



Town of  
**Port Hedland**



# Ordinary Meeting of Council Minutes

Council Chambers, McGregor St, Port Hedland

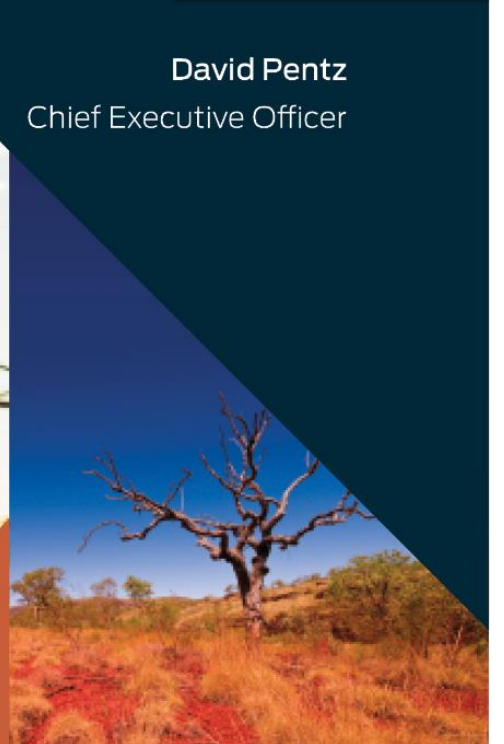
5:30pm Wednesday 26 June 2019

Distribution Date:  
4 July 2019

**David Pentz**  
Chief Executive Officer

## **Our Vision**

*To be Australia's leading  
Port Town embracing  
community, culture  
and environment*



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Item 1	Opening of Meeting.....	5
Item 2	Acknowledgement of Traditional Owners and Dignitaries .....	5
Item 3	Recording of Attendance.....	5
	3.1 Attendance.....	5
	3.2 Attendance by Telephone / Instantaneous Communications.....	5
	3.3 Apologies.....	5
	3.4 Approved Leave of Absence .....	5
	3.5 Disclosures of Interest.....	6
Item 4	Applications for Leave of Absence.....	6
Item 5	Response to Previous Questions.....	6
	5.1 Response to Questions taken on notice from Public at the Ordinary Council Meeting held on Wednesday 22 May 2019.....	6
	5.2 Response to Questions taken on notice from Elected Members at the Ordinary Council Meeting held on Wednesday 30 April 2018..	6
	5.2.1 Councillor George Daccache.....	6
Item 6	Public Time .....	7
	6.1 Public Question Time .....	7
	6.1.1 Mr Arnold Carter .....	7
	6.1.2 Mr Frank Cain.....	10
	6.1.3 Mr Ron Attwood.....	11
	6.1.4 Ms Jan Gillingham.....	13
	6.2 Public Statement Time .....	14
	6.2.1 Ms Christine McDowell.....	14
	6.2.2 Ms Rebecca Dann.....	15
	6.3 Petitions/Deputations/Presentations/Submissions.....	15
Item 7	Questions from Members without Notice .....	16
	7.1 Councillor Daccache.....	16
Item 8	Announcements by Presiding Member without Discussion .....	16
Item 9	Declarations of All Members to Have Given Due Consideration to All Matters Contained in the Business Paper before the Meeting .....	19
Item 10	Confirmation of Minutes of Previous Meeting.....	20
	10.1 Confirmation of Minutes of the Ordinary Council Meeting held on Wednesday 22 May 2019 .....	20
	10.2 Confirmation of Minutes of the Special Council Meeting held on Wednesday 5 June 2019 .....	20

	10.3 Confirmation of Minutes of the Special Council Meeting held on Wednesday 12 June 2019 .....	20
<b>Item 11</b>	<b>Reports of Officers .....</b>	<b>22</b>
	11.1 Corporate and Performance.....	22
	11.1.1 Statement of Financial Activity for the Period Ended 30 April 2019 ( <i>File No. 12/14/0003</i> ).....	22
	11.1.2 Rates & Sundry Debtors write off ( <i>File No. 12/15/0005</i> )...	26
	11.1.3 Corporate Business Plan Performance Report – as at June 2019 ( <i>File No. 02/09/0015</i> ).....	29
	11.1.4 Status of Council Decisions Update ( <i>File No. 13/06/0001</i> )	32
	11.1.5 Adoption of Strategic Resource Plan 2019/20 – 2033/34 incorporating Long Term Financial Plan and Asset Management Plan ( <i>File No. 12/11/0004</i> ).....	34
	11.1.6 Adoption of Revised 2019/20 Rating Strategy & Adoption of the 2019/20 Annual Budget ( <i>File No. 12/05/0012</i> )1.....	38
	11.2 Development, Sustainability and Lifestyle.....	52
	11.2.1 Award of Tender RFT 1819-49 – ‘Local Planning Strategy and Scheme Review’ ( <i>File No. 18/07/0057</i> ).....	52
<b>Item 12</b>	<b>Reports of Committees .....</b>	<b>61</b>
	12.1 Audit, Risk and Governance Committee Minutes - 14 May 2019..	61
<b>Item 13</b>	<b>Motions of Which Previous Notice Has Been Given .....</b>	<b>61</b>
<b>Item 14</b>	<b>New Business of an Urgent Nature .....</b>	<b>61</b>
	14.1 Early Repayment of Loans – release of additional Reserve funds ( <i>File No. 12/02/0001</i> ).....	62
<b>Item 15</b>	<b>Matters for Which Meeting May Be Closed (Confidential Matters) ..</b>	<b>66</b>
<b>Item 16</b>	<b>Closure .....</b>	<b>66</b>
	16.1 Date of Next Meeting .....	66
	16.2 Closure.....	66

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**Item 1 Opening of Meeting**

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The Mayor declared the meeting open at 5.30pm.

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**Item 2 Acknowledgement of Traditional Owners and Dignitaries**

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The Mayor acknowledged the traditional custodians, the Kariyarra people, and recognised the contribution of Kariyarra Elders past, present and future, in working together for the future of Port Hedland.

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**Item 3 Recording of Attendance**

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**3.1 Attendance**

Mayor Camilo Blanco  
Deputy Mayor Louise Newbery  
Councillor Julie Arif  
Councillor Richard Whitwell  
Councillor Peter Carter  
Councillor George Daccache  
Councillor Telona Pitt  
Councillor Warren McDonogh (Attended on approved leave)

David Pentz	Chief Executive Officer
Robert Leeds	Director Development, Sustainability and Lifestyle
Anthea Bird	Director Corporate and Performance
Peter Chandler	Acting Director Infrastructure and Town Services
Wendy Barnard	Corporate Support Officer/ Minute Taker

Staff	10
Public	6
Media	1

**3.2 Attendance by Telephone / Instantaneous Communications**

Nil

**3.3 Apologies**

Nil

**3.4 Approved Leave of Absence**

Councillor Tricia Hebbard

### 3.5 Disclosures of Interest

Nil

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### Item 4 Applications for Leave of Absence

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CM 201819/219 COUNCIL DECISION

MOVED: CR ARIF

SECONDED: CR PITT

That Council approve the following application for leave of absence:

- Councillor McDonogh from 4 to 5 July 2019.

*CARRIED 8/0*

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### Item 5 Response to Previous Questions

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#### 5.1 Response to Questions taken on notice from Public at the Ordinary Council Meeting held on Wednesday 22 May 2019

Nil

#### 5.2 Response to Questions taken on notice from Elected Members at the Ordinary Council Meeting held on Wednesday 30 April 2018

##### **5.2.1 Councillor George Daccache**

*I am concerned about the response to the question from Councillor Julie Arif (item 5.31 of these minutes) regarding the amount of \$31,665.35. The original question was from Ms Lauren Shannon at the 13 February 2019 Ordinary Council Meeting and it was raised again at the 27 March 2019 Ordinary Council Meeting. The response to Ms Lauren Shannon's question listed six items on which the money was spent:*

- *Air Conditioning servicing for all units*
- *Cockroach treatment and rodent baiting*
- *General maintenance including lighting, footpath renewal, ablution repairs, reticulation repairs, plumbing repairs, electrical repairs, etc.*
- *Electrical safety audit*
- *Emptying skip bins*
- *Parts and materials purchased for maintenance*

*The explanation included in today's response to Councillor Arif's question listed only two items: fire equipment servicing and general maintenance including roof repairs. Could you explain the change?*

*I would like an apology to the volunteers that ran the Retirement Village for a number of years, because the response did not acknowledge their contribution. I would also like to see the receipts or invoices for the six items listed above.*

The Director of Corporate and Performance advised that the response to the original question from Ms Lauren Shannon was incorrect. Whilst the 2016/17 budget had provision for expenditure at Port Hedland Retirement Village, no monies were actually spent by the Town in that financial year. It should be noted that the Port Hedland Retirement Village Association was responsible for the day to day management of Port Hedland Retirement Village in 2016/17.

The incorrect information was due to miscoding of invoices in 2016/17. The \$31,665.35 actually related to repairs to the roof at South Hedland Returned and Services League (RSL).

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## Item 6 Public Time

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*Important note:*

*'This meeting is being recorded on audio tape and streamed live online 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 chairperson 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.*

### 6.1 Public Question Time

The Mayor opened Public Question Time at 5.34pm.

#### 6.1.1 Mr Arnold Carter

*The rates received in the 2018/19 actuals is \$44,796,175 and the budget for that same year is \$30,227,659, an additional amount of rates received of \$14,568,516. The reserve payment, which you made the same year, is \$17,856,416. Has the balance of \$14,568,516 been paid out of general revenue?*

The Manager Financial Services advised that the reserve payment of \$17M is inclusive of \$3M of identified rates which were transferred as part of the original budget process.

*That answers my question, it came out of general revenue.*

*In 2018/19, it is noted that you intend to transfer into the Financial Risk Reserve the amount of \$17,856,416. In the 2019/20 budget, which I presume includes the additional revenue received, does that figure take into account the additional amount of revenue you expect to be derived from your budgets?*

The Mayor asked whether Mr Carter's question was referring to the 2019/20 financial budget due to be considered at this meeting?

*Yes, it does.*

The Manager Financial Services advised that the \$17M being transferred to the Financial Risk Reserve is directly related to rates income which is identified as needing to be restricted, which is part of the same \$42M.

*In the 2019/2020 budget, you have indicated another transfer of \$14,509,502. I presume this will be paid from rates received which is budgeted at \$42,765,534. You indicated a transfer out of \$7,501,248. Where is this budgeted for as it leaves a balance of \$24,864,710 in your reserve account. Where does that \$7,501,248 go?*

The Manager Financial Services advised that the \$7.5M of funds being transferred out of the Financial Risk Reserve were funds deemed earned, secured and able to be transferred back into municipal fund.

*Where is that amount indicated in your budget of expenditure?*

The Manager Financial Services advised that the funds have been used across various areas in renewal and operational expenditure.

*It is not used for any specific purpose?*

The Chief Executive Officer advised that the funds are spread across a range of projects.

*The balance at 30 June 2020, in your trust account, is \$24,864,710, is that correct?*

The Manager Financial Services advised in the affirmative.

*Have you received any objections against additional rates charged? If so, have you received any litigation against these objections?*

The Mayor advised that no objections have been received.

*Why would you have \$24M in an account for them?*

The Mayor advised that the \$24M is the Financial Risk Reserve, which is to ensure that the extra income generated is not spent in case there is a claim, or if the Minister strikes those areas from being rateable.



*If you have had no complaints, why would you do that?*

The Mayor advised that this is a risk that has been identified, and therefore the funds have been set aside. The people that are being rated have indicated that they will not challenge the rate charges.

*In two years you take \$24M out of rates, you will spend \$7M next year, and you have \$21M. None of this has been put to the benefit of the Town of Port Hedland?*

The Mayor advised that the extra generated rates are being isolated for the next twelve months and then those rates are then reapplied to the capital works and maintenance program of the Town. The full amount goes directly back into the main infrastructure.

*Why do you not release the \$17M in the 2018/19 budget, as it has been in the account for twelve months?*

The Mayor advised that Mr Carter's question had already been answered.

*It has not, you have avoided it.*

*This question is regarding the Port Hedland International Airport. Payment of debts amounting to \$23,951,183 was finalised in the 2018/19 financial year. You have indicated a payment of \$10M to be transferred from the 2019/20 budget. Where is this budgeted for expenditure?*

The Mayor advised that Council has agreed that \$4M will go to the Port Hedland Retirement Village, \$2M [NOTE: This figure should be \$4M] for redevelopment of staff housing, \$1M to JD Hardie upgrades, this is for the air conditioning unit and replacement of the roof, and \$1M is for the Building Better Regions Fund.

*What happens to the interest received from the Airport Reserve account?*

The Mayor advised that all interest generated is put into municipal funds, and this has been the practice for a number of years.

*I read in the audit report, that last year it was only for a very short period of time, but here you are allocating it for twelve months, which is not a short period of time.*

The Mayor advised that last year was the first year the interest had been used from the Airport Reserve. Interest earned on other accounts has always been put into municipal funds.

*I hear that Jodi [Marchant] is leaving and I would like to congratulate her and thank her for all her work.*

### 6.1.2 Mr Frank Cain

*In 2014, there was an asbestos concern at the old Wedgefield camp and nothing has been done about it. I have photos of all the asbestos that is still there.*

The Mayor advised Mr Cain to direct his questions to the Department of Planning, Lands and Heritage, as that block of land is not owned by the Town and therefore the Town has no jurisdiction over it.

*The Town has issued a demolition permit on that land, and Shire workers have used a crane to put a bin on the land. They were working with Compass Group and are hiding the fact. I have pictures here that show the Shire Council workers using machines to cover up the asbestos that was on site.*

The Mayor reiterated that the block of land Mr Cain is referring to is a Department of Planning, Lands and Heritage block and is not within the jurisdiction of the Town of Port Hedland.

*It was at one stage when you took me to court.*

The Mayor advised Mr Cain that all correspondence related to that block of land needs to be forwarded to the Department of Lands [Department of Planning, Lands and Heritage].

*If that is the case I will let that one go.*

*At 1 Schillaman Street, the lot goes from number 1 to number 3 and is known as the Sleeper Factory and has a title under Fluor Daniel Australia. If this land did not have anybody on it and was not leased out, I would not have figured out the problem with the property street numbers, which local Shire [Council] and Landgate have been fraudulent on all Crown Titles.*

The Mayor asked Mr Cain if he had a question to ask.

*Next door to that, is Lot 5858, 5 Schillaman Street, which runs into number 7 Schillaman Street, which is the old Water Corporation. It is on a Crown land title, which has been changed without properly qualified people. The map of the area was used in a four day trial in South Hedland Court and the local shire used this title to hide their fraud, perjury and other false statements. There are two titles on this land and the Shire forgot the Crown land qualified titles. I have both titles here; on one of these titles nothing is rented out, but there seems to be a lot of trucks on the land and they are paying Water Corporation cash in hand.*

The Mayor advised that the Town of Port Hedland charges rates on the Sleeper Factory and is unsure whether Water Corporation are charged rates, as they may be exempt.

*You changed the numbers on the Crown titles.*

The Mayor asked Mr Cain if he had submitted a complaint?

*I have contacted the ACCC [Australian Crime and Corruption Commission] twice and I have contacted Landgate, but they cannot figure it out because they are the ones that changed the land title. This all comes from Mal Osborne, Kelly Howlett, Leonard Long, Eber Butron and Mark Sargent. They are the people that were involved and they put you in control.*

The Mayor advised Mr Cain to submit a complaint to the Town and it would be investigated.

*On all these Crown land titles, I have proof that they are wrong, and there is conflict of interest with Compass Group and the Shire Council hiding all the asbestos and covering it up using machines. I have photos and it is about time you guys cleaned up your act.*

*Richard Whitwell, David Pentz and the Mayor, I have previously asked you to stand down.*

The Mayor advised that Mr Cain would be removed if he continued to speak in that manner.

*We have to get this Town back to normal. A few people must leave the Shire Council, I have nothing against the other members here, but those three have to go.*

### **6.1.3 Mr Ron Attwood**

*The actual expenditure in 2018/19 for employee costs was \$16,816,206 and the budget for 2019/20 is \$22,806,726, which is an additional cost of \$5,990,520. Taking into consideration the transfer of costs from YMCA, where is this expenditure going to be incurred?*

The Mayor advised that the budget for staff costs for 2018/19 was \$18.8M.

*The budget does not show \$18,8M.*

The Mayor advised that the \$18.8m was on page 20 of the budget. There were a significant number of vacancies, so the actual cost for 2018/19 was \$16.8M. The 2019/20 budget is \$22.8M and that takes into consideration 60 extra jobs, both full and part time positions, as the swimming pools, stadium and sporting facilities have been brought in-house.

*My question was "Taking into consideration the transfer of costs from YMCA, where is this expenditure incurred?"*

The Mayor advised that the expenditure was for the extra full time positions.

The Chief Executive Officer advised that as the Town no longer pays the YMCA to manage the stadium, the savings derived will be used to cover on-boarding of the staff resulting in a nil effect to the budget.

*I want to know where this information was reflected in the budget.*

*Could I please have a breakdown of materials and contracts of the budget amount of \$43,625,430?*

The Mayor advised that this amount takes into consideration \$24M allocated to the marina project, which may have to be passed on when the development starts early next year.

*What I am asking for is a breakdown of materials and contracts in the budget for the \$43M.*

The Manager Financial Services advised that the \$43M is inclusive of the standard business operating expenditure, which is incurred year on year for general service delivery, but in addition to that is around \$30M of operational projects which have been identified separately in the budget.

*Can I see it in black and white, please?*

The Manager Financial Services provided Mr Attwood the relevant document for his review.

*That does not add up to \$43M.*

The Chief Executive Officer advised that the budget is not worked out to that level of detail. How those costs will be distributed amongst materials is still to be determined and will eventuate as the projects are rolled out.

*How do you do a variation to your budget, if it is not line by line?*

The Mayor advised that variations to the budget are done quarterly and confirmed that Mr Attwood would have seen this as a member of the Audit and Finance Committee [now the Audit, Risk and Governance Committee].

*Yes, but we were only allowed a 10% variation and quite a few of the budgets went over the 10% variation.*

The Chief Executive Officer advised that the Town's budgets are run differently to what was done previously with the inclusion of more detailed scoping and costing.

*Can I have your answer recorded in the minutes?*

The Mayor advised he would take the question on notice.

*Your budget advises that you have finalised the debts for the amount of \$23,9M. What was the payout figure that was included in this payment? What was the position regarding self-supporting loans, which is in the same line item?*

The Mayor advised that there are two self-supporting loans, one was the Port Hedland Yacht Club and the other one was the South Hedland Bowling and Tennis Club, with the total being approximately a million dollars.

*Could I have those details included in the minutes?*

The Mayor advised he would take the question on notice.

#### **6.1.4 Ms Jan Gillingham**

*Since October 2017, it seems the rates income has significantly increased, by around \$20M, can you please explain how the Council has been able to achieve this amount?*

The Mayor advised that over the past two years, the executive and staff have reviewed all the stock of land in the Town and found that there was quite a bit of land that had not been rated. Work was done to have it valued and this enabled the Town to legally apply the rate notices to those blocks of land. This work has been going on for 18 months. The current year's budget, 2018/19, has realised a significant increase of around \$20M, and in the next year's budget the income has effectively increased from two years ago to now by just under \$20M.

*I have noticed in the projected expenses a significant increase in materials and contracts. Are you able to explain the significant increases and how this will benefit the Town?*

The Mayor advised that the significant increase is attributed to the Town's investing activities, as noted on page 51 of the budget. Where historically only between \$6M and \$10M could be spent on assets, whether it be it infrastructure or maintenance, this can be seen on page 51 of the budget. There is currently a \$40M capital works and maintenance program for Hedland in the 2019/20 budget, which is a massive increase. The related information, which shows where that money is going to be spent, is on pages 52 – 56 of the agenda. It is a long list of renewals and maintenance that may be ambitious but the Town is going to attempt it, and it is something that will transform the face of Port Hedland in years to come.

*What new items in the 2019/20 budget are the Town considering prioritising?*

The Mayor referred to pages 52 – 56 of the budget, which lists all the planned projects. Some of the major projects include:

- Finucane Island Boat Ramp
- Shoata Road

- Footpath program \$1.2M
- Replacement of one playground per year \$1.2M
- Shade Structure at South Hedland Skate Park \$1.2M
- Staff Housing construction \$4M
- Port Hedland Retirement Village \$4M
- Child Care Strategy Implementation \$2M

*Will the public get to know which projects are being prioritised?*

The Mayor advised that the plan is to have a high percentage ratio of completion on adopted budgets. The 2018/19 budget has an 85% completion rate, if this continues into the 2019/20 financial year, this will mean massive improvements throughout Hedland.

The Mayor closed Public Question Time at 6.06pm.

Mr Cain requested to ask more questions.

The Mayor advised Mr Cain that he had already been given the opportunity to ask his questions and that he had done so accordingly.

## 6.2 Public Statement Time

The Mayor opened Public Statement Time at 6.06pm.

### 6.2.1 Ms Christine McDowell

Mayor Camilo Blanco, I would like to address some concerns that I have about the content and comments relayed to the Council and members of the public at the last Ordinary Council Meeting by yourself regarding the Port Hedland Retirement Village. As you are aware the truth about what had taken place during the time of Cyclone Veronica was not portrayed accurately by yourself. Firstly you stated to GWN7, when they interviewed you on television, that three residents had been forcibly removed from their homes. The fact is that the police notified three residents when the red alert was called to evacuate, two took the offers of transport to family residences and one chose to stay. No one was forcibly removed.

Furthermore, the accuracy of the condition of the units following the 'All Clear' was completely false. I have photographic evidence, as I was down there within 10 minutes of the 'All Clear' being called, as were the Town of Port Hedland council workers, and the condition that you commented on at the last meeting was completely false. Debris and water was on the road, I have photographic evidence here of the condition of the units and the surrounding areas. No water damage to any of the units occurred, in fact the facility was in better shape with debris than my own home. There were two fences and a gate that had been damaged by the wind.

*The Mayor asked Ms McDowell if she had a question.*

*I am making a statement, I am not in question time, Mayor.*

*The Mayor apologised and asked Ms McDowell to continue her statement.*

There were two fences and a gate that had been damaged by the wind and I have photographic evidence of two residents who secured these on their return to the units.

I am also concerned by Mr McDonogh's comment that "why were we worrying about less than 2% of the population", when we were talking about the residents last meeting. Unfortunately I, as a member and resident of this community, was very disturbed by this comment. I think that as a Councillor, and all Councillors, including the Mayor, your priority is to represent all people resident in our community, not just the industry and their workers.

These residents have worked collectively for years to develop this town to what it is today. Yes, they are a minority group and yes, there are only six units occupied now. Why so few, because as you well know for the last 18 months there has not been any eligibility to take new tenants.

Our minority groups are constantly being harangued by the current Mayor. Aboriginal youth and Aboriginal social concerns are negatively being managed, with little regard for solutions that are acceptable to the people involved. You kick a dog when it is down and keep doing it and you wonder why the problem remains.

To close my statement, the residents have heard, read and are aware of the comments that are falsely being said about the situation in this town. One of the most concerning facts is that during all of this, the Mayor has not met with the local residents of the Port Hedland Retirement Village and spoken to any of them, only one member of the Council has and that was at the very beginning. Their [Port Hedland Retirement Village residents] comments to me, and I visit them regularly, are that he likes to do the good stuff, but he does not like to do something he knows he is going to have a negative impact on. He has not shown the courtesy of meeting and talking with us, since all this happened last year.

We are all aging, I am myself, I am in that lifespan, something dreadful may happen to me and I may need to use public housing, I hope not but I hope I will be treated better than these residents. We all have rights as humans to be treated respectfully and I find it abhorrent that you, Mr Mayor, continue to show disrespect to these valuable members of our community whom you have never taken the time to meet and hear their concerns directly.

The Mayor closed Public Statement Time at 6.11pm.

## **6.2.2 Ms Rebecca Dann**

I would like to say that you are not doing a great job. You will be hearing from me.

## **6.3 Petitions/Deputations/Presentations/Submissions**

Nil

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**Item 7 Questions from Members without Notice**

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**7.1 Councillor Daccache**

*As you know I attended the National General Assembly Forum in Canberra with Councillor Carter, on behalf of the Town of Port Hedland. I am very glad I attended as some councillors in Western Australia expressed that they thought that this Council was finished, but until a decision is made, we are still a Council.*

*Over 120 recommendations were submitted to the Assembly, the Town of Port Hedland submitted two. The first one was recommendation number 74 and it read:*

*“That this National General Assembly advocate to the Federal Government through the Minister for Regional Development, that appropriate policies are put in place to support centres located in and around mining areas in terms of population growth, investment and job creation.”*

*This recommendation was passed 163/16.*

*The Town’s second recommendation, was number 83 and read:*

*“That this National General Assembly call on the Federal Government to continue extensive consultation with local and state governments, the community sector, medical experts and other relevant stakeholders with a view of creating and implementing appropriate policies to manage anti-social behaviour to support people, families and communities in places where high levels of welfare dependence, and drug and alcohol abuse, co-exist with high levels of social harm.”*

*This recommendation was passed 159/7.*

*This was a great result for the Town of Port Hedland. Out of the 121 recommendations put forward, only one was rejected. I have further information if anybody is interested.*

*I raised an issue at the last meeting about investigating if senior’s car parking could be installed at the shopping centres, next to the disability parking spaces. Could you please advise the progress of this request?*

The Mayor advised Councillor Daccache that information would be provided to him.

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**Item 8 Announcements by Presiding Member without Discussion**

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Tonight is an enormous milestone for the Town of Port Hedland. The Town executive team and staff over the past few years have made significant improvements to the delivery of local government functions in Port Hedland and should be very proud of themselves and the work that has been done on the organisational restructure, saving millions of dollars in operational costs, the development of our Strategic Community Plan, the development of the Long Term Financial Plan and also the Corporate Business Plan.



The Town has also worked on the West End Improvement Plan, which has now been adopted by Western Australian Planning Commission (WAPC) and they are currently working on the scheme development, which allows us to renew our outdated Town Planning Scheme 5. The Town will be starting work on that very shortly. These are some significant steps forward for the Town of Port Hedland.

This financial year has seen a real income increase of about \$20M and that money will be directed into our core infrastructure and maintenance program. This has created the foundation for transforming Hedland into the upgraded, improved town our residents asked for when we consulted with them during the Community Plan process.

With every business in the Pilbara, there are always issues and challenges that push out the delivery time on our committed works plans, but our main aim is completing the maintenance and capital works program in each adopted yearly budget.

The damage created by cyclone Veronica was significant, it is estimated that the repair works could be in the vicinity of around \$20M, the Town is still tidying up after that storm. The Town has still not started on the repair of the Town's coastal assets. Even though we were delayed by cyclone Veronica, the Town and its staff has still been able to finish about 85% of this financial year's capital works and maintenance program. This is a great achievement.

The Town have brought the leisure facilities back in-house, which has increased our full time and part time staff numbers by about 60. The Town has paid off all their debt, which was around the \$24M mark, which means that the Town is debt free, which is another significant achievement. The upcoming financial year's budget has unprecedented increases in many areas, and the next 10 years will produce massive changes to the Hedland landscape as the Town focus on finishing each budget year on year.

I would like to acknowledge a few staff that are leaving the organisation who have been instrumental in this positive change, in the physical look of the town and also the financial changes made. Rob Leeds, Director of Development, Sustainability and Lifestyle, is relocating to the US. The Council would like to thank Mr Leeds for his great contribution to our town, which I am sure will be felt for many years to come.

Manager Financial Services, Jodi Marchant, is also relocating. For the past few years, Jodi has been a part of the financial team that has worked on massive income increases to the Town's budget. Both these key staff members have been part of the historical restructure and delivered meaningful and liveable transformations to Hedland that we will see in the next few years.

The Council wishes both Rob and Jodi the very best into the future.

Mayors Meetings for the month of May 2019:

Date	Meeting	Topic
01/5/2019	Meeting with Mayor of Broome	Meet and greet
01/5/2019	South Hedland Police	Domestic Violence Program Roll out
01/5/2019	Police and Dave & Janice Steele	Street disturbance issues
01/5/2019	Confidential Briefing	As per agenda
02/5/2019	Baler Primary School	Anzac Service Speech
02/5/2019	FMG Meeting	FMG / ToPH Meeting
06/05/2019	Hedland Senior High School	Attendance Strategy Meeting
06/05/2019	Productivity Commission	Remote area tax concessions and payments
08/05/2019	PHCCI	Catch up session
08/05/2019	Agenda Feedback Session	As per agenda
08/05/2019	CEO Recruitment process	As per agenda
09/05/2019	PEAC Students	Hedland models presentation
09/05/2019	BHP	Non process infrastructure
09/05/2019	Hedland Youth Awards	Present certificates
10/05/2019	State budget luncheon	Hon. Stephen Dawson presenting state budget
10/5/2019	Welcome to Hedland	Opening speech
13/5/2019	Roy Hill Meeting	Roy Hill / ToPH Meeting
13/5/2019	Department of Planning, Lands and Heritage	Draft Improvement Plan – West End
15/5/2019	PHCCI meeting	PHCCI / ToPH Meeting
15/5/2019	West End Improvement Plan	As per agenda
15/5/2019	Public Agenda Briefing	As per agenda
15/5/2019	Long Term Financial Plan	As per agenda
16/5/2019	Water Safety Forum	Royal Life Saving event
16/5/2019	Department of Communities	Housing Discussions
17/5/2019	Citizenship Ceremony	Welcome new citizens
21/5/2019	Landcorp	Stakeholder Management Plan
21/5/2019	FY20 Budget Project Review	Budget Workshop
22/5/2019	Ordinary Council Meeting	As per agenda
23/5/2019	Department of Communities – Community Consultation Forum	10 year strategy to reduce family and domestic violence
23/5/2019	Hedland Senior High School	School Board Meeting
28/5/2019	Opening of Student Leadership conference	Open Conference
29/5/2019	Developing Northern Australian filming	Filming
29/5/2019	Budget Modelling workshop	Budget Workshop

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

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

Mayor Camilo Blanco  
Deputy Mayor Louise Newbery  
Councillor Julie Arif  
Councillor Richard Whitwell  
Councillor Peter Carter  
Councillor George Daccache  
Councillor Telona Pitt  
Councillor Warren McDonogh

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Item 10 Confirmation of Minutes of Previous Meeting

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10.1 Confirmation of Minutes of the Ordinary Council Meeting held on Wednesday 22 May 2019

CM201819/220 OFFICER'S RECOMMENDATION / COUNCIL DECISION

MOVED: CR ARIF

SECONDED: CR MCDONOGH

That Council confirm that the Minutes of the Ordinary Council Meeting held on Wednesday 22 May 2019 are a true and correct record.

*CARRIED 8/0*

10.2 Confirmation of Minutes of the Special Council Meeting held on Wednesday 5 June 2019

CM201819/221 OFFICER'S RECOMMENDATION / COUNCIL DECISION

MOVED: CR MCDONOGH

SECONDED: CR ARIF

That Council confirm that the Minutes of the Special Council Meeting held on Wednesday 5 June 2019 are a true and correct record.

*CARRIED 8/0*

10.3 Confirmation of Minutes of the Special Council Meeting held on Wednesday 12 June 2019

CM201819/222 OFFICER'S RECOMMENDATION / COUNCIL DECISION

MOVED: CR ARIF

SECONDED: CR MCDONOGH

That Council confirm that the Minutes of the Special Council Meeting held on Wednesday 12 June 2019 are a true and correct record.

*CARRIED 8/0*

*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.*

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**Item 11 Reports of Officers**

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**11.1 Corporate and Performance****11.1.1 Statement of Financial Activity for the Period Ended 30 April 2019 (File No. 12/14/0003)**

Author	Manager Financial Services
Authorising Officer	Director Corporate and Performance
Disclosure of Interest	The Author and Authorising Officer declare that they do not have any conflicts of interest in relation to this item.

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**CM201819/223 OFFICER'S RECOMMENDATION / COUNCIL DECISION****MOVED: CR MCDONOGH****SECONDED: CR ARIF**

That Council, pursuant to section 6.4 of the *Local Government Act 1995*:

1. Receive the Statement of Financial Activity for the period ended 30 April 2019;
2. Receive the Material Variance Report;
3. Note the Accounts paid under delegated authority for period ended 30 April 2019; and
4. Receive the Credit Card Statements for period ended 30 April 2019.

*CARRIED 8/0*

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**PURPOSE**

The purpose of this report is for Council to consider the Statement of Financial Activity for the period ended 30 April 2019. Supplementary information is also presented to Council to provide further information regarding the Town's activities.

**DETAIL**

The information provided in this report is for the period ended 30 April 2019, with financial results included in *Attachment 1 - Statement of Financial Activity Notes 1-12* prepared by the Town of Port Hedland (Town).

The Town of Port Hedland financial activity reports use a materiality threshold to measure, monitor and report on financial performance and position of the Town.

As part of the 2018/19 original budget, Council adopted the following thresholds as levels of material variances for financial reporting.

1. With regards to expenditure classified as capital projects, a variance of 10% or \$10,000, whichever is greater, of the year to date budget, with individual project as the level that requires explanation.
2. With regards to all other items excluding capital projects identified above, a variance of 10% or \$50,000, whichever is greater, of the year to date budget, with Nature and Type as the level that requires explanation.

Commentary is provided on variances as details above as per *Attachment 2 - Note 13. Explanation of Material Variances*.

The opening funding surplus of \$7.1M presented in YTD Actual on the Statement of Financial Activity is as per the closing surplus presented in the audited June 2018 financial statements.

The net current asset position as at 30 April 2019 was \$20.0M. The breakdown of the cash position is displayed below:

	2018/19 Actuals
Current Assets: Cash and Investments	\$251.1M
Restricted Cash – Reserves	\$238.4M
Unrestricted Cash Position as at 30 April 2019	\$12.1M

#### *Previous Decisions*

The Statements of Financial Activity are presented to Council each month for noting.

#### LEVEL OF SIGNIFICANCE

In accordance with Policy 4/009 'Significant Decision Making', this matter is considered to be of low significance, because this report is presented to Council for information purposes only.

#### CONSULTATION

##### *Internal*

All consultation and engagement is conducted internally.

##### *Community*

N/A

## LEGISLATION AND POLICY CONSIDERATIONS

Section 6.4 of the *Local Government Act 1995* and Regulation 34 of the *Local Government (Financial Management) Regulations 1996* detail the form and manner in which a local government is to prepare its statement of financial activity.

## FINANCIAL AND RESOURCES IMPLICATIONS

The statement of financial activity is to be supported by such information as is considered relevant by the local government containing;

- a. an explanation of the composition of the net current assets of the month to which the statement relates, less committed assets and restricted assets; and
- b. an explanation of each of the material variances referred to in sub-regulation (1)(d); and
- c. supporting information as is considered relevant by the local government.

Reserves:

Ensure compliance will section 6.11 of the *Local Government Act 1995* when reserve accounts are utilised.

## STRATEGIC AND SUSTAINABILITY IMPLICATIONS

The following section of the Council's Strategic Community Plan 2018-2028 is applicable in the consideration of this item:

- 4.b.1** Sound long-term financial planning is implemented
- 4.b.2** Transparent and regular financial reporting and communication to the community is undertaken
- 4.b.3** Transparent and regular governance reporting and communication to the community is undertaken

There are no significant identifiable environmental, social or economic impacts relating to this item.

## RISK MANAGEMENT CONSIDERATIONS

As per the risk matrix contained in policy 1/022 'Risk Management', there is a risk rating of medium (6) assigned in the 2018/19 budget to the risk that a reduction in income or increase in expense throughout the 2018/19 financial year is likely to have an impact on the Town's ability to meet service levels or asset renewal funding requirements. The risk action plan is to monitor revenue and expenditure on a regular basis ensure in line with budget and amend as needed.



## OPTIONS

### *Option 1 - Adopt Officers Recommendation*

Note the Statement of Financial Activity and reports for the period ended 30 April 2019 in accordance with regulation 34(1) of the *Local Government (Financial Management) Regulations 1996*.

### *Option 2 - Amend Officers Recommendation*

That Council receive the Statement of Financial Activity for the period ended 30 April 2019 and request further information or clarification.

### *Option 3 – Do not adopt Officers Recommendation*

That Council do not note or receive the Statement of Financial Activity for the period ended 30 April 2019.

## CONCLUSION

The opening funding surplus of \$7.1M presented in YTD Actual on the Statement of Financial Activity is as per the closing surplus presented in the audited financial statements. The net current asset position was \$20.0M.

Variances in operating revenue and expenditure are addressed in detail in *Attachment 2 - Note 13. Explanation of Material Variances*. The net current asset position will decrease as operating and capital budgets are expended throughout the year.

## ATTACHMENTS

1. Statement of Financial Activity Notes 1-12 (Under Separate Cover)
2. Note 13 Explanation of Material Variance Report (Under Separate Cover)
3. Accounts paid under delegated authority listing (Under Separate Cover)
4. Credit Card Statements for period ended 30 April 2019 (Under Separate Cover)

**11.1.2 Rates & Sundry Debtors write off (File No. 12/15/0005)**

Author	Finance Officer Debtors
Authorising Officer	Manager of Financial Services
Disclosure of Interest	The Author and Authorising Officer declare that they do not have any conflicts of interest in relation to this item.

**CM201819/224 OFFICER'S RECOMMENDATION / COUNCIL DECISION****MOVED: CR MCDONOGH****SECONDED: CR WHITWELL**

That Council pursuant to section 6.12(1)(c) of the Local Government Act 1995, approve the write-off of bad debts to the value of \$1,858,137.26 as per the attached schedule (provided under confidential cover), to be actioned in the 2018/19 financial year.

*CARRIED BY ABSOLUTE MAJORITY 8/0*

**PURPOSE**

The purpose of this report is to provide information that supports the write-off of bad debts for the year ending 30 June 2019. The proposed schedule of write-offs is attached under confidential cover. It is recommended that Council approve the write-off of monies pursuant to section 6.12(1)(c) of the *Local Government Act 1995* as the debts are deemed unrecoverable.

**DETAIL**

Council has adopted a Debt Management Policy (Policy 2/005) which outlines the procedure for the recovery of outstanding debts owed to the Town of Port Hedland. Under the guidelines of the policy, The Town has attempted to recover these debts without success.

All debts recommended for write off hold an overdue term of 120 days or greater. Rates debt collection has been unable to enact section 3 (seizure of rent) and section 4 (sale or caveat on land) of the debt policy as the land is leased and the building is not tenanted or producing rent. In writing off these bad debts, Council is not prevented from reinstating the debt if future circumstances change and the debt becomes collectable. However, this is highly unlikely as the Deed of Company Arrangement (DOCA) indicates a projected dividend of nil for unsecured creditors. The company is still subject to the DOCA and is yet to be wound up.

## LEVEL OF SIGNIFICANCE

In accordance with Policy 4/009 "Significant Decision Making" this matter is considered to be of medium significance due to the financial implications. The debt has been provided for in the provision for doubtful debts.

## CONSULTATION

### *External Agencies*

The Town has made various attempts to recover these funds without success. Administrators Ferrier Hodgson were appointed 5 July 2018.

## LEGISLATION AND POLICY CONSIDERATIONS

Section 6.12(1)(c) of the *Local Government Act 1995* provides Council with the power to write off any amount of money which is owed to the local government by an absolute majority decision.

The attachment is confidential in accordance with sections 5.23(2)(d) and 5.23(2)(e)(iii) of the *Local Government Act 1995*.

Council has adopted a Debt Management Policy (Policy 2/005) which outlines the procedure for the recovery of outstanding debts owed to the Town of Port Hedland

## FINANCIAL AND RESOURCES IMPLICATIONS

The total amount of \$1,858,137.26 has been provided for in the provision for doubtful debts.

\$1,129,029.27 was recognised as doubtful debt expense in 2018/19 with the remainder \$729,107.99 recognised in prior years.

## STRATEGIC AND SUSTAINABILITY IMPLICATIONS

The following section of the Town's Strategic Community Plan 2018-2028 is applicable in the consideration of this item:

- 4.b.1** Sound long-term financial planning is implemented
- 4.b.2** Transparent and regular financial reporting and communication to the community is undertaken

There are no significant identifiable environmental, social or economic impacts relating to this item.

## RISK MANAGEMENT CONSIDERATIONS

There is a financial risk associated with this item because the Town is unlikely to recover the debt owed. The risk rating is considered to be extreme (20), which is determined by a likelihood of almost certain (5) and a consequence of major (\$300,0001 - \$1M) (4).

The Town is in the hands of the administrator and this risk cannot be eliminated or reduced. To mitigate the current risk, the budget is adjusted to ensure the Town does not rely on the income from the debtor(s) under administration. In future, credit checks should occur prior to entering large scale long term leases. Security, such as bank guarantees should also be required as part of any large scale lease in the event of non-payment.

#### OPTIONS

*Option 1 – Adopt officer's recommendation*

*Option 2 – Amend officer's recommendation*

*Option 3 – Do not adopt officer's recommendation*

#### CONCLUSION

In writing off these bad debts, Council is not prevented from reinstating the debt if future circumstances change and the debt becomes collectable

#### ATTACHMENTS

1. Schedule of accounts recommended for write off (Confidential, under separate cover)
2. Deed of Company Arrangement entered 2 November 2019 (Confidential, under separate cover)

**11.1.3 Corporate Business Plan Performance Report – as at June 2019 (File No. 02/09/0015)**

Author	Governance Officer
Authorising Officer	Director Corporate and Performance
Disclosure of Interest	The Author and Authorising Officer declare that they do not have any conflicts of interest in relation to this item.

**CM201819/225 OFFICER'S RECOMMENDATION / COUNCIL DECISION****MOVED: CR ARIF****SECONDED: CR MCDONOGH**

That Council receive the 2018-2022 Corporate Business Plan performance report as at June 2019.

*CARRIED 8/0***PURPOSE**

The purpose of this report is for Council to receive the second performance report on the actions identified in the 2018-2022 Corporate Business Plan.

**DETAIL**

Integrated planning and reporting gives local governments a framework for establishing local priorities and linking these to operational functions as detailed in their Strategic Community Plans and Corporate Business Plans.

The Town of Port Hedland's 2018-2022 Corporate Business Plan (CBP) was adopted by Council in October 2018. It outlines the organisation's key initiatives to achieve the deliverables listed in the Town's 2018-2028 Strategic Community Plan and is reviewed annually, in line with the development of each year's annual budget.

The attached performance report ensures that Council and the community are aware of the organisation's progress against the CBP's key initiatives, and that required services, programs and activities are being delivered.

This report outlines the progress made against these initiatives and covers the period of March to June 2019.

A summary of the key achievements to date are noted below:

- 100% of black spot funded road projects have been completed on time and on budget
- Welcome to Hedland Night was held in May

- Revised Grants policy was adopted in October 2018. Grant Information Sessions held on 7 and 19 March 2019
- Detailed policy review schedule developed and implemented
- Information sheet has been developed for the home business approval process
- Workplace experience and traineeships provided
- Monthly assessment of fuel loading undertaken
- Annual review of the Local Emergency Management Arrangements undertaken and actions completed
- Off-road vehicle education program developed
- Promotional plans for JD Hardie, Matt Dann and Libraries produced for every event held

It should be noted that due to tropical cyclone Veronica, the delivery of some of the projects have been delayed.

#### LEVEL OF SIGNIFICANCE

In accordance with Policy 4/009 'Significant Decision Making', this matter is considered to be of medium significance.

#### CONSULTATION

##### *Internal*

Multiple managers and officers were consulted during compilation of this second performance report.

#### LEGISLATION AND POLICY CONSIDERATIONS

Section 5.56 of the *Local Government Act 1995* outlines the requirement for local governments to plan for the future. The adoption, implementation and reporting of strategic community and corporate business plans facilitate this requirement.

Regulation 19DA of the *Local Government (Administration) Regulations 1996* specifies that Council must review its CBP annually and if modifications are made, the decision must be made by an absolute majority.

#### FINANCIAL AND RESOURCES IMPLICATIONS

There are no financial or resource implications related to this report, as it is for information purposes only.

#### STRATEGIC AND SUSTAINABILITY IMPLICATIONS

The following section of the Council's Strategic Community Plan 2018-2028 is applicable in relation to this performance report:

- **4.b.3** Transparent and regular governance reporting and communication to the community is undertaken

There are no significant identifiable environmental, social or economic impacts relating to this item.

#### RISK MANAGEMENT CONSIDERATIONS

There is a reputational risk associated with this item, as it may be perceived that the Town has not performed as expected by the community. The risk rating is considered to be medium (6), which is determined by a likelihood of possible (3) and a consequence of minor (2).

To reduce this risk, the action plan is to consistently monitor and ensure that the Town's administration is performing its duties to the best of its ability to meet or exceed its key deliverables as outlined in the Corporate Business Plan.

#### OPTIONS

*Option 1 – Adopt officer's recommendation*

*Option 2 – Do not adopt officer's recommendation*

#### CONCLUSION

This report is provided to inform Council of the progress that the Town has made in regards to the adopted actions in the Corporate Business Plan. The Corporate Business Plan outlines the organisation's key initiatives to achieve its deliverables in the Strategic Community Plan.

#### ATTACHMENTS

1. 2018-2022 Corporate Business Plan – Progress Update #2 (Under separate cover)

**11.1.4 Status of Council Decisions Update (File No. 13/06/0001)**

Author	Governance Officer
Authorising Officer	Director Corporate and Performance
Disclosure of Interest	The Author and Authorising Officer declare that they do not have any conflicts of interest in relation to this item.

**OFFICER'S RECOMMENDATION****CM201819/226 OFFICER'S RECOMMENDATION / COUNCIL DECISION**

MOVED: CR MCDONOGH

SECONDED: CR CARTER

That Council receive and note the 'Status of Council Decisions' as at 6 June 2019 as per attachment 1.

*CARRIED 8/0***PURPOSE**

The purpose of this report is to inform Council of actions that have been undertaken in relation to decisions of Council which have not been fully completed.

**DETAIL**

The 'Status of Council Decisions' (SOCD) spreadsheet is an important administrative tool used by the Town to monitor the implementation of Council decisions. Any Council decision that has not yet been fully implemented will remain on the list until it has been completed.

Once the minutes of each Council meeting has been published, the minute taker uploads each decision of Council onto the spreadsheet and allocates it to the relevant officer for actioning and comment. The spreadsheet is accessible by all relevant Town officers.

The SOCD spreadsheet is presented on a quarterly basis for Council and the community to note the progress and status of decisions which have not been fully enacted, and the reasons for this.

**LEVEL OF SIGNIFICANCE**

In accordance with Policy 4/009 'Significant Decision Making', this matter is considered to be of low significance. The SOCD spreadsheet is for information purposes only.



## CONSULTATION

### *Internal*

All officers that have been deemed responsible for enacting each Council decision has provided an update on its status.

## LEGISLATION AND POLICY CONSIDERATIONS

Section 2.7 of the *Local Government Act 1995* states how Council is responsible for directing the Local Government's affairs.

## FINANCIAL AND RESOURCES IMPLICATIONS

There are no financial or resource implications in relation to this item.

## STRATEGIC AND SUSTAINABILITY IMPLICATIONS

The following section of the Council's Strategic Community Plan 2018-2028 is applicable in the consideration of this item:

- 4.b.3** Transparent and regular governance reporting and communication to the community is undertaken

There are no significant identifiable environmental, social or economic impacts relating to this item.

## RISK MANAGEMENT CONSIDERATIONS

As per the risk matrix contained in policy 1/022 'Risk Management', the level of risk is considered to be low (1) in terms of reputational impact. This rating is determined as an insignificant (1) consequence and a likelihood of rare (1).

## OPTIONS

There are no alternative options in relation to this item, as it is for Council to receive.

## CONCLUSION

The Status of Council Decisions spreadsheet is an important tool that Town officers utilise to implement and enact all decisions of Council. This quarterly report is to inform Council of the status of decisions that have not been completed, or are of an ongoing nature.

## ATTACHMENTS

1. Status of Council Decisions Spreadsheet as at 6 June 2019 (Under Separate Cover)

### 11.1.5 Adoption of Strategic Resource Plan 2019/20 – 2033/34 incorporating Long Term Financial Plan and Asset Management Plan (*File No. 12/11/0004*)

Author Director Corporate and Performance  
Authorising Officer Chief Executive Officer  
Disclosure of Interest The Author and Authorising Officer declare that they do not have any conflicts of interest in relation to this item.

#### OFFICER'S RECOMMENDATION

##### CM201819/227 OFFICER'S RECOMMENDATION / COUNCIL DECISION

MOVED: CR ARIF

SECONDED: CR MCDONOGH

That Council adopt the Town of Port Hedland Strategic Resource Plan 2019/20 – 2033/34, incorporating the Long Term Financial Plan and Asset Management Plan for the same period.

*CARRIED 8/0*

#### PURPOSE

The purpose of this report is for Council to consider the Town of Port Hedland Strategic Resource Plan 2019/20 – 2033/34. This document is a ten year plan (with additional five years in summary) incorporating the Long Term Financial Plan (LTFP) and Asset Management Plan (AMP). The LTFP outlines the Town's financial capacity to meet the objectives as identified in the adopted Strategic Community Plan 2018 – 2028, whilst considering long term financial sustainability.

#### DETAIL

At the Ordinary Council Meeting held on 30 April 2019, Council requested that the LTFP be presented at the June 2019 Ordinary Council Meeting.

The Town of Port Hedland Strategic Resource Plan 2019/20 – 2033/34 incorporates the LTFP and AMP. These are components of the *Integrated Planning Reporting Framework and Guidelines* issued in September 2016 by the then Department of Local Government and Communities.

The LTFP is one element of the Town's integrated strategic planning framework that ensures that the community's aspirations for the future are realistically achievable. The framework includes many other elements including the adopted Strategic Community Plan 2018 – 2028, asset management plan, annual budget process, workforce plan and the adopted Corporate Business Plan 2018 - 2022. These interrelated plans give

consideration to the capacity of the Town to deliver on the strategies within the Strategic Community Plan.

The LTFP and AMP are interrelated, with information from the AMP required to assess mandated Local Government ratios included in the LTFP.

The LTFP has been developed using the adopted quarter 3 budget for 2018/19 as the opening position, and draft budget for 2019/20 as year one. It should be noted that year one of the LTFP is consistent with the draft 2019/20 budget, but is not in full alignment with the budget agenda item presented at the same Ordinary Council Meeting.

The LTFP will be reviewed annually as part of the development of the Operational Plan and Annual Budget and will be subject to a major review every four years in line with the review of the Strategic Community Plan. It is not intended that the LTFP is *set in concrete* – it is a guide for future action and the modelling that occurs as part of the Plan will help Council to decide how it can best meet community aspirations.

Asset management is made up of three key elements namely asset management policy, asset management strategy and asset management plans. The Strategic Resource Plan incorporates a compliant AMP for its major asset classes. It should be noted that the Town intends to review and further develop its asset management policy, strategy, and supporting processes and systems in FY2019/20.

## LEVEL OF SIGNIFICANCE

In accordance with Policy 4/009 'Significant Decision Making', this matter is considered to be of medium significance. Whilst the Strategic Resource Plan 2019/20 – 2033/34 (incorporating the LTFP and AMP) is a 15 year plan supporting the Strategic Community Plan 2018 – 2028, it is not a firm commitment by the Town for that timeframe. It is a guide only with the annual budget process providing more detailed review and analysis of the financial position of the Town and its assets.

## CONSULTATION

### *Internal*

- Major projects have been discussed internally with Officers of the Town.
- Elected members have attended a number of workshops with Officers of the Town and external consultants to discuss key assumptions and major projects to be included in the LTFP. Workshops have been held in 2018 and 2019.

### *External Agencies*

- Moore Stephens were engaged by the Town to complete the Strategic Resource Plan (incorporating LTFP and AMP) to ensure full compliance with the requirements of the *Local Government Act 1995* and the *Integrated Planning and Reporting Framework and Guidelines*.

### *Community Consultation*

- Significant community consultation was undertaken to develop the adopted Strategic Community Plan 2018 to 2028. This consultation and document has informed the development of the Strategic Resource Plan 2019/20 to 2033/34.

### LEGISLATION AND POLICY CONSIDERATIONS

In accordance with section 5.56 of the *Local Government Act 1995*, and in further detail, Regulations 19C and 19DA of the *Local Government (Administration) Regulations 1996*, the Town is required to plan for the future, by way of a Community Plan and a Corporate Business Plan. The Corporate Plan must integrate matters relating to resourcing, including asset management, workforce planning, and long-term financial planning.

The Strategic Resource Plan 2019/20 – 2033/34 (incorporating LTFP and AMP) supports the current adopted Strategic Community Plan 2018-2028 and the adopted Corporate Business Plan 2018 – 2022.

The Strategic Resource Plan 2019/20 – 2033/34 (incorporating LTFP and AMP) also meets the requirements outlined by the Department of Local Government and Communities in *Integrated Planning and Reporting Framework and Guidelines* published in September 2016.

### FINANCIAL AND RESOURCES IMPLICATIONS

There has been considerable investment in time in the development of this document by many Officers of the Town and Elected Members during 2018 and 2019.

The engagement of Moore Stephens to complete modelling and documentation has incurred \$25,523.70 (including GST) over FY18 and FY19. Additional costs to finalise the engagement are yet to be quantified.

### STRATEGIC AND SUSTAINABILITY IMPLICATIONS

The following sections of the Town's Strategic Community Plan 2018-2028 are applicable in the consideration of this item:

- 1.d.1** The present and future facilities and requirements of the Town are planned for and developed in-line with relevant facility standards and community needs
- 1.d.2** Facilities and community infrastructure are revitalised across the Town
- 1.d.3** Facilities and community infrastructure are well maintained, managed and fit for purpose to provide a range of lifestyle opportunities
- 4.b.1** Sound long-term financial planning is implemented

There are no financial or resource impacts associated with this item.

### *Corporate Business Plan*

The following action of the Town's Corporate Business Plan 2018-2022 apply in relation to this item:

- 4.b.1.1 – Develop, implement and review the Town's Long Term Financial Plan.

## RISK MANAGEMENT CONSIDERATIONS

There is a low risk associated with this item. The Strategic Resource Plan (incorporating the LTFP and AMP) is essentially a long-term risk mitigation tool. The LTFP reviews the long-term sustainability of the Town and ensures that aspirations of the Strategic Community Plan are financially viable.

## OPTIONS

*Option 1 – Adopt officer's recommendation*

*Option 2 – Do not adopt officer's recommendation*

## CONCLUSION

The Strategic Resource Plan 2019/20 – 2033/34 is a ten year plan (with additional five years in summary) incorporating the Long Term Financial Plan (LTFP) and Asset Management Plan (AMP). The LTFP outlines the Town's financial capacity to meet the objectives as identified in the adopted Strategic Community Plan 2018 – 2028, whilst considering long term financial sustainability.

## ATTACHMENTS

1. Draft Town of Port Hedland Strategic Resource Plan 2019/20 – 2033/34 (Under Separate Cover)
2. Forecast Statement of Funding for the period 2019 – 2034 (Under Separate Cover)

6.27pm Councillor Daccache noted that the rates increase had been reduced from 4% to 3% following community consultation. The Mayor advised that this could be found on page 35 of the agenda (page 46 of these minutes).

**11.1.6 Adoption of Revised 2019/20 Rating Strategy & Adoption of the 2019/20 Annual Budget (File No. 12/05/0012)1**

Author Manager Financial Services  
 Authorising Officer Director Corporate and Performance  
 Disclosure of Interest The Author and Authorising Officer declare that they do not have any conflicts of interest in relation to this item.

**CM201819/229 OFFICER'S RECOMMENDATION / COUNCIL DECISION**

**MOVED: CR ARIF**

**SECONDED: CR MCDONOGH**

**PART A – GENERAL AND MINIMUM RATES**

That Council:

Impose the following differential general rates and minimum payments on Gross Rental and Unimproved Value for the 2019/20 financial year.

**2. General Rates:**

a) GRV Residential	9.6289 cents in the dollar
b) GRV Commercial / Industrial	9.6287 cents in the dollar
c) GRV Mass and Tourist Accommodation	19.2093 cents in the dollar
d) UV Pastoral	11.0785 cents in the dollar
e) UV Mining and Other	19.7513 cents in the dollar

**Minimum Payments:**

a) GRV Residential	\$1,300
b) GRV Commercial / Industrial	\$1,900
c) GRV Mass and Tourist Accommodation	\$1,900
d) UV Pastoral	\$1,900
e) UV Mining and Other	\$200

**3. Endorse the 2019/20 Statement of Objects & Reasons as per Attachment 3.**

*CARRIED BY ABSOLUTE MAJORITY 8/0*

## CM201819/230 OFFICER'S RECOMMENDATION / COUNCIL DECISION

## PART B – CONCESSIONS AND INCENTIVES

MOVED: CR MCDONOGH

SECONDED: CR CARTER

That Council:

1. Grant concessions and refunds in relation to the 2019/20 rate charges listed in the attached schedule (Attachment 1, note 1(h)), pursuant to section 6.47 of the *Local Government Act 1995*, the *Rates and Charges (Rebates and Deferments) Act 1992* and Council policy 2/014 Rates Concession Policy (Rateable Land);
2. Grant fee waivers in relation to the 2019/20 Fees & Charges Schedule in accordance with the Western Australian Companion Card Program as described in the attached schedule (Attachment 2, Fees and Charges), pursuant to section 6.12 (1)(b) of the *Local Government Act 1995*.
3. Provide eligible pensioners affected by the \$750.00 rebate capping with a Council initiated concession (as of right, no application necessary) for the balance (gap) to their 50 percent rebate on the 2019/20 annual rates, pursuant to section 6.47 of the *Local Government Act 1995* and subject to the *Rates and Charges (Rebates and Deferments) Act 1992*.

CARRIED BY ABSOLUTE MAJORITY 8/0

## CM201819/228 OFFICER'S RECOMMENDATION / COUNCIL DECISION

## PART C – INSTALMENT PAYMENT ARRANGEMENTS

MOVED: CR DACCACHE

SECONDED: CR CARTER

That Council:

1. Nominates the following due dates for the payment of rates in full by instalments, pursuant to section 6.45 of the *Local Government Act 1995* and regulation 64 (2) of the *Local Government (Financial Management) Regulations 1996*:

Full Payment and instalment due date	23 August 2019
2nd quarterly instalment date	22 November 2019
3rd quarterly instalment date	21 February 2020
4th quarterly instalment date	15 May 2020

2. Adopts an initial instalment administration charge of \$0 and an instalment charge of \$14 for each instalment after the initial instalment is paid (excluding eligible pensioners and seniors) where the owner has elected to pay rates and service charges through an instalment option, pursuant to section 6.45 of the *Local Government Act 1995* and regulation 67 of the *Local Government (Financial Management) Regulations 1996*;
3. Adopts an interest rate of 5.5% per annum where the owner has elected to pay rates and service charges through an instalment option (excluding eligible pensioners and seniors), pursuant to section 6.45 of the *Local Government Act 1995* and regulation 68 of the *Local Government (Financial Management) Regulations 1996*.

*CARRIED BY EXCEPTION RESOLUTION 8/0*

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CM201819/231 OFFICER'S RECOMMENDATION / COUNCIL DECISION

PART D – INTEREST ON OVERDUE AMOUNTS

MOVED: CR WHITWELL

SECONDED: CR CARTER

That Council:

1. Adopts an interest rate of 11% per annum for rates and service charges and on the costs of proceedings to recover such charges that remain unpaid longer than 35 days after the due date (excluding eligible pensioners and seniors), pursuant to section 6.51 (1) and 6.51 (4) of the *Local Government Act 1995* and regulation 70 of the *Local Government (Financial Management) Regulations 1996*;
2. Adopts an interest rate of 11% per annum on all sundry debtor charges that remain unpaid longer than 35 days after the due date, pursuant to section 6.13 of the *Local Government Act 1995* and regulation 70 of the *Local Government (Financial Management) Regulations 1996*.

*CARRIED BY ABSOLUTE MAJORITY 8/0*

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CM201819/232 OFFICER'S RECOMMENDATION / COUNCIL DECISION

PART E – FEES AND CHARGES FOR 2019/20

MOVED: CR MCDONOGH

SECONDED: CR CARTER

That Council:

1. Adopts the amended 2019/20 Schedule of Fees and Charges as included as Attachment 2 of this agenda and minutes, pursuant to section 6.16 of the *Local Government Act 1995* with the changes detailed in the table below;



	Current minimum fee 2019/20	New minimum fee 2019/20
<u>Cemeteries – Grave Site Digging</u>		
Dig grave at least 1.8m to 2.1m deep ( Single Plot) – Monday to Friday	2,350	2,034
Dig grave at least 2.1 m to 2.4 m (double plot ) - Monday to Friday	2,350	2,034
Dig grave at least 1.8m and not more than 2.1m deep ( Single Plot ) –Saturday / Sunday / Public holiday	2,600	2,275
Dig grave at least 2.1 m to 2.4 m (double plot ) – Saturday / Sunday / Public holiday	2,600	2,275
<u>Certified application for Building Permit (s. 16(l))</u>		
a) for building work for a Class 1 or Class 10 building or incidental structure	97.70	105.00
b) for building work for a Class 2 to Class 9 building or incidental structure	97.70	105.00
Uncertified application for Building Permit (s. 16(1))	97.70	105.00
<u>Application for a Demolition Permit (s. 16 (1))</u>		
a) for demolition work in respect of a Class 1 or Class 10 building or incidental structure	97.70	105.00
b) for demolition work in respect of a Class 2 to Class 9 building	97.70	\$105.00 for each story of the building
Application to extend the time during which a building or Demolition Permit has effect (s. 32(3)(f))	97.70	105.00
<u>Application for Occupancy Permits, Building Approval certificates</u>		
Application for an Occupancy Permit for a Completed Building (s. 46)	97.70	105.00
Application for a temporary Occupancy Permit for an incomplete Building (s. 47)	97.70	105.00
Application for a modification of Occupancy Permit for additional use of a building on a temporary basis (s. 48)	97.70	105.00
Application for a replacement Occupancy Permit for permanent change of the building's use or classification (s. 49)	97.70	105.00

Application for an Occupancy Permit or Building approval Certificate for registration of strata scheme, plan of re-subdivision (s. 50(1) or (2))	\$10.80 for each strata unit covered by the application, but not less than \$107.70	\$11.60 for each strata unit covered by the application, but not less than \$115.00
Application for an Occupancy Permit for a Building in respect of which unauthorised work has been done. (s. 51(2))	97.70	105.00
Application for a Building Approval certificate for a Building in respect of which unauthorised work has been done. (s. 51(3))	97.70	105.00
Application to replace Occupancy Permit for an existing Building (s. 52 (1))	97.70	105.00
Application for a Building Approval certificate for an existing building where unauthorised work has not been done (s. 52(2))	97.70	105.00
Application to extend the time during which an Occupancy Permit or Building approval Certificate has effect (s. 65(3)(a))	97.70	105.00

CARRIED BY ABSOLUTE MAJORITY 8/0

CM201819/228 OFFICER'S RECOMMENDATION / COUNCIL DECISION

PART F – OTHER STATUTORY FEES FOR 2019/20

MOVED: CR DACCACHE

SECONDED: CR CARTER

That Council, pursuant to:

- e. Section 53 of the *Cemeteries Act 1986* adopts the Fees and Charges for the Cemeteries included in the Schedule of Fees and Charges included as Attachment 2;
- e. Regulation 53 of the *Building Regulations 2012*, adopt an annual swimming pool inspection fee of \$55 (GST exempt), regardless of the number of inspections required to achieve compliance;
- 3. Section 67 of the *Waste Avoidance and Resources Recovery Act 2007*, adopt the following charges for the removal and deposit of domestic and commercial waste:

(a) 240 ltr bin weekly collection – Classic	\$292.50
(b) 240 ltr bin weekly collection – Classic – with eligible pensioner/senior (20% discount)	\$234.00
(c) 240 ltr bin weekly collection – Premium	\$700.00
(d) 240 ltr bin weekly collection – Premium – with eligible pensioner/senior (20% discount)	\$560.00
(e) 240 ltr bin weekly collection – Classic for residents meeting DAIP requirements	\$292.50

*CARRIED BY EXCEPTION RESOLUTION 8/0*

CM201819/233 OFFICER’S RECOMMENDATION / COUNCIL DECISION

PART G – ELECTED MEMBERS FEES AND ALLOWANCES FOR 2019/20

MOVED: CR ARIF

SECONDED: CR DACCACHE

That Council in accordance with decision CM 201819/208 and pursuant to:

- Section 5.99 of the *Local Government Act 1995* and regulation 34 of the *Local Government (Administration) Regulations 1996*, adopt the following annual fees for payment of elected members in lieu of individual meeting attendance fees:

Mayor \$47,516.00

Councillors \$31,678

- Section 5.99A of the *Local Government Act 1995* and regulations 34A and 34AA of the *Local Government (Administration) Regulations 1996*, adopt the following annual allowances for elected members:

Information Technology Allowance \$3,500

- Section 5.98 (5) of the *Local Government Act 1995* and regulation 33 of the *Local Government (Administration) Regulations 1996*, adopt the following annual local government allowance to be paid in addition to the annual meeting allowance:

Mayor

\$89,753

- Section 5.98A of the *Local Government Act 1995* and regulation 33A of the *Local Government (Administration) Regulations 1996*, adopt the following annual local government allowance to be paid in addition to the annual meeting allowance:

Deputy Mayor

\$22,438

*CARRIED BY ABSOLUTE MAJORITY 8/0*

## CM201819/228 OFFICER'S RECOMMENDATION / COUNCIL DECISION

## PART H – MATERIAL VARIANCE REPORTING FOR 2019/20

MOVED: CR DACCACHE

SECONDED: CR CARTER

For the purposes of regulation 34 (5) of the *Local Government (Financial Management) Regulations 1996* and AASB 1031 Materiality, regarding level of material variance for financial reporting in 2019/20, that Council adopt the following thresholds:

1. With regards to expenditure classified as capital projects, a variance of 10% or \$10,000, whichever is greater, of the year to date budget, with individual project as the level that requires explanation
2. With regards to all other items excluding capital projects identified above, a variance of 10% or \$50,000, whichever is greater, of the year to date budget, with Nature and Type as the level that requires explanation.

*CARRIED BY EXCEPTION RESOLUTION 8/0*

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## CM201819/234 OFFICER'S RECOMMENDATION / COUNCIL DECISION

## PART I – RESERVES FOR 2019/20

MOVED: CR CARTER

SECONDED: CR ARIF

That Council adopts to amend the purpose of the “Financial Risk Reserve” with the purpose to read:

*“To provide funds to mitigate against Financial Risks including legal cases with penalties awarded against the Town, SAT rulings upholding valuation objections on high value properties likely to cause significantly large refunds and other unknown events potentially resulting in financial loss to the Town. This reserve is to be used as the Town's overdraft facility for the purpose of not utilising external overdraft facilities for short periods from time to time during the financial year.”*

*CARRIED BY ABSOLUTE MAJORITY 8/0*

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**CM201819/235 OFFICER'S RECOMMENDATION / COUNCIL DECISION****PART J – MUNICIPAL BUDGET FOR 2019/20****MOVED: CR ARIF****SECONDED: CR MCDONOGH**

That Council adopt the Municipal 2019/20 budget as presented (Attachment 1) including associated notes and supplementary information in accordance with section 6.2 of the *Local Government Act 1995* and Part 3 of the *Local Government (Financial Management) Regulations 1996*.

*CARRIED BY ABSOLUTE MAJORITY 8/0*

**PURPOSE**

The purpose of this report is for Council to consider and adopt the municipal fund budget for the 2019/20 financial year together with supporting schedules, including imposition of rates and minimum payments, adoption of amended fees and charges, setting of Elected Member fees for the year and other consequential matters arising from the budget papers.

**DETAIL**

The Municipal 2019/20 budget and its related documentation is being presented to Council for adoption following extensive work by officers and consultation with Elected Members over the past months. The budget has been compiled on the principles contained in the Strategic Community Plan 2018-2028, the Disability Access and Inclusion Plan 2017-2022, draft Long Term Financial Plan and Corporate Business Plan 2018-2028 to bring together a balanced budget in a challenging economic environment.

A considerable amount of work has been undertaken to review and reduce operating expenditure levels to ensure a realistic and deliverable program for 2019/20. There has been a strong focus on ensuring consistent service levels and an emphasis on capital renewal works for this financial year. Officers will continue to focus on identifying efficiencies within the business and seek out additional revenue to improve the Town's operating deficit and closing municipal surplus.

The 2018/19 actuals presented in the budget are as at 31 May 2019 and do not represent the full year figures for the Town. A number of adjustments have been made to these for significant movements to actuals predicted up to 30 June 2019 including the payment of all borrowings and reserve transfers.

*Rate Model*

Rates revenue is a substantial source of discretionary revenue for the Town of Port Hedland, and will account for approximately 60% of operating revenue in the 2019/20 budget.

The proposed differential rates model presented to Council was prepared under the Department of Local Government, Sports and Cultural Industries guidelines of objectivity, fairness and equity, and transparency as set out in their Rating Policy – Differential Rates (s.6.33)(March 2016). The Town prepared a robust rating strategy, taking a holistic approach which considered the impact on all rate payers and submissions received, ensuring a fair and equitable distribution of the rates yield and ensuring appropriate service delivery and asset renewal is provided for the Town. The model distributes the rates burden more objectively and equitably with uniform rating for GRV Residential, Commercial and Industrial differentials. Uniform rating also improves transparency, administrative efficiency and reduced compliance costs.

As 2019/20 was not a general revaluation year for the Town, rates have been determined based on property valuations provided by the State Valuer General’s Office in the 18/19 financial year.

The proposed rating strategy and model was advertised for public submission on 1 May 2019. Submissions from the rate payers and electors were requested and received after a 21 day submission period. A total of six submissions was received. The officer’s recommendation has been discussed at length with the Elected Members in a confidential workshop held on Wednesday 29 May 2019.

The model presented in the recommendation has considered all feedback. The amended model reduces the proposed increase to 3% applied to the rate in the dollar for GRV Residential, GRV Commercial/Industrial and UV Pastoral. The vacant differentials have been removed and these properties combined with either residential or commercial/industrial. GRV Mass and Tourist Accommodation have been reduced to 199% above the base GRV general rate, and have been combined to one rate in the dollar. UV Mining and Other have also been combined with the rate in the dollar reduced to 178% of the base UV general rate. These simplifications continue to move the Town towards uniform rating across all differentials. There have been no changes to the minimum general payment, and a reduction in UV Mining and Other minimums to \$200.

It should be noted that Ministerial approval is not required for the presented rating model detailed below.

Category	Mininum	RiD	Yield	RiD Multiplier
GRV Residential	\$1,300	9.6289	\$13,062,454	100%
GRV Commercial / Industrial	\$1,900	9.6287	\$5,292,848	100%
GRV Mass Accommodation and Tourist Accommodation	\$1,900	19.2093	\$2,774,084	199%
UV Mining and Other	\$200	19.7513	\$21,925,937	178%
UV Pastoral	\$1,900	11.0785	\$125,804	100%

### *Fees and Charges*

The draft 2019/20 budget provides for total fees and charge revenue of \$13M. Of the total budgeted fees and charges revenue for 2019/20, \$8.1M is to be received from waste management services and the balance of \$4.9M is received from all other facilities. The re-introduction of the leisure facilities results in an increased revenue from fees and charges compared to the 2018/19 financial year.

The preparation of the 2019/20 Fees & Charges Schedule was a result of information sought from officers including justification of the fee/charge to understand the basis of the fee structure (legislative, market comparison, cost recover, or other) and quantification of the fee/charge to underpin the 2019/20 Fees & Charges revenue budget.

The key changes were:

- (1) Reduction in cemetery fees from the original adoption of fees and charges (CM201819/177) 30/04/2019. A concern was raised in a letter from the Hon David Templeman MLA that the Town's proposed cemetery fees were significantly higher than other Pilbara councils, accordingly the fees were reduced.
- (2) New bin service fee for residents meeting Disability Access & Inclusion Plan Disability (DAIP) requirements.
- (3) New fees to address contamination issues at the landfill site.
- (4) Building commission legislated fees increased.

### *Elected Members Fees and Allowances*

At the Ordinary Meeting of 22 May 2019, Council resolved to adopt the amounts for Elected Member fees and allowances as per the Salaries and Allowances determination (resolution number CM 201819/208). These amounts have been incorporated into the 2019/20 budget.

### *Capital Works Program*

A capital works program totalling \$40M for investment in infrastructure, land and buildings and plant and equipment is planned. Projects are itemised in the Capital Expenditure Program included in the supplementary information to the draft budget.

### *Loans*

Budgeted total loan principal outstanding will be nil as at 30 June 2019. The total early repayment of all loans held with WA Treasury was approved on the 30/04/2019 as per CM201819/178. There are no new loans budgeted for 2019/20.

### *Grant Funding*

Total operating and non-operating grant funding and external contributions of \$14.65M. The Town will continue to seek grant funding for projects as it becomes available.

### *Reserves*

It is proposed that the purpose of the Financial Risk Reserve be amended to allow for this reserve to be used as the Town's overdraft facility for short periods of time during the financial year. This reduces the need for the Town to have an external overdraft facility thereby saving both facility fees and interest expense.

The draft budget allocates interest revenue earned on the PHIA Long-term Lease Proceeds Reserve to the Municipal fund and will be used towards funding the operations of the Town and an increased asset renewal programme included in the proposed capital projects schedule.

The draft budget for FY20 transfers net profit of waste activities to the Waste Reserve. This practice was suspended in the FY19 budget, with FY19 net profit from waste activities used to fund general operations.

### *New Accounting Standards*

The impact of the new accounting standards in relation to revenue from contracts with customers, leases and income for not-for-profit entities has been detailed in the 2019/20 budget under note 16. These impacts have not been applied to the current asset note in the budget as additional work is required to understand the accounting impacts of these changes and also consider the complex nature of the airport lease transaction. These changes do not affect cash movement and are not expected to have a material impact on the estimated closing surplus position identified. Additional information is currently being sourced on the treatment of the new standards and the impact to the Town's financials from an external provider, and will be presented to Council in the first quarter budget review.

### LEVEL OF SIGNIFICANCE

In accordance with Policy 4/009 'Significant Decision Making', this matter is considered to be of medium significance. Section 6.2 of the *Local Government Act 1995* requires that no later than 31 August in each financial year, or such extended time as the Minister allows, each local government is to prepare and adopt, in the form and manner prescribed, a budget for its municipal fund for the financial year ending on the next following 30 June. To not adopt the budget would be in breach of the legislated requirements.

### CONSULTATION

#### *Internal*

The proposed Municipal 2019/20 budget has been prepared in consultation with officers of the Town of Port Hedland and in accordance with the presentations made to Elected Members at the various budget workshops over the last few months. The budget has been prepared to include information required by the *Local Government Act 1995*, *Local Government (Financial Management) Regulations 1996* and Australian Accounting Standards.



Budget submissions prepared by officers of the Town of Port Hedland were reviewed in detail by the Executive.

#### *External Agencies*

Department of Local Government; Heritage; Culture and the Arts provided feedback on current (FY19) and proposed (FY20) cemetery fees.

#### *Community*

At the Ordinary Council Meeting held on 30 April 2019, Council resolved to endorse the 2019/20 Differential Rating Model for advertising and community consultation (decision CM201819/179). The Rating Strategy was subsequently advertised on 1 May 2019 via state-wide and local public notice in accordance with section 6.36 of the Local Government Act 1995 and 6 formal submissions were received.

### LEGISLATION AND POLICY CONSIDERATIONS

Section 6.2 of the *Local Government Act 1995* requires that no later than 31 August in each financial year, or such extended time as the Minister allows, each local government is to prepare and adopt (absolute majority required), in the form and manner prescribed, a budget for its municipal fund for the financial year ending on the next following 30 June.

Divisions 5 and 6 of Part 6 of the *Local Government Act 1995* refer to the setting of budgets and raising of rates and charges. The *Local Government (Financial Management) Regulations 1996* details the form and content of the budget. The draft 2019/20 budget as presented is considered to meet statutory requirements.

Section 5.63(1) of the *Local Government Act 1995* specifically excludes the need to declare a financial interest where matters; have an interest common to a significant number of rate payers/electors; relate to the imposition of any rate, charge or fee; relate to a fee, reimbursement of an expense or an allowance payable to Elected Members.

The budget is based on the principles contained in the adopted Strategic Community Plan 2018-2028, the adopted Corporate Business Plan 2018-2022 and the draft Long Term Financial Plan.

### FINANCIAL AND RESOURCES IMPLICATIONS

The 2019/20 budget presents a balanced budget with an estimated municipal surplus of \$875,802. This surplus is based on the assumption of a municipal surplus brought forward from 2018/19 (opening balance) of \$1,532,862 as adopted as the predicted closing balance for 2018/19 at the third quarter budget review. The municipal surplus brought forward from 2018/19 will be finalised through the end of financial year reporting and brought back to Council for adoption once confirmed.

It is recommended that Council adopts a balanced budget with a carried forward municipal surplus. In 2019/20 municipal rates are a predominant source of income at over 60% of the total operating revenue budgeted.

The Town is required to have an established 2019/20 budget to ensure its daily operations are carried out effectively and efficiently and in a timely manner.

The 2018/19 actual figures provided in the budget document are interim as at 31 May 2019 and are subject to change following the completion of the audited annual financial report.

## STRATEGIC AND SUSTAINABILITY IMPLICATIONS

This following section/s of the Council's Strategic Community Plan 2014-2024 are applicable in the consideration of this item:

- 1.d.1* The present and future facilities and requirements of the Town are planned for and developed in-line with relevant facility standards and community needs
- 1.d.2* Facilities and community infrastructure are revitalised across the Town
- 1.d.3* Facilities and community infrastructure are well maintained, managed and fit for purpose to provide a range of lifestyle opportunities
- 3.b.1* The present and future needs for serviced land and infrastructure provision are identified, planned and developed
- 3.b.2* Emergencies such as cyclones are prepared for, educated about, responded to and recovered from in partnership with key agencies
- 3.b.3* Sustainable energy, waste and water management practices are provided and promoted
- 3.b.4* Innovation and resilience of the built form are encouraged, assessed and implemented
- 3.b.5* The protection and valuing of amenities and urban space is enhanced through community engagement
- 3.c.1* Urban and spatial planning is implemented to enhance human interaction with nature and industry
- 3.c.2* The community is surrounded by and has access to attractive natural habitats, built form, parks and amenities
- 3.c.3* Engagement with the community on urban renewal and greening initiatives is enhanced
- 4.b.1* Sound long-term financial planning is implemented
- 4.b.2* Transparent and regular financial reporting and communication to the community is undertaken
- 4.b.3* Transparent and regular governance reporting and communication to the community is undertaken
- 4.b.4* Constructive forums are provided for discussion and the representation of the diversity of views and needs that impact on the Town's developments, programs and policies

## RISK MANAGEMENT CONSIDERATIONS

As per the risk matrix contained in policy 1/022 'Risk Management', the level of risk is considered to be Medium (6) .

There is a risk rating of medium (6) assigned to the risk that if the budget is not adopted, the Town will fail to achieve a clear financial position for the 2019/20 financial year.

There is a risk rating of medium (9) assigned to the risk that the Council do not adopt the 2019/20 budget, resulting in the delay or inability to perform specific capital works which are essential but do not currently have an approved budget item line. This risk is possible with a moderate impact in relation to compliance with significant regulatory requirements imposed.

There is a risk rating of medium (6) assigned to the risk that delayed adoption of the FY20 budget may impact delivery of the capital works program. Certain projects must consider the wet season during scheduling, with delay in adoption of the budget potentially delaying commencement of works.

## OPTIONS

### *Option 1 – Adopt officer's recommendation*

Should the Council wish to adopt all officer's recommendations then it can employ the en-bloc method of voting.

### *Option 2 – Amend officer's recommendation*

Should Council decide to amend some of the officer's recommendations then it must do so in accordance with the relevant voting requirements listed under each part of the recommendation.

## CONCLUSION

The proposed Municipal 2019/20 budget has been prepared in accordance with the presentations made to Elected Members at the various budget workshops over the last several months.

The 2019/20 budget has been prepared in a financially responsible manner with an emphasis on reducing operating expenditure and an increase in renewal of existing assets. The 2019/20 budget will ensure both the current needs of residents are met while at the same time providing infrastructure developments to meet any future requirements.

## ATTACHMENTS

1. 2019/20 Annual Statutory Budget and Supporting Notes (Under Separate Cover)
2. 2019/20 Fees and Charges Schedule (Under Separate Cover)
3. Statement of Objects and Reasons 2019/20 (Under Separate Cover)

11.2 Development, Sustainability and Lifestyle

**11.2.1 Award of Tender RFT 1819-49 – ‘Local Planning Strategy and Scheme Review’ (File No. 18/07/0057)**

Author	Manager Town Planning & Development
Authorising Officer	Director Development Sustainability & Lifestyle
Disclosure of Interest	The Author and Authorising Officer declare that they do not have any conflicts of interest in relation to this item.

CM201819/236 OFFICER'S RECOMMENDATION / COUNCIL DECISION

MOVED: CR MCDONOGH

SECONDED: CR ARIF

That Council endorse the recommendation of the evaluation panel and award the Tender for RFT 1819-49 – Local Planning Strategy and Scheme Review to Element Advisory Pty Ltd for a projected contract value of \$295,886.00 (excluding GST).

*CARRIED 8/0*

PURPOSE

The purpose of this report is for Council to consider a summary of the assessment of submissions received for Tender RFT 1819-49 Local Planning Strategy and Scheme Review and consider the evaluation panel's recommendation to award the tender to the preferred tenderer.

DETAIL

The *Planning and Development Act 2005* (Act) requires all local governments in Western Australia to review their Local Planning Schemes (Scheme) every five years. As a precursor to a Scheme Review, local governments are required under the *Planning and Development (Local Planning Scheme) Regulations 2015* (Regulations) to review their local planning strategy (Strategy).

The Town of Port Hedland's (Town's) current local planning strategy, the Port City Growth Plan, was adopted by Council on 23 May 2012 and endorsed by the Western Australian Planning Commission on 27 December 2012. As the Port City Growth Plan was prepared during the height of the resources sector construction boom and the resource sector has since shifted into operational phase, the population and economic growth aspirations listed in the document are no longer appropriate to underpin the provisions of a new local planning scheme. The Town of Port Hedland is therefore required to review the Port City Growth Plan before the Scheme Review process commences in order to:

- Set out the short, medium and long-term planning directions for the Town;
- Apply new and updated state and regional planning policies; and
- Provide the rationale for zones, reserves and other provisions of the new scheme.

The current Town of Port Hedland Local Planning Scheme No. 5 (LPS5) was gazetted on 31 August 2001 and is substantially overdue for review. The Scheme Review process was commenced in 2013 but never eventuated for a variety of reasons including uncertainty over expansion of the Port of Port Hedland and the future of residential development in the West End. The announcement by the State Government in October 2018 that an Improvement Plan and Scheme will be prepared over the West End of Port Hedland (potentially west of McGregor Street) with restrictions on residential development has provided the necessary certainty with respect to the future of the area to progress with the Scheme Review process, noting that any provisions in the Scheme for the West End will be superseded by corresponding Improvement Scheme provisions.

The successful tenderer for the Strategy and Scheme Review project is required to ensure the revised Strategy and new Scheme recognise the State Government's decision on the West End and synergise where possible with the Department of Planning, Lands and Heritage's processes to prepare the Improvement Plan and Scheme, whilst ensuring Council, community and stakeholder expectations and aspirations are recognised for the area.

The project will require the successful respondent (the consultant) to undertake a comprehensive review of the Town of Port Hedland's current local planning strategy, the Port City Growth Plan (2012), and prepare a revised local planning strategy and new local planning scheme to reflect the current strategic direction of the Town and to plan for its future spatial land use needs, as detailed in the Tender documentation.

It is expected that the revised Strategy and new Scheme will comprise a major enhancement to Town's present statutory and strategic planning framework, providing long term direction, facilitate sustainable economic development and adapt the processes of land use management in response to major drivers of the Town's economy in accordance with the Town's Strategic Community Plan 2018-2028.

The ultimate purpose of this project is delivery of a revised Strategy and new Scheme covering the entire municipality of the Town of Port Hedland in accordance with relevant planning legislation, policy and practices. It is an essential element of the project for the deliverables to address and achieve the following:

- the legislative requirements of the Planning and Development Act 2005 and the Planning and Development (Local Planning Schemes) Regulations 2015;
- the objectives, policy measures, and guidelines of State Planning Policies of the Western Australian Planning Commission (WAPC);
- the guidance (including structure and content for local planning strategies) provided in the Western Australian Planning Commission's Local Planning Manual (2010);
- the Town's responsibilities and outputs under the Integrated Planning and Reporting Framework (WALGA, 2016); and

- the International Association for Public Participation (IAP2) concepts, principles and current industry practice for public participation.

A key objective of the project will be effective targeted community and stakeholder engagement in the preparation of the revised Strategy and new Scheme. Project deliverables shall be structured on the principles of the IAP2 Public Participation Spectrum, determine the appropriate level of engagement for each initiative, and recommend tools and activities for each level. It is anticipated that different levels of engagement may be appropriate for different components of the Strategy and Scheme.

The revised Strategy is required to be generally structured in the format detailed in the WAPC's Local Planning Manual (2010), including spatial plans, and supporting documents and studies. The Strategy will provide a framework for land use planning and development within the Town of Port Hedland and the strategic basis and rationale for the new Scheme. The Strategy will set out the Town's objectives for future planning and development over the next 20 years and include strategies and actions by which to pursue those objectives. The Strategy will need to address the social, environmental, resource management and economic factors that affect, and are in turn affected by, land use and development.

The new Scheme will be made under the *Planning and Development Act 2005* which sets out the general objects of schemes, the matters which may be addressed in schemes and comprise the principal statutory tool for implementing the objectives, strategies and actions of the revised Strategy to achieve the Town's aims and objectives. The new Scheme text and maps will be consistent with the model scheme format prescribed by Schedules 1 and 3 of the Regulations where practicable.

#### *RFT 1819-49 – Local Planning Strategy and Scheme Review*

The Town released a Request for Tender (RFT) on 6 March 2019, requesting Respondents to detail how they will meet the requirements of the Project Brief by delivering the project under seven (7) phases. Respondents were required to clearly outline in their response how they will deliver the project based on these phases:

- **Phase 1:** Project Inception, Detailed Review Of Existing Strategy & Scheme
- **Phase 2:** Prepare Community And Stakeholder Engagement Plan & Deliver Engagement Activities
- **Phase 3:** Prepare Draft Local Planning Strategy & Scheme
- **Phase 4:** Council Briefing, Refer To Council Meeting, Refer To WAPC To Certify Advertising
- **Phase 5:** Public Advertising Of Draft Strategy And Scheme
- **Phase 6:** Finalisation Of Strategy And Scheme Documentation
- **Phase 7:** Publish And Advertise Approved Strategy And Scheme

There were also three (3) Value Add components included in the Request for Tender as follows:

- Economic Development & Diversification Strategy
- Regional Water Management Strategy
- Heavy Vehicle Access Strategy

The RFT was released on Vendorpanel (the Town’s e-tendering portal) on Wednesday 6 March 2019 and was advertised in the West Australian and the North West Telegraph on Wednesday 6 March 2019 with a closing date of 11 April 2019.

The Town received five (5) submissions for RFT 1819-49 – Local Planning Strategy and Scheme Review. The respondents were as follows:

1. Element Advisory Pty Ltd
2. GHD Pty Ltd
3. Hames Sharley
4. Reel Planning Pty Ltd
5. Taylor Burrell Barnett

All submissions received from respondents were compliant.

*Tender Assessment*

All compliant tender submissions have been evaluated by a panel of three (3) Town employees whose main objectives were:

- a) Make a recommendation to Council.
- b) Ensure the tender submissions are assessed fairly in accordance with a predetermined weighting schedule;
- c) Ensure adherence to Local Government policies and legislation; and
- d) Ensure that the requirements specified in the request are evaluated in a way that can be measured and documented.

The compliant submissions were assessed against the qualitative criteria as listed in the below table:

Qualitative Criteria	(%)
<p><b>Demonstrated Understanding &amp; Methodology</b>                      Respondents should detail the process they intend to use to achieve the requirements of the specification. Supply details and an outline of your proposed methodology in an attachment labelled “<b>Demonstrated Understanding &amp; Methodology</b>”.</p>	60%

Qualitative Criteria	(%)
<p>Areas to cover include:</p> <ul style="list-style-type: none"> <li>• A project schedule/timeline.</li> <li>• The process for the delivery of the project.</li> <li>• Demonstrated understanding of the Scope of Work.</li> <li>• Detail how the contractor/s will integrate with any contractor/s engaged by the Department of Planning, Lands and Heritage for the Improvement Plan/Scheme for the West End of Port Hedland.</li> <li>• Details of any subcontractors to produce pieces of work that feed into the overall strategy and scheme including any 'Value Add' components of the project.</li> <li>• Detail the philosophy underpinning the proposed approach</li> <li>• Detail how quality deliverables will be achieved for each phase</li> <li>• Detail contingency plan/s for each phase in case certain contents within the strategy and scheme fail to be accepted by key stakeholders or endorsed by Council and/or the WAPC resulting in substantial project delay or failure to deliver on time and budget.</li> </ul>	
<p><b>Key Personnel, Relevant Experience &amp; Capacity to Deliver</b>                      Respondents should provide details of personnel to be allocated to this project, their relevant experience in delivering similar projects, their time commitments to the project and overall organisational capacity to supply and sustain the project deliverables by addressing the following information in an attachment labelled "<b>Key Personnel, Relevant Experience &amp; Capacity to Deliver</b>". Areas to cover include:</p> <ul style="list-style-type: none"> <li>• Each person's availability and direct time commitment schedule.</li> <li>• Each person's role in the performance of the contract, a copy of their Curriculum Vitae and details of membership to any professional or business associations.</li> <li>• Qualifications, with particular emphasis on experience of personnel, in projects of a similar nature.</li> <li>• Any contingency measures or backup of resources, including personnel (where applicable).</li> <li>• Details of any conflict/s of interest including any current or recent clients located in the Town of Port Hedland that may seek to influence the strategy and scheme to the benefit of their organisation.</li> <li>• Provide a scope of any sub-contracted organisation's involvement.</li> <li>• Demonstrated sound judgement and discretion.</li> <li>• Provide details of issues that arose during previous similar projects and how these were managed.</li> <li>• Demonstrate competency and proven track record of achieving outcomes.</li> </ul>	<p>40 %</p>



A summary of the assessment results of each submission received is included in the confidential evaluation report attached.

### LEVEL OF SIGNIFICANCE

In accordance with Policy 4/009 'Significant Decision Making', this matter is considered to be of medium significance, because the Town is required to review its local planning strategy and scheme at regular intervals (every five (5) years) in accordance with the *Planning and Development Act 2005*. The Town's existing Strategy has been operative for seven (7) years and the Town's existing Scheme has been operative for eighteen (18) years which means they are significantly overdue for review in accordance with the Act. Award of the RFT will enable the Town to meet legislative obligations in relation to the local town planning framework.

### CONSULTATION

#### *Internal*

Executive Leadership Team  
Governance/Procurement  
Evaluation Panel

#### *External Agencies*

Department of Planning, Lands and Heritage were included as a non-voting member on the Evaluation Panel and the Strategy and Scheme will require endorsement by WAPC for the project to be a success.

A Project Steering Group has been assembled comprising representatives from the following agencies:

- Town of Port Hedland
- Department of Planning, Lands and Heritage
- Department of Water and Environmental Regulation
- Pilbara Development Commission
- Landcorp
- Department of Communities

A draft scope for the tender was referred to the group for comment prior to release on Vendorpanel.

#### *Community*

The RFT was released to the community via Vendorpanel (the Town's e-tendering portal) on 6 March 2019 and was advertised in the West Australian and the North West Telegraph on 6 March 2019 with a closing date of 11 April 2019.

## LEGISLATION AND POLICY CONSIDERATIONS

Section 3.57 of the *Local Government Act 1995*, and division 2 of the *Local Government (Functions and General) Regulations 1996* apply in relation to the invitation of tenders.

The evaluation report and corresponding details relating to the respondents offers are deemed confidential pursuant to section 5.23 (c) and (e) of the *Local Government Act 1995*.

The following Town policies were considered in relation to this tender:

- 2/007 'Purchasing'
- 2/016 'Regional Price Preference'

Successful contractors must abide by the Town's Code of Conduct while carrying out works for the Town.

## FINANCIAL AND RESOURCES IMPLICATIONS

The draft 2019/20 budget allocates \$350,000 toward the project. The preferred tenderer is within the budget allocation as shown in the confidential attachment.

## STRATEGIC AND SUSTAINABILITY IMPLICATIONS

The following sections of the Council's Strategic Community Plan 2018-2028 are applicable in the consideration of this item:

- 1.d.1** The present and future facilities and requirements of the Town are planned for and developed in-line with relevant facility standards and community needs
- 2.b.2** The Town's economic development strategy is supported through engagement with key economic groups
- 2.b.3** Red tape for business is minimised through review and reform of relevant policies and by-laws
- 2.b.4** Business approval processes are transparent and pathways streamlined
- 2.c.1** Business and government agencies and other relevant stakeholders are engaged to:
  - Identify strategic employment and economic development priorities
  - Assess and address market failures affecting the cost of living
  - Assess and address cost of doing business challenges
- 2.c.2** Opportunities for social enterprise, innovators, and small and medium sized businesses are identified, and strategies to attract and support them are implemented
- 2.d.1** Investment in key infrastructure development such as the port and logistics is pursued
- 2.d.2** The development of industry specific value chains are encouraged and supported
- 3.a.1** Traditional owners, key stakeholders, and the community are informed and actively involved in the protection and enhancement of the natural environment
- 3.a.2** Biodiversity is understood by the community and protected

- 3.a.3 Natural resource assets are well-managed and enhanced
- 3.b.1 The present and future needs for serviced land and infrastructure provision are identified, planned and developed
- 3.b.3 Sustainable energy, waste and water management practices are provided and promoted
- 3.b.4 Innovation and resilience of the built form are encouraged, assessed and implemented
- 3.b.5 The protection and valuing of amenities and urban space is enhanced through community engagement
- 3.c.1 Urban and spatial planning is implemented to enhance human interaction with nature and industry
- 3.c.2 The community is surrounded by and has access to attractive natural habitats, built form, parks and amenities
- 3.c.3 Engagement with the community on urban renewal and greening initiatives is enhanced
- 4.c.4 Efficiency strategies across the Town's infrastructure and amenity assets are implemented

Environmental, social and economic impacts will be considered in developing a revised local planning strategy and scheme for the Town of Port Hedland.

#### *Corporate Business Plan*

The following action of the Town's Corporate Business Plan 2018-2022 apply in relation to this item:

- 3.b.1 – Implement and review the local planning strategy and local planning scheme

#### RISK MANAGEMENT CONSIDERATIONS

There is a compliance and reputational risk associated with this item because the recent State Government decision to prepare an Improvement Plan and Scheme over the West End of Port Hedland requires the Town's local planning framework to respond. This risk rating is considered to be High (15) which is determined by a likelihood of almost certain (5) by a consequence of moderate (3).

This risk will be eliminated by the adoption of the officer's recommendation.

## OPTIONS

*Option 1 – Adopt officer's recommendation*

*Option 2 – Amend officer's recommendation*

*Option 3 – Do not adopt officer's recommendation*

## CONCLUSION

It is recommended that Council awards RFT 1819-49 – Local Planning Strategy and Scheme Review to the preferred tenderer indicated in the Tender Evaluation Report. This company have met all selection criteria requirements and also represent best value for money for the Town of Port Hedland.

## ATTACHMENTS

1. Evaluation Report (Confidential, under separate cover)

**Item 12 Reports of Committees**

*Note: The Minutes of this Committee meeting are available on the Town's website*

**12.1 Audit, Risk and Governance Committee Minutes - 14 May 2019**

**CM201819/237 OFFICER'S RECOMMENDATION / COUNCIL DECISION**

**MOVED: CR MCDONOGH**

**SECONDED: CR ARIF**

That Council receive the Minutes of the Audit, Risk and Governance Committee held on 14 May 2019 at 5:30pm inclusive of the following decisions:

- 10.1 Confirmation of Minutes of the Audit, Risk and Governance Committee Meeting held on Tuesday 12 February 2019;
- 11.1.1 2018/19 Budget Review for period ending 31 March 2019;
- 11.1.2 Interim Audit and Financial Management Review; and
- 11.1.3 Funding and Donations for the quarter 1 January 2019 to 31 March 2019.

*CARRIED 8/0*

**Item 13 Motions of Which Previous Notice Has Been Given**

Nil

**Item 14 New Business of an Urgent Nature**

**CM201819/238 COUNCIL DECISION**

**MOVED: CR MCDONOGH**

**SECONDED: CR CARTER**

That Council accept late item 14.1 "Early Repayment of Loans – release of additional Reserve funds."

*CARRIED 8/0*

**14.1 Early Repayment of Loans – release of additional Reserve funds (File No. 12/02/0001)**

Author Director Corporate and Performance  
Authorising Officer Chief Executive Officer  
Disclosure of Interest The Author and Authorising Officer declare that they do not have any conflicts of interest in relation to this item.

**CM201819/239 OFFICER'S RECOMMENDATION / COUNCIL DECISION****MOVED: CR MCDONOGH****SECONDED: CR WHITWELL**

That Council amend the 2018/19 Annual Budget to include additional expenditure for the payment of loan repayment premium costs totalling \$618,606.00 to be funded from the Port Hedland International Airport Long Term Lease Proceeds Reserve account, resulting in a nil impact to the 30 June 2019 closing surplus

*CARRIED BY ABSOLUTE MAJORITY 8/0*

**PURPOSE**

The purpose of this report is for Council to consider the release of additional funds from the Port Hedland International Airport (PHIA) Long Term Lease Proceeds Reserve (Reserve) to cover additional loan repayment premium costs already paid by the Town (as per Council decision CM201819/178 at the 30 April 2019 Ordinary Council Meeting) from Municipal bank accounts (Municipal). The release of additional funds will prevent Municipal funds being overdrawn as at 30 June 2019, and assist with cash-flow management in the financial year ended 30 June 2020.

**DETAIL**

At the Ordinary Council Meeting held on 30 April 2019, Council adopted the following two resolutions:

- 1) Approves early repayment of all loans currently held with WA Treasury Corporation by 30 June 2019 totalling \$24,352,070.12 inclusive of accrued interest expense, subject to change pending current day interest rates; and
- 2) Amend the 2018/19 Annual Budget to include expenditure for the payment of the loan principal and premium costs totalling \$23,951,183.35 to be funded from the Port Hedland International Airport Long Term Lease Proceeds Reserve account, resulting in a nil impact the to 30 June 2019 closing surplus.

The dollar values included in the resolutions were based on pricing provided by WA Treasury Corporation (WATC) on 8 April 2019 with projected settlement date of 14 June 2019.

On Tuesday 4 June 2019, the Reserve Bank of Australia announced an interest rate reduction of 25 basis points. This, along with the expectation of further rates cuts in the short-term influencing the final pricing received from WATC on 13 June 2019 with payment made on 18 June 2019. A summary of the final pricing and payment is outlined in the table below.

	Indicative	Final payment
Pricing date	08/04/2019	13/06/2019
Payment date	14/06/2019	18/06/2019
Principle	\$20,431,015	\$20,381,939
Accrued interest*	\$400,887	\$358,653
Early repayment premium	\$3,520,168	\$4,230,084
<b>Total payment</b>	<b>\$24,352,070</b>	<b>\$24,970,676</b>
Reserve funded	\$23,951,183	\$23,951,183
Municipal interest*	\$400,887	\$400,887
Municipal premium funded		\$618,606
<b>Total payment</b>	<b>\$24,352,070</b>	<b>\$24,970,676</b>

\*Note that a scheduled loan repayment occurred between 14/06/2019 and 18/06/2019 meaning that the interest expense funded by Municipal remains at \$400,887.

Whilst the first motion approved by Council on 30 April 2019 provided for a change in the final payment value due to interest rate movements, the second motion did not. The additional payment of \$618,606 has been funded from Municipal. It is requested that Council approve the release of additional funds from the Reserve account to assist with cash-flow management as at 30 June 2019 (FY2019) and continuing into financial year ended 30 June 2020 (FY2020). It should be noted that the Municipal bank account has been impacted by Tropical Cyclone Veronica, with a material outflow of funds in the last quarter of FY2019 which is not expected to be recouped via disaster recovery funding until the December quarter of FY2020.

**Additional information**

WATC provided the following explanation regarding the movement in the early repayment premium.

*“...since the analysis and report was undertaken there has been a sustained decrease in long term interest rates on financial markets due to growing expectations that the Reserve Bank would move into another interest rate easing cycle. In particular, Port Hedland’s debt portfolio has approximately a 12.5 year weighted average term to maturity at present, and the interest rates for a 12.5 year loan has fallen from approximately 2.75% at end February to 2.1%. As a result, the premium in the market*

*valuation to payout the loans early has increased by approximately \$765,000 as reflected in the updated market valuation provided today.”*

*“The same also applies to future earnings that Port Hedland would expect to earn on short-term investments. The RBA cut interest rates on 4 June by 0.25%, and the market has fully priced in another 0.25% cut within 2 months. This will in turn impact Port Hedland’s term deposit rates as these mature over the coming months.”*

The repayment of the Town’s loan portfolio on 18 June 2019 realised the main intent of the original decision approved by Council on 30 April 2019. The repayments on all loans achieved positive internal rates of return when compared to current term deposit rates and repayment continued to meet the requirements of the Town’s policy 2/018 on Borrowings. Achieved internal rates of return on loans repaid range from 2.26% to 2.89%.

It should be noted that the most recent term deposit entered into by the Town was for 2.05% for six months, with rates offered in the range of 1.8% to 2.05% (previous term deposit rates in the order of 2.65% to 2.9%). This is consistent with the comment above made by WATC.

#### LEVEL OF SIGNIFICANCE

In accordance with Policy 4/009 ‘Significant Decision Making’, this matter is considered to be of medium significance. Whilst the additional payment has already been funded from Municipal accounts, the release of additional funds from the Reserve will assist with management of cash-flow requirements for the Town.

#### CONSULTATION

##### *Internal*

Elected members at confidential briefing on 19 June 2019.

##### *External Agencies*

WA Treasury Corporation – advisory section.

##### *Community*

Community consultation is not deemed necessary for this matter.

#### LEGISLATION AND POLICY CONSIDERATIONS

Section 6.8(1)(b) of the *Local Government Act 1995* requires that a Local Government is not to incur expenditure from its municipal fund for an additional purpose except where the expenditure is authorised in advance by resolution. This was achieved by resolution of Council CM201819/178 for ‘Early Repayment of Debt’ at the Ordinary Council Meeting held on 30 April 2019.



This recommendation also complies with Town of Port Hedland policy 2/018 Borrowings with states the following:

*“Any loan can be paid off in full where it can be demonstrated that there is a significant benefit to the Town. Any retirement of debt will not occur without approval from Council. The final payment will include the principal outstanding, interest accrual to date and the premium cost for breaking the loan contract. The decision to pay off a loan will be based on economic viability and will be analysed on a case to case basis.”*

#### FINANCIAL AND RESOURCES IMPLICATIONS

The proposed additional funds to come from the Reserve have not been allocated to any specific project via an adopted Long-Term Financial Plan. Funds in the Reserve have not been designated for any specific purpose to date.

The release of the additional funds from the Reserve will assist cash-flow management for both FY2019 and FY2020.

#### STRATEGIC AND SUSTAINABILITY IMPLICATIONS

The following section of the Town’s Strategic Community Plan 2018-2028 is applicable in the consideration of this item:

**4.b.1** Sound long-term financial planning is implemented

There are no significant identifiable environmental or social impacts relating to this item.

#### *Corporate Business Plan*

The following action of the Town’s Corporate Business Plan 2018-2022 apply in relation to this item:

- 4.b.2.1 – Ensure the Town’s finances are managed efficiently and effectively in line with legislated requirements.

#### RISK MANAGEMENT CONSIDERATIONS

There is a financial risk associated with this matter due to the large dollar value. Applying the risk matrix, the risk rating is considered to be low (4), which is determined by a likelihood of rare (1) and a consequence of major (4).

The primary risk is that the additional money release from the Reserve is required in the short to medium term for another purpose. As there will be \$143M remaining in the Reserve, the likelihood of this occurring has been assessed as rare.

#### OPTIONS

*Option 1 – Adopt officer's recommendation*

*Option 2 – Amend officer's recommendation*

Council may consider reducing the amount released from the Reserve.

*Option 3 – Do not adopt officer's recommendation*

## CONCLUSION

It is recommended that an additional amount of \$618,606.00 be released from the PHIA Long Term Lease Proceeds Reserve to cover the additional loan repayment premium paid on 18 June 2019 (currently funded from Municipal). Releasing the additional funds will assist with cash-flow management and prevent Municipal bank accounts being overdrawn at 30 June 2019.

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## Item 15 Matters for Which Meeting May Be Closed (Confidential Matters)

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Nil

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## Item 16 Closure

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### 16.1 Date of Next Meeting

The next Ordinary Meeting of Council will be held on Wednesday 24 July 2019 commencing at 5:30pm, with the Public Agenda Briefing being held on Wednesday 17 July 2019, commencing at 5:30pm.

### 16.2 Closure

There being no further business, the Mayor declared the meeting closed at 6.35pm.