



MINUTES

Annual General Meeting of Electors Meeting Thursday, 19 December 2019

Date: Thursday, 19 December 2019

Time: 5.00pm

Location: Civic Centre
McGregor St
Port Hedland

Distribution Date: 20 December 2019

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Item 1 Opening of Meeting

The Commissioner declared the meeting open at 5:00pm.

Item 2 Acknowledgement of Traditional Owners and Dignitaries

The Commissioner acknowledged the Kariyarra people, on whose lands we are meeting, and paid his respects to Elders past, present and emerging.

The Commissioner acknowledged the Honorary Freeman of Port Hedland, Mr Arnold Carter.

Item 3 Recording of Attendance

3.1 Attendance

Present Commissioner Fredrick Riebeling

In Attendance: David Pentz (Chief Executive Officer)
Anthea Bird (Director Corporate Services)
Craig Watts (Director Regulatory Services)
Lee Furness (Director Infrastructure Services)
Josephine Bianchi (Director Community Services)
Rebecca Somerford (Acting Manager Governance)
Angelique Cook (Senior Governance Advisor/Minute Taker)

Staff	4
Public	2
Media	0

3.2 Attendance by Telephone / Instantaneous Communications

Nil.

3.3 Apologies

Nil.

3.4 Approved Leave of Absence

Nil.

Item 4 Response to Previous Questions

4.1 Response to Questions taken on notice from Annual General Meeting of Electors held on 27 March 2019.

4.1.1 MR ARNOLD CARTER

A written response was provided to Mr Carter on 8 May 2019.

At the Ordinary Council Meeting held on 23 April 2018 it was agreed that the Gratwick Aquatic Centre would be upgraded. I refer to tender 2018-16, which was divided into two components. The first component had an allocation of \$300,000, the second component was to be included in the 2019 budget. This had an estimate of \$500,000 making a total allocation \$800,000. You indicated in your expenditure mid-year review dated 12 February 2019 a budget expenditure of \$905,228 was to be allocated, which is far in excess of the \$800,000. I presume this included the original budget amount of \$500,000, which was in your previous budget.

Would you please supply the following information?

- 1. Were estimates ever received for the first section of the upgrade and have you received a final quote for the completion of this project? If so, what is the final estimate?*
- 2. Why was there such a delay in the construction of the first component of the contract, which was issued in April 2018? Have you received a completion date?*

The Director Infrastructure and Town Services provides the following responses to Mr Carter's questions:

1. a) Yes, a cost estimate was received for the works prior to going to tender.
b) The final estimate is as per the Council Item in October 2018.
c) That figure is \$905,295 ex GST.
2. a) The delay was as a result of the pressure filters failing. This was outlined and discussed in October 2018 when the item was brought to Council to seek the additional funds to replace the filters. A lead time of 12-16 weeks was required from when the filters were ordered to delivery.
b) The current completion date is the end of May 2019.

Furthermore, the Project Manager advises that at the Ordinary Council Meeting on 23 April 2018 Council Awarded Tender 2018-06 Gratwick Aquatic Centre (GAC) Upgrade Works to Dynamic Pools. The Request for Tender (RFT) was divided up in to two separable portions separable portion 1 costing \$291,972 ex GST and separable portion 2 costing \$409,718 ex GST. Separable portion 2 was subject to Council adopting the 2018/19 annual budget. This was a total project cost of \$701,690 ex GST.

As part of separable portion 1, works were completed in the 2017/18 financial year, and there was a remaining budget of \$196,282 ex GST rolled over to the 2018/19 financial year. This, added to the adopted budget for separable portion 2 (\$409,718), provided a project budget of \$606,000 ex GST for the 2018/19 financial year.

In October 2018 details were presented to Council which outlined the structural failures of the pressure sand filters at the GAC facility. These pressure filters had been bypassed several years previously by the Town and as a result, when reconnected and tested, there was a catastrophic failure of the vessels and the tanks exploded. As a result, an item was presented to Council in October 2018 which requested the budget for GAC be amended to so the failed pressure

vessels could be replaced. On 24 October 2018 Council endorsed the recommendation and agreed to amend the budget to \$905,295 ex GST, an increase of \$299,295 ex GST.

In relation to the Port Hedland International Airport, the 2018 budget showed a balance of \$165,827,493.00. Could you please advise what component of this figure is interest received, as it is noted that your 2018/2019 budget comprises of the exact same figure?

The Manager Financial Services advises that the current balance of the PHIA reserve is \$168,026,137. Interest received was \$2,198,644.56 and was not included in the budgeted closing balance figure, however the actual balance has reflected the interest earned.

Is it correct that you do not estimate or include in your budget any alteration to the amount of money in the actual funds in 2018?

The Manager Financial Services advises that this is correct. The Town does transfer the interest at the end of the year to reserve (as shown above) as per council resolution 201516/278.

As commented on in the audit report, when is it anticipated that a financial management committee be appointed for the management of the proceeds from the sale of the Port Hedland International Airport?

The Director Corporate and Performance advises that the Town is unable to verify the 'audit report' to which Mr Carter is referring. The most recent external audit closing report issued by RSM for the year ended 30 June 2018 (the year to which the AGM applied) does not mention the PHIA Long Term Lease Proceeds.

Proposed usage and management of the PHIA Long Term Lease Proceeds Reserve will be presented to Council as part of the draft long-term financial plan in June 2019.

In the Critical Disclosures portion of the Financial Report it states "We have audited the following critical disclosures in the financial report and we find that there are several discrepancies. Disclosures of key management personnel remuneration and related party transactions are not in accordance with AASB 124 Related Party Disclosures", and the auditor has marked that as a matter of concern. Could you please update me on that disclosure?

The Manager Financial Services advises that she believes Mr Carter is referring to a document provided to him in an ARG meeting on 4 December 2018 (the draft version of the Audit closing report prepared by RSM). Since that draft was issued, the Town received the final closing report dated 4 February 2019.

The final closing report was provided to the ARG committee on 14 February 2019 as Attachment 2 to item 11.1.1. In the final closing report RSM confirmed the Town's related party disclosures complied with accounting standards/financial management regulations.

Item 5 Confirmation of Minutes of Previous Meeting

5.1 Confirmation of Minutes of the Annual General Meeting of Electors held on 27 March 2019.**RECOMMENDATION / DECISION**

That the Minutes of the Annual General Meeting of Electors held on 27 March 2019 are a true and correct record.

CARRIED UNANIMOUSLY

Item 6 Annual Report

6.1 Report

In accepting the Annual Report there are some issues I wish to highlight for the year although the period is not covered by the time I came to Port Hedland.

1. Firstly the Town collected rates yield was increased with industry now paying significantly more for portions of their operation.
2. The above increase has allowed for improvement to infrastructure that was previously not possible such as roads, maintenance, footpaths, lighting, and playgrounds. The new stream of money has eased the pressure on households.
3. We saw the adoption of a Strategic Community Plan 2018-28.
4. Conducted the Perception Survey with over 1000 residents responding, highlighting waste management and daycare as two of the most pressing problems.
5. In response to daycare problems, the library in Port Hedland was closed and renovations now taking place to expand day care in the site of the old library.
6. Now developing kerbside recycling program which is due to start in Mid-year 2020.
7. We saw the first concept plan for the new Spoilbank Mariner, a project that has been promised for decades. Also saw the creation of the Spoilbank Reference Group.
8. We saw the adoption of the Coastal Hazard Risk Management Plan in May 2019.
9. Plus the creation of the Community Safety Plan 2019-21 really to better coordinate resources in Port Hedland.
10. We also approved 3 Master Plans to South and Port Hedland to enhance existing facilities and create new spaces for sport and recreation in our town with the South Hedland Integrated Sports Complex, JD Hardie Centre and Community Zones and McGregor Street Sports Precinct.

I wish to especially thank the staff for their efforts in the Year 18/19, which was a very difficult year for staff as a result of the happenings in the Council. I do congratulate Council for the work that they did on the above issues and one could imagine if they weren't so dysfunctional

what could have been achieved. I do thank them for the efforts they put in in achieving what is listed in this Annual Report.

RECOMMENDATION / DECISION

That the Town of Port Hedland Commissioner's Report, Chief Executive Officer's Report and the Annual Report for the 2018/19 Financial Year be received.

CARRIED UNANIMOUSLY

Item 7 General Business

7.1 MR ARNOLD CARTER

My main concern tonight is regarding an article I gave to Council at the meeting held in March this year which referred to the aquatic centre. My comments are as follows: A continuation of the question asked at the AGM held on 27 March 2019, taking into consideration Councils response. You state that the delay in contract completion was the lead time in supplying new filters. Why was there such a delay from October 2018 to approximately 7 months in advising Council of filter availability which gave you a completion date of May 2019? In October 2018 Council amended the budget to \$905,295.00, were the filters ordered before the amended budget was confirmed by Council which would have agreed with your May time line, which happened in six months between May 2019 and the completion date of November 2019.

I find it incomprehensible that the upgrade of the pool extended over a period of 20 months. On behalf of the Rate Payers Association could you please advise conditions of these contracts negotiations and supervision of the construction and repairs that were to be carried out under the contract agreement? Surely there would have to be a person or persons being kept up to date of the progress being made over such a long period of time. Prior to the news releases by the Commissioner, which we fully endorse, negativity was incurred as there was minimal public progress reports issued and any possible deferments that could have created an extension of the contract agreements, many times on my visitation I found the pool vacant of any contractors at all.

Finally it was open to the public on the 23rd November free of charge, which ensured a big attendance after such a long period of time. Who authorised the pool was available for public use under the health requirements regulations? Was this notified to the Town of Port Hedland prior to the opening? When did the Council receive further acknowledgement of the chemical analysis of the pool that waylaid the original definition that closed the pool? Was there an apology for such a reversal in the chemical analysis?

To the Council: What is your present procedure for the pool to become available for public use as per the Health Act? I find it incredible that the Town that has the highest export for iron ore in the world cannot run a recreational swimming pool for the community. In this whole scenario who was responsible for ensuring that his contract was carried out in a professional manner? I find it incredible that the Port Hedland community had to wait for such a period of time for the

availability of its swimming facilities. It is not only unbelievable and unacceptable that in so doing we have to advise the community that a medical check would be advisable.

What has been implemented to eliminate the possibility of such an occurrence happening in the future that would restore faith in the public for the use of this wonderful facility?

Could I please have a breakdown of all the costs including wading pool expended on this facility?

The Commissioner advised Mr Carter that his questions will be taken on notice and that a comprehensive answer to his questions will be provided.

Can you please advise what the situation is in regards to the replacement of the library in Port Hedland which was recently closed down?

The Commissioner advised that there will be an announcement in relation to this matter tomorrow [20 December 2019].

What is the position regarding the financial advice we were going to organise and has been mentioned a couple of times regarding the allocation and the budget for the airport trust fund?

The Commissioner advised Mr Carter that his question will be taken on notice.

Item 8 Closure

There being no further business, the Commissioner declared the meeting closed at **5:11pm**