE TOWN OF PORT HEDLAND and SUNSET EVENTS
IN RESPECT OF NORTH WEST FESTIVAL 2016**

Report on the Bar Sales & Expenses Statement

We have reviewed the attached Bar Sales & Expenses Statement for the North West Festival for the period 21 October 2015 to 7 October 2016 (the "Statement").

The Statement has been prepared for Sunset Events Directors and The Town of Port Hedland.

Management's Responsibility for the Statement

The Directors of the Event Manager are responsible for the preparation of the Statement and has determined that the applicable criteria used are appropriate to the needs of The Town of Port Hedland. This responsibility includes establishing and maintaining internal control relevant to the preparation of the Statement that is free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express a conclusion on the Statement based on our review. We have conducted our review in accordance with Standard on Review Engagements ASRE 2405 *Review of Historical Financial Information Other than a Financial Report* in order to state whether, on the basis of the procedures described, anything has come to our attention that causes us to believe that the Statement is not prepared, in all material respects, in accordance with the applicable criteria used. No opinion is expressed as to whether the applicable criteria used are appropriate to the needs of the members.

ASRE 2405 requires us to comply with the requirements of the applicable code of professional conduct of a professional accounting body.

A review consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Australian Auditing Standards and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Conclusion

Based on our review, which is not an audit, nothing has come to our attention that causes us to believe that the Bar Sales & Expenses Statement for the North West Festival for the period 21 October 2015 to 7 October 2016 is not prepared, in all material respects, in accordance with the applicable criteria used.

Dated the 14th day of October 2016 in Perth, Western Australia.

A handwritten signature in black ink, appearing to read "Viral Patel", with a horizontal line underneath.

VIRAL PATEL
T/AS AUDITPLUS SOLUTIONS
Certified Practising Accountant

15.2 Port Hedland International Airport – Apron Strengthening Works

File No: 20/01/0087
Applicant/ Proponent: N.A.
Subject Land/ Locality: Port Hedland International Airport
Date: 20/10/2016
Author: Ray Davy, Acting Director Works and Services
Authorising Officer: Chris Linnell, Acting Chief Executive Officer
Disclosure of Interest from Author: None
Authority/Discretion: Executive – the substantial direction setting and oversight role of the Council. E.g. adopting plans and reports, accepting tenders, directing the Chief Executive Officer, setting and amending budgets.

Attachments:

1. Letter from PHIA 13 October 2016

CM201617/077 OFFICER RECOMMENDATION/COUNCIL DECISION

MOVED: CR WHITWELL

SECONDED: CR ARIF

That with respect to the Town's obligations under the terms of the Agreement for Lease of Port Hedland International Airport, Council:

1. **Approve the transfer of liability for the Port Hedland International Airport apron strengthening works to the Lessee;**
2. **Approve the reprioritisation of \$431,382 in the 'Airport Projects' 2016/17 budget from the wastewater upgrade to the Port Hedland International Airport apron strengthening works; and**
3. **Agree to contribute the sum of \$1 million dollars excluding any applicable GST towards the cost of the Port Hedland International Airport apron strengthening works.**

CARRIED 8/0

EXECUTIVE SUMMARY

Under the PHIA lease agreement the Town is required to undertake certain works including the strengthening of four aircraft parking bays. The parties have differing views on the scope and cost of the works required in order to meet this obligation. For both practical and risk minimization reasons it is proposed that the Lessee undertake these works with a financial contribution of \$1 million from the Town (net of any applicable GST).

BACKGROUND

The Town assumed certain obligations in relation to various upgrading works as part of the lease of Port Hedland International Airport (PHIA). This includes a requirement referred to in Clause 1.2 of the Agreement for Lease as being:

- 2 *the strengthening program for four aircraft parking bays programmed to start in September 2015;*

Clause 10.1 of the Agreement requires that:

From the date of this agreement until Completion, the Town must:

- (e) *continue with the Agreed Town Capital Works;*

Clause 11(d) of the Agreement requires that:

If the Agreed Town Capital Works are not completed before Completion, the Town must complete those projects. In completing those projects, the Town must:

- (1) *at its own cost, complete the Agreed Town Capital Works as soon as reasonably practicable (subject to the Lessee granting to the Town all necessary rights of access to do so); and*
- (2) *procure that the Agreed Town Capital Works do not interfere with the operation of the Airport.*

The scope of work required to be undertaken by the Town under this provision is a matter of contention between the parties. The Town has previously completed a patching exercise at Bay 4 and intended only that a similar scale of works would be undertaken on Bays 2, 3 and 5. Using the cost of the patching works at Bay 4 as a basis for calculation, the Town made provision for a budget of \$750,000 for the overall apron strengthening exercise.

Engineering advice in the form of a pavement design for these works was sought from Aerodrome Management Services Pty Ltd (AMS) in November 2015, after the Agreement for Lease was signed. That advice suggested that a more expansive scope of works would be required to overcome the problems associated with pavement deformation under aircraft loads, at a very much greater cost. A copy of that advice appears to have been passed on the PHIA in March 2016. This has given rise to a debate as to whether the Town's obligations extend only to its original intended scope of works or to the more comprehensive reconstruction recommended by AMS. Understandably, PHIA's view is the latter.

In negotiations over this matter, the Town has adopted a position that it is only obliged to continue and complete the works after lease commencement that it would otherwise have done prior to (or in the absence of) the lease coming into effect. Furthermore, it has argued that there can be no suggestion that the Lessee relied on the greater scope of works proposed by the AMS report at the time of entering into the Agreement for Lease as the AMS report did not exist at the time of signing the Agreement and was (apparently) only supplied to PHIA after Lease Commencement.

However, the findings of the AMS report raise concerns that need to be recognised. While the Town may only be obliged to undertake pavement patching in accordance with its original intention, it does have an implied obligation to ensure that the works it does do are "fit for purpose" which (based on the AMS report) they may not be over time.

Hence, for the Town to proceed in accordance with its strict obligations under the Agreement and undertake works which may not adequately resolve the pavement deformation problems creates the risk of ongoing dispute with the Lessee and ongoing maintenance liability for the Town. The Town has therefore sought to seek to transfer responsibility for the works to the Lessee, with an agreed financial contribution by the Town.

The Lessee has now accepted this position in principle, with a request that the Town's contribution be set at \$1 million excluding any applicable GST. By way of context, the estimated cost of undertaking the works to the standard recommended by the AMS report would be in the vicinity of \$5 million.

Costs already incurred by the Town and charged against the relevant budget line for the Bay 4 works and the AMS report have totalled \$181,382 leaving a "balance remaining" of \$568,618. Meeting the terms proposed by the Lessee would therefore incur an additional amount of \$431,382 over the current budget. However, the potential ongoing risks to the Town of being held to its strict obligations, as set out below, are considered to outweigh this sum. It is also noted that this additional cost will be more than offset by savings achieved through the partial deferral of wastewater upgrades which are the subject of a separate Agenda item.

CONSULTATION

The Town has already agreed to undertake these works at its own cost under the lease agreement. The works will have no direct impact on the community or other stakeholders, and therefore no consultation is deemed required.

LEGISLATIVE IMPLICATIONS

There are no legislative implications for the Town at this stage. However it appears that the apron pavements already fail to meet the minimum approved standards for airport pavements in terms of deformation and this could give rise to a mandatory regulatory requirement for this to be rectified.

POLICY IMPLICATIONS

There are no specific policy implications for the Town. However as the airport assets will revert to Town control at the end of the lease period there is an implied obligation to ensure that the assets are maintained in a "fit for purpose" state.

FINANCIAL IMPLICATIONS

This project falls under "Airport Projects" category within the FY 2016/17 budget for which a total of \$15,872,130 has been allocated. As noted above, the recommended approach will involve additional expenditure of \$431,382 over the current budget. However, due to savings achieved through the partial deferral of wastewater upgrading there will be no overall adverse impact on the FY 2016/17 budget.

If the Town were to elect to carry out the apron strengthening works itself, under airport operating conditions, it is considered highly likely that the initial cost would exceed the current budget and that there would be significant ongoing maintenance costs due to the acknowledged fact that the scope of works is inadequate to ensure satisfactory pavement performance.

Under this proposal, full construction and maintenance responsibility will fall to the Lessee, and thus there will be no ongoing asset management implications.

STRATEGIC IMPLICATIONS

The project is in line with section 2.1 and 2.2 of 2014-2024 Strategic Community Plan, contributing towards making Port Hedland a nationally significant gateway city and having a positive impact on the local economy.

The project is consistent with the Growth Plan as it contributes directly to transport infrastructure upgrade.

SUSTAINABILITY IMPLICATIONS

Environmental

There are no direct environmental impacts associated with the recommendation.

Economic

The apron strengthening works are regarded as important to improving the efficiency of PHIA, however undertaken.

Social

There are no direct social impacts associated with the recommendation.

Risk

Risk	That the Lessee might insist that the Town carry out the works as already agreed	That works carried out within the scope of the Town's budget will be inadequate
Risk Likelihood (based on history and with existing controls)	Likely (4)	Likely (4)
Risk Impact / Consequence	Moderate (3)	Moderate (3)
Risk Rating (Prior to Treatment or Control)	High (10-16)	High (10-16)
Principal Risk Theme	Financial Impact - 4 Major - \$300,001 - \$3M	Reputation - 3 Moderate - Substantiated, public embarrassment, moderate impact on key stakeholder trust or moderate media profile
Risk Action Plan (Controls or Treatment proposed)	Transfer risk to Lessee	Transfer risk to Lessee

Risk Matrix

Consequence Likelihood		Insignificant	Minor	Moderate	Major	Catastrophic
		1	2	3	4	5
Almost Certain	5	Medium (5)	High (10)	High (15)	Extreme (20)	Extreme (25)
Likely	4	Low (4)	Medium (8)	High (12)	High (16)	Extreme (20)
Possible	3	Low (3)	Medium (6)	Medium (9)	High (12)	High (15)
Unlikely	2	Low (2)	Low (4)	Medium (6)	Medium (8)	High (10)
Rare	1	Low (1)	Low (2)	Low (3)	Low (4)	Medium (5)

CONCLUSION

From an engineering perspective there is no dispute that a prudent approach to the long-term serviceability of the aircraft parking aprons would be as recommended in the AMS report. However, this would involve expenditure of some \$4 million over and above what the Town has budgeted for this work. Accordingly, for the Town to carry out the works within the more limited scope originally proposed would create a significant risk of ongoing costs to deal with the likely repeat deformation or failure of the pavement.

In that context, the proposed payment of \$1 million, or \$431,382 over the current budget, is considered a moderate price to pay for the Town to be able to transfer all risk to the Lessee. Costs aside, the Town is not adequately resourced to carry out this work under airport operational conditions and transferring the responsibility to the airport operator is a logical and prudent approach.

ATTACHMENT 1 TO ITEM 15.2



PHIA Asset Pty Ltd as trustee for PHIA Asset Trust
c/o Port Hedland International Airport
PO Box 356
Port Hedland WA 6721

Our Ref: Port Hedland International Airport – Aircraft bay strengthening
Enquiries: Mitchell Cameron
Phone: 08 9160 0500

Mr Chris Linnell
Acting Chief Executive Officer
Town of Port Hedland Office
A Civic Centre, McGregor St,
Port Hedland WA 6721
E ceo@porthedland.wa.gov.au

Dear Mr Linnell *Chris*

Port Hedland International Airport – Strengthening program for four aircraft parking bays

We refer to your letter (ref 20/01/0087) dated 7 October 2016 and previous correspondence on this matter culminating in our meeting of the 27 September 2016. As you are aware PHIA Operating Company Pty Ltd (PHIA OpCo), operate Port Hedland International Airport (PHIA) and the PHIA Asset Trust (Trust) under an Agreement for Lease between the Town of Port Hedland (Town) and PHIA Asset Pty Ltd as trustee of the PHIA Asset Trust dated 15 September 2015 (Agreement) and the other Transaction Documents, as defined in the Agreement.

We have each acknowledged that the Town has obligations under the Agreement to provide a number of Town Works projects; including the subject of this letter, the Strengthening program for four aircraft parking bays. We further acknowledge that PHIA and the Town have come to an 'in principle' agreement that PHIA should undertake these works with the Town making an appropriate financial contribution in lieu of their obligation to execute the works. To enable this arrangement to be formalised, PHIA seeks the agreement of the Town to make a once off contribution of one million dollars (\$1.0m) excluding GST if applicable, in full and final satisfaction of the Agreed Town Capital Works obligations under the Agreement in relation to the *Strengthening program for four aircraft parking bays*.

We look forward to your consideration and response.

Yours sincerely

Mitchell Cameron
Chief Executive Officer
PHIA Operating Company Pty Ltd

13 October 2016

Item 16 Matters for Which Meeting May Be Closed (Confidential Matters)

CM201617/078 COUNCIL DECISION**MOVED: CR HOOPER****SECONDED: CR TAVO**

That with respect to item 16.1 'Port Hedland Dust Management Taskforce Report to Government', Council close the meeting to members of the public as prescribed in section 5.23(2) of the Local Government Act 1995.

CARRIED 8/0

6:30pm The Acting Mayor advised that the meeting is now closed to the public.

16.1 Port Hedland Dust Management Taskforce Report to Government

6.33pm Councillor Arif declared a financial interest in item 16.1 'Port Hedland Dust Management Taskforce Report to Government' as she has BHP shares as her husband is a BHP employee.

6.33pm Councillor Melville declared a financial interest in item 16.1 'Port Hedland Dust Management Taskforce Report to Government' as he is a BHP employee.

6.33pm Councillor Tavo declared a financial interest in item 16.1 'Port Hedland Dust Management Taskforce Report to Government' as he has BHP shares and is an FMG employee.

6.33pm Councillors Arif, Councillor Melville and Councillor Tavo left the room.

CM201617/079 COUNCIL DECISION**MOVED: CR GILLINGHAM****SECONDED: CR HOOPER**

That Council suspend sections 9.4, 9.5 and 9.9 the Town of Port Hedland Standing Orders Local Law 2014 in accordance with section 18.2 'Suspension for Standing Orders' to discuss item 16.1 Port Hedland Dust Management Taskforce Report to Government.

CARRIED BY ABSOLUTE MAJORITY 5/0

6.35pm The Acting Mayor advised that sections 9.4, 9.5 and 9.9 of the Standing Orders Local Law 2014 are suspended.

CM201617/080 COUNCIL DECISION**MOVED: CR GILLINGHAM****SECONDED: CR HOOPER**

That Council resume sections 9.4, 9.5 and 9.9 the Town of Port Hedland Standing Orders Local Law 2014.

CARRIED 5/0

6.49pm The Acting Mayor advised that sections 9.4, 9.5 and 9.9 of the Standing Orders Local Law 2014 are resumed.

OFFICER RECOMMENDATION

That with respect to the Confidential Port Hedland Dust Management Taskforce Report to Government, Council:

1. Receives the Confidential Port Hedland Dust Management Taskforce Report to Government dated August 2016;
2. Notes the correspondence already issued by the Town of Port Hedland Administration;
3. Request the Chief Executive Officer to lobby the Minister for State Development, Minister for Planning, Minister for Health and Minister for Environment to meet with the Council of the Town of Port Hedland and to engage with the community as a whole to redevelop the recommendations in the Confidential Port Hedland Dust Management Taskforce Report to Government.

ALTERNATIVE RECOMMENDATION 1

That with respect to the Confidential Port Hedland Dust Management Taskforce Report to Government, Council:

1. Receive the Confidential Port Hedland Dust Management Taskforce Report to Government dated August 2016;
2. Notes the correspondence already issued by the Town of Port Hedland Administration;
3. Rejects all recommendations provided in the confidential Port Hedland Dust Management Taskforce Report to Government on the basis that there has been a lack of transparency shown by the state government and no engagement with Council or the community;
4. Request the Acting Chief Executive Officer to lobby the Minister for State Development, Minister for Planning, Minister for Health and Minister for Environment to meet with the Council of the Town of Port Hedland and to engage with the community as a whole to redevelop the recommendations in the Confidential Port Hedland Dust Management Taskforce Report to Government.

CM201617/081 COUNCIL DECISION**MOVED:CR BLANCO****SECONDED: CR GILLINGHAM**

That with respect to the Confidential Port Hedland Dust Management Taskforce Report to Government, Council:

- 1. Receive the Confidential Port Hedland Dust Management Taskforce Report to Government dated August 2016;**
- 2. Notes the correspondence already issued by the Town of Port Hedland Administration;**
- 3. Rejects all recommendations provided in the confidential Port Hedland Dust Management Taskforce Report to Government on the basis that there has been a lack of transparency shown by the state government and the Port Hedland dust management taskforce, and no engagement with Council or the community;**
- 4. Request the Acting Chief Executive Officer to engage the Minister for State Development, Minister for Planning, Minister for Health and Minister for Environment to meet with the Council of the Town of Port Hedland and to engage with the community as a whole to redevelop the recommendations in the Confidential Port Hedland Dust Management Taskforce Report to Government.**

CARRIED 5/0**ALTERNATIVE RECOMMENDATION 2**

That with respect to the Confidential Port Hedland Dust Management Taskforce Report to Government, Council:

1. Receives the Department of State Development referral of 4 October 2016 in relation to the BHP Billiton Iron Ore application to upgrade certain aspects of Nelson Point infrastructure and requests the Acting Chief Executive Officer to respond on the following basis:
 - a. The supporting documentation provided by the applicant is deficient in that no evidence has been provided regarding dust emissions and/or how any mitigation will occur if there was an increase in emissions due to increased throughput;
 - b. The Town does not support intensification of port activities until such time that port users have mitigated any potential health impacts and have reduced dust emissions;
 - c. The Department of Environment Regulations has not completed a review of licencing procedures or conditions to hold port users to account for their impacts on the adjoining community.

CM201617/082 ALTERNATIVE RECOMMENDATION 2/COUNCIL DECISION**MOVED: CR WHITWELL****SECONDED: CR HOOPER**

That with respect to the referral received by the department of state development with respect to the application in relation to increased throughput by BHP Billiton, Council:

- 1. Receives the Department of State Development referral of 4 October 2016 in relation to the BHP Billiton Iron Ore application to upgrade certain aspects of Nelson Point infrastructure and requests the Acting Chief Executive Officer to respond on the following basis:**
 - a. The supporting documentation provided by the applicant is deficient in that no evidence has been provided regarding dust emissions and/or how any mitigation will occur if there was an increase in emissions due to increased throughput;**
 - b. The Town does not support intensification of port activities until such time that port users have mitigated any potential health impacts with reduced dust emissions;**
 - c. The Department of Environment Regulations has not completed a review of licencing procedures or conditions to hold port users to account for their impacts on the adjoining community.**

CARRIED 5/0

7.05pm Councillor Arif, Councillor Melville and Councillor Tavo returned to the room and resumed their chairs.

CM201617/083 COUNCIL DECISION**MOVED: CR TAVO****SECONDED: CR GILLINGHAM**

That Council open the meeting to members of the public as prescribed in section 5.23(2) of the Local Government Act 1995.

CARRIED 5/0

7.07pm The Deputy Mayor advised the meeting is now open to members of the public.

Item 17 Closure

17.1 Date of Next Meeting

The next Ordinary Meeting of Council will be held on Wednesday 23 November 2016, commencing at 5:30pm, with the Public Agenda Briefing being held on Wednesday 16 November 2016, commencing at 5:30pm.

17.2 Closure

There being no further business, the Deputy Mayor declared the meeting closed at 7.10pm.