



TOWN OF PORT HEDLAND

ORDINARY COUNCIL MEETING MINUTES

WEDNESDAY 23 NOVEMBER 2016 AT 5:30PM

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

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

*Chris Linnell
Acting Chief Executive Officer*

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Item 1 Opening of Meeting

The Mayor declared the meeting open at 5.33pm.

Item 2 Acknowledgement of Traditional Owners

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

Item 3 Recording of Attendance

3.1 Attendance

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

Officers

Chris Linnell	Acting Chief Executive Officer
Adam Majid	Acting Director Community and Development Services
Kathryn Crothers	Acting Director Corporate Services
Ray Davy	Acting Director Works and Services
Louise O'Donnell	Governance Officer/Minute Taker

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3.2 Apologies

Nil

3.3 Approved Leave of Absence

Nil

3.4 Disclosure of Interests

Name	Item no.	Interest	Nature
Cr Melville	12.1.2	Impartiality	Turf Club Member
Cr Hooper	12.2.2	Financial	Form sells his paintings
Cr Arif	12.2.2	Financial	Occasionally employed by the Visitors Centre

Item 4 Response to Previous Questions

4.1 Response to Questions taken on notice from Public at the Ordinary Council Meeting held on Wednesday 26 October 2016**4.1.1 Mr Jim Henneberry**

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

The Acting Director Community and Development Services advises that Scheme Amendment 22 was the result of a lengthy process in conjunction with both the Minister for Planning and Minister for Environment as a result of heightened concern in relation to potential impacts of dust within the West End of Port Hedland. The design criteria was introduced in an effort to reduce dust ingress into buildings as well as discouraging occupancy by those cohorts of the community seen to be more susceptible to potential health risks. Council may look to considering a further amendment to Town Planning Scheme No. 5 to alter or remove any provision of the Town Planning Scheme, however, it is the Minister for Planning who approves or rejects the implementation of amendments. The Town is working with all the relevant state agencies on this issue in order to de-constrain the West End in the future.

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

The Acting Director Community and Development Services advises that the Town is currently investigating best practice methods and costs to implement dust monitoring independent of industry operators such that the Town can obtain data which it would view as credible and independent of any perceived interference. Any potential options identified will be shared amongst Council as a whole given the high importance of the issue of dust in the West End of Port Hedland.

4.1.2 Mr John Peters

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

The Acting Director Community and Development Services advises that amendment 22 to Town Planning Scheme No. 5 introduced development requirements for residential development within the West End which are designed to mitigate ingress of dust into buildings therefore reducing exposure to any potential risks. The Proposed Local Planning Policy is design to further clarify the provisions of Town Planning Scheme No. 5 and to educate designers on potential methods to reduce dust ingress into buildings. The Council and Town is also actively engaging with Ministers of the government to highlight the concerns and disappointment as to how the issue has been handled to date. The Town is working with government to find ways to mitigate heightening of any risks or concerns in the future.

4.2 Response to Questions taken on notice from Elected Members at the Ordinary Council Meeting held on Wednesday 26 October 2016

4.2.1 Councillor Jan Gillingham

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

Port Hedland International Airport advised that the remains of the mosaic were not collected by the Port Hedland Historical Society and that the mosaic has been disposed. Please note, the remaining pieces disintegrated during removal.

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

Port Hedland International Airport advised that preliminary investigations are underway. The aircraft has been assessed by a Project Manager. Options are to be investigated after completion of the master plan in where it may be best located.

Item 5 Applications for Leave of Absence

CM201617/092 COUNCIL DECISION

MOVED:CR TAVO

SECONDED: CR HOOPER

That Council approve the following applications for leave of absence:

- **Councillor Gillingham from 2 to 24 January 2017**

CARRIED 8/0

Item 6 Attendance by Telephone/Instantaneous Communications

Nil

Item 7 Public Time

Important note:

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

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

The Mayor opened Public Question Time at 5.37pm.

7.1 Public Question Time

7.1.1 Mr John Peters

Can the Council ask Land Corp, who is going to develop the Marina, to transfer the amount of \$112 million into the Town of Port Hedland account or a trust account? If not then what will Council do if the subsequent government does not support the plans for the Marina? If the answer is yes can the transfer occur before the next State Election?

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

Does the Town accept that drugs are readily available in Port Hedland?

The Mayor advised that he is unsure how readily available drugs are in Port Hedland however acknowledges that there is a lot of evidence around town that drug use is rife.

What support is given to the Police force from the Town of Port Hedland?

The Mayor advised that the drug issue is a State Government and Police responsibility, the Town of Port Hedland does not have any jurisdiction over that area.

Does the Town think the State Police are failing in dealing with drug dealers in Port Hedland?

The Mayor advised that the police have a very difficult job and that this question should be directed to the police.

What is the police force's KPI on drugs and what is the reward for them in achieving their KPI's on drugs?

The Mayor advised that this question is best directed to the police.

The Mayor closed Public Question Time at 5.43pm.

The Mayor opened Public Statement Time at 5.43pm.

7.2 Public Statement Time

7.2.1 Ms Joan Foley

The Hedland Community Living Association (HCLA) has been working in Port Hedland for many years. Our membership includes people with disability, carers, family and advocates for people with disability.

Over those years we have worked with the Town of Port Hedland being told we were helping create an inclusive and accessible town for all people with disabilities. We have given expertise, opinions and worked on the Disability Access and Inclusion Plan (DIAP).

The results that the Town of Port Hedland and ourselves have previously instituted from this process include the current lift and front ramp entrance as well as the ramp into the Gratwick Aquatic Centre Pool (provided by Cargill salt during the revamp).

Previously the Council made great progress with the waterfront path with its excellent width for wheelchair and other mobility use space. I am sure all of the Elected Members know about the Town DIAP. HCLA waited excitedly to see the actions that are in the current DAIP be put into action. Unfortunately, we have not seen the progress we have hoped for.

I have provided a copy of the DIAP with my notes for the Council's reference. When will these changes be wrought as a matter of process, without me having to stand before this meeting? The 45 degree inaccessible ramp to the Koombana lookout is still as it was when it was put in place despite us requesting review and change. No respect for our family members or the increased number of "grey nomads".

These items are not a wish list for our members. These are commitments made by the Town that are needed to help us be included in the community. The Town has a responsibility to action these items. As you see this plan has been in place since 2013, why has this not been completed? Why is every other project put first? You have the money to have a wave rider and to build flash new buildings.

I cannot tell you the disappointment felt when we heard about the money squirrelled away for a marina while the chambers we stand in now is not accessible. I cannot begin to tell you how isolated and put aside we feel when we heard that the focus on improvement will not be on parking, bathrooms or accessible spaces, rather town money will be spent on boat owners. Our members demand that we are listened to and no longer discriminated against by the Town of Port Hedland and its Elected Members.

Our families are fragile, they haven't got the ability to come to these meetings over and over again and we need to be put first when it comes to any planning and any decisions as per the promise that was put in the DIAP.

7.2.2 Mr Daniel Collins

Local businesses are a critical part of our town. Profits from locally owned businesses tend to stay in our town where those profits can further benefit our community. Locally owned businesses often punch above their weight when it comes to providing support to our schools, sporting clubs and community groups. It is not unusual to see small local businesses provide more support to community groups than some second tier mining contractors who are making much larger profits.

Locally owned businesses certainly play a very important role in both the financial wellbeing and social wellbeing of our town. It is no secret that many local businesses are facing tough times at the moment which makes it harder for them to support the community as much as these businesses would like to.

Recently I have noticed the Town of Port Hedland are becoming increasingly supportive of local businesses. A number of other local business owners have also noticed this trend. This is great to see and I thank the Town of Port Hedland for its increased support of local businesses which in turn leads to more support for our community as a whole.

7.2.3 Mayor Blanco on behalf of Mr Chris Whalley

I am writing this letter in response to the ongoing debate about dust levels in Port Hedland. 50 years ago when the iron ore industry was first launched very few people, if anyone, raised concern about the atmosphere and audio pollution. It was thought this is what we all had to put up with for the sake of progress.

50 years later our sensibilities have changed. We have now become much more aware of the symbiotic relationship between humanity and the environment. If a proposal were put forward today to site an iron ore industry right next to an existing town site, it would not get past the front gate.

In the early years this new industry was a boom for this town creating jobs, infrastructure and wealth. But in more recent times the presence of this industry adjacent to Port Hedland has now become counterproductive and is actually working against the best interest of the town.

In the five decades of having an iron ore industry in town and despite all efforts in trying to contain and eliminate the dust problem, these efforts have been a failure. If the industry remains where it's sited, meaning no change, it will continue to be a bone of contention and conflict within the local community.

By comparison if BHP management were to adopt a policy first proposed nearly 4 years ago, to move all these mountains of iron ore out of Nelson Point and Finucane Island to a brand new industrial park situated say 5km out of South Hedland and have the iron ore pellets freighted into Port by rail or conveyor belts and deposited straight into the cape ships, this would be better for everyone. I believe a proposal like this would go a very long way to solving as much as possible; the dust and noise problems. Adopting a proposal like this or similar would create a win-win situation for everyone.

The mining industry gets what they want; the ability to export iron ore for decades to come and the local community get what they want; cleaner air, quieter locality and which would allow people to live work and play in the West End of Port Hedland once more.

7.2.4 Mr John Peters

Mr Peters makes a statement on behalf of people in the Western Desert.

There are many Non-Government Organisations (NGO), non for profit groups and a school run by the nomads in the Pilbara region. In the Western Desert there are 11 houses with 100 people staying in them who have said that they feel better off in prison. Mr Peters stated that not many people in these communities graduate and go to university and most of them end up going to prison. He is saddened that such communities exist in an advanced country like Australia.

Mr Peters recommends that funds from the Town of Port Hedland should be provided to local sports clubs that are struggling as this will provide opportunities for the community. It is currently evident that these people have nothing to do and are seen drinking outside South Hedland Shopping Centre causing trouble. Mr Peters proposes that Council provide funding for these schools for the future generation and recommends Council take over all NGO's and each Elected Member be made the administrator/director.

The Mayor closed Public Statement Time at 5.56pm.

7.3 Petitions/Deputations/Presentations/Submissions

Nil

Item 8 Questions from Members without Notice

8.1 Councillor Troy Melville

In reference to the current story about Cleo the dog who was picked up by the rangers several times for escaping, can an update on where the Town currently stands be provided?

The Mayor advised that a copy of the correspondence would be sent to Elected Members.

Can the Town request an update from Main Roads on their planning for the duplication of Wilson Street?

The Chief Executive Officer advised that the question would be taken on notice.

8.2 Councillor Jan Gillingham

Can an update on the TAFE building in South Hedland be provided?

The Chief Executive Officer advised that the question would be taken on notice.

Has the completion of the Richardson Street boat ramp dredging gone to plan?

The Mayor advised that it went over in time however has been completed.

The Chief Executive Officer thanked everyone involved for preparing and completing the Richardson Street boat ramp job and advised that there was an excessive amount of rubbish in this area which caused the delay. He encouraged everyone to look after the environment and waterways by taking home their excess fishing line, tackle and all other rubbish.

Does the Town have a strategy or plan to look into future marine sanctuary on Cemetery beach where the reef is located?

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

What communications took place between the Port Hedland International Airport, the Historical Society and the Town regarding the removal of the mosaic?

The Mayor asked Ms Foley from the Historical Society to provide an answer.

Ms Foley advised that she received communication from the Airport that the mosaic would be moved in October and would be made available to the Historical Society. The Historical Society replied and said that they would like it however have not received the mosaic or any further communication back from the Airport.

There are trees dying and other ongoing maintenance issues at the roundabout at the end of Wallwork Road Bridge, can the Town's maintenance team provide advice as to what is happening in this area?

The Chief Executive Officer advised that the question would be taken on notice.

8.3 Councillor Julie Arif

Can the RV parking site be reseeded or an alternative be found to settle the dust prior to the next tourist season?

The Chief Executive Officer advised that the Town is looking into this currently and will provide a plan of action to Elected Members in the near future.

8.4 Councillor Louise Newberry

Has there being a reply made to the letter regarding BHP's request to extend their licence for production? Can a copy of all correspondence in relation to this matter be provided?

The Mayor advised that the Town had sent a letter asking for an extension to the application and the Town has received a reply which will be replied to request a further extension. The Mayor advised that a copy of correspondence will be sent to Elected Members.

As per the letter, is the Mayor and Councillors going to meet with the Department of Environment Regulation for further discussions?

The Chief Executive Officer advised that the Town is organising this meeting and the Mayor and Councillors will be advised in due course.

8.5 Councillor Richard Whitwell

Can an update on the works on the Yandeyarra road be provided?

The Chief Executive Officer advised that an extensive amount of work has been undertaken since Elected Members visit in September to Yandeyarra. The Town is getting very close to concluding these works. The Town has done a significant amount of work with regards to the road and river crossings and the football oval.

8.6 Councillor Lincoln Tavo

Can the Town provide an update on the project timeline on the completion of works?

The Mayor advised that the Town has reformatted the works schedule, there is going to be some adjustments and it will then be sent out to all Elected Members.

The Chief Executive Officer advised that the Town will be providing an update each month to Elected Members and a fortnightly update to the Mayor.

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

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

- Mayor Camilo Blanco

- Councillor Troy Melville
- Councillor Jan Gillingham
- Councillor David Hooper
- Councillor Julie Arif
- Councillor Louise Newbery
- Councillor Richard Whitwell
- Councillor Lincoln Tavo

Item 10 Confirmation of Minutes of Previous Meeting

10.1 Confirmation of Minutes of the Ordinary Council Meeting held on Wednesday 26 October 2016**CM201617/093 OFFICER RECOMMENDATION/COUNCIL DECISION****MOVED: CR ARIF****SECONDED: CR TAVO**

That Council confirm that the Minutes of the Ordinary Council Meeting held on Wednesday 26 October 2016 are a true and correct record.

CARRIED 8/0**10.2 Confirmation of Minutes of the Special Council Meeting held on Thursday 27 October 2016****CM201617/094 OFFICER RECOMMENDATION/COUNCIL DECISION****MOVED: CR TAVO****SECONDED: CR ARIF**

That Council confirm that the Minutes of the Special Council Meeting held on Thursday 27 October 2016 are a true and correct record.

CARRIED 8/0

Item 11 Announcements by Presiding Member without Discussion

The Mayor thanked the people of Hedland for having faith in his ability and electing him as Mayor. The Mayor congratulated Councillor Troy Melville for being elected as the Town of Port Hedland's Deputy Mayor.

The Mayor advised that the Town's new CEO has been appointed and the Marina has been approved which will improve the towns waterfront in Port Hedland. The Mayor advised that Marquee Park and the Port Hedland boat ramp works have been completed and that the Town is in the middle of the works resealing program. The works program is moving ahead quickly and the Mayor thanked the Town's staff for working hard on this. The Mayor advised that the

South Hedland swimming pool will remain closed until it is fixed. The drug and alcohol issues in Port Hedland are in the spotlight with momentum building on solutions and there is hope to have these actioned very soon. The Mayor advised that the solutions were supported at the drug and alcohol forum that the Mayor attended on 23 November 2016.

Disclaimer

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

Item 12 Reports of Officers

12.1 Corporate Services**12.1.1 Councillor Vacancy**

File No: 13/07/0016
Applicant/ Proponent: N/A
Subject Land/ Locality: N/A
Date: 7 November 2016
Author: Grace Waugh, Coordinator Governance
Authorising Officer: Kathryn Crothers, Acting Director Corporate Services
Disclosure of Interest from Author: Nil
Authority/Discretion: Executive – the substantial direction setting and oversight role of the Council. E.g. adopting plans and reports, accepting tenders, directing the Chief Executive Officer, setting and amending budgets.

Attachments:
Nil

CM201617/095 OFFICER RECOMMENDATION 1/COUNCIL DECISION**MOVED: CR TAVO****SECONDED: CR ARIF**

That Council allow the vacancy to remain unfilled until the October 2017 Ordinary Election subject to the approval of the Electoral Commissioner in accordance with section 4.17(3) of the Local Government Act 1995.

CARRIED 8/0

CM201617/096 OFFICER RECOMMENDATION 2/COUNCIL DECISION**MOVED: CR GILLINGHAM****SECONDED: CR HOOPER**

That Council appoint Councillor Tavo to the Audit, Risk and Governance Committee in accordance with section 5.10 of the Local Government Act 1995.

CARRIED 8/0

EXECUTIVE SUMMARY

An extraordinary election to fill the Mayor vacancy was held on Saturday 5 November 2016. Camilo Blanco was elected as the Mayor of the Town of Port Hedland Council. This has

resulted in a Councillor vacancy as Mayor Blanco was elected as a Councillor in October 2015 with his term ending in October 2019.

The Town is recommending that approval is sought from the Electoral Commissioner to allow the vacancy to remain unfilled until the 21 October 2017 ordinary election. The position would be for a two year term until October 2019 which is when Mayor Blanco's term as Councillor would have ended.

Once a decision has been made by Council the Town will seek the approval of the Electoral Commissioner.

BACKGROUND

Kelly Howlett resigned from the office of Mayor effective from 26 August 2016 which resulted in an extraordinary election was held on Saturday 5 November 2016 to fill the vacancy. Camilo Blanco was elected Mayor which created a Councillor vacancy.

To fill this vacancy there are three options the Council can consider as outlined below:

1. Carry the vacancy through to the October 2017 Ordinary Election with the approval from the WAEC;
2. Hold an extraordinary election to fill the vacancy; or
3. Permanent reduction of the number of offices of Council from nine to eight.

Option 1

In accordance with section 4.17(3) of the Local Government Act 1995 Council can allow by absolute majority, with approval of the Electoral Commissioner, that the vacancy remain unfilled until the October 2017 ordinary election.

If the position was to remain vacant the quorum and absolute majority will continue to be five Elected Members regardless of how many are present at a meeting. This option is recommended as the October 2017 ordinary election is 11 months away.

This option could potentially become an issue if there are any Elected Members on approved leave, absent or if any financial or proximity interests are declared at meetings, as the Town would need to seek a reduced quorum and/or a reduced absolute majority from the Minister for Local Government in accordance with section 5.7 of the Local Government Act 1995. Carrying the vacancy could also result in more tied votes and the Mayor would be required to use his casting vote more often, which is not considered to be a best practice approach to decision making for an extended period of time.

Nevertheless, the Town recommends that this is the best option moving forward as it is more cost effective given the short time period between the vacancy occurring and the October 2017 ordinary election.

This would result in five Council positions being up for election at the October 2017 being four four year term Councillor positions, one four year Mayor position and one two year Councillor position.

Option 2

An extraordinary election could be held to fill the vacancy. Maintaining nine Elected Members on Council should result in less tied votes, will reduce the possibility of a quorum not being

achieved at Council meetings and the administration having to request quorum reductions for items that require an absolute majority vote from the Minister for Local Government and Communities.

This is due to the fact that the number of Elected Members required to achieve a quorum and an absolute majority vote will remain at five regardless of the vacancy being filled or not.

The WAEC can conduct elections on behalf of local governments under the Local Government Act 1995. By making the Electoral Commissioner responsible for the extraordinary election, the Town will ensure that the election is conducted independently and with impartiality.

The earliest another extraordinary election could take place is 14 February 2017. This would not be an ideal time as the State election is being held on 18 March 2017 and could therefore result in a decreased participation rate from residents on the electoral roll.

The Town does not recommend this option given there is only eleven months between the vacancy occurring and the October 2017 ordinary election. The Town has also held two extraordinary elections in 2016 which is a cost to the Town that was not originally budgeted for.

Option 3

Council could also consider requesting permission from the Minister for Local Government to permanently reduce the number of elected members at the Town of Port Hedland Council from nine to eight.

This option is also not recommended as local governments usually have an odd number of Elected Members to prevent the issues already discussed above.

Committees and Working Groups

At the Special Council Meeting on 10 August 2016 Council made the following decision:

“CM201617/035 COUNCIL DECISION

MOVED: CR ARIF

SECONDED: CR MELVILLE

That with respect to continuing representation on committee and groups, Council for the interim, until the election of the Mayor, at which time the positions will revert to the responsibility of the incumbent Mayor:

- 1. Appoint Councillor Melville to the Audit, Risk and Governance Committee.*
- 2. Note that the proxy for the Pilbara Regional Council and Joint Development Assessment Panel will attend future meetings until the Mayoral Election;*
- 3. Appoint Councillor Hooper as proxy for the Regional Roads Group;*
- 4. Appoint Deputy Mayor Camilo Blanco as the proxy for the Local Emergency Management Committee;*
- 5. Appoint Councillor Gillingham as the Town of Port Hedland Representative to the Hedland Senior High School Board and Councillor Newbery as the proxy;*

6. *Recommend the appointment of Councillor Newbery as the Town of Port Hedland Representative to the DeGrey Land Conservation District Committee;*
7. *Appoint Councillor Whitwell as the Town of Port Hedland Representative to the East Pilbara Health Advisory Council and;*
8. *Appoint Councillor Hooper as the Town of Port Hedland Representative to the Hedland Roadwise Committee.*

CARRIED BY ABSOLUTE MAJORITY 9/0"

This decision now means that Mayor Blanco is now a member of all of the above groups. This creates a vacancy on the Audit, Risk and Governance Committee as Mayor Blanco was already a member. Council are required to appoint an additional Elected Member to the Committee. The Deputy Mayor that is elected by Council will then resume a position on the Pilbara Regional Council and Joint Development Assessment Panel as per policy 4/007 'Elected Member Representation – Pilbara Regional Council, Regional Roads Group and Local Emergency Committee'.

CONSULTATION

The WA Electoral Commission have been consulted on the process and advised that the Electoral Commissioner would consider giving the Town of Port Hedland approval to carry the vacancy.

LEGISLATIVE IMPLICATIONS

If the office of an elected Councillor, Mayor or President becomes vacant due to resignation of a member, or another reason listed in section 2.32 of the *Local Government Act 1995 (the Act)*, Council can choose to allow the vacancy to remain unfilled until the next ordinary election in accordance with section 4.17 of the Act with the approval of the Electoral Commissioner and subject to subsection 4A. Section 4.17(4A) of the Act allows a district with no wards and at least 80% of the number of offices of member of council still filled to request that the vacancy remain unfilled. As the Town of Port Hedland will still have eight Elected Members out of nine we meet the criteria of section 4.17(4A).

Any decision to appoint a member to a committee must be made by absolute majority in accordance with section 5.10 of the *Local Government Act 1995*.

POLICY IMPLICATIONS

There are no policy implications to allow the vacancy to remain unfilled. Policy 4/007 'Elected Member Representation – Pilbara Regional Council, Regional Roads Group and Local Emergency Committee' applies in regards to which Elected Members are members of these groups.

FINANCIAL IMPLICATIONS

The Town budgeted \$30,000 for the November 2016 extraordinary election however has not included any additional funds. WAEC quote approximately \$23,000 for extraordinary elections with a further \$7,000 requested for costs outside of WAEC such as advertising and polling day costs.

Should Council wish to hold an extraordinary election to fill the vacancy a further \$30,000 will need to be budgeted for in the 2016/17 Budget.

There is no cost to the Town for the position to remain unfilled until the October 2017 ordinary election. The Town will save \$2,275.02 of the budgeted IT Allowance and \$20,085 for the Attendance Fee for the 2016/17 financial year. The savings could be identified as part of the Budget efficiencies as per Council Decision CM201617/038.

STRATEGIC IMPLICATIONS

Section 4.1.1 'Deliver high quality corporate governance, accountability and compliance' of the Strategic Community Plan applies as this ensures the Town is following the correct processes when Councillor vacancies arise.

SUSTAINABILITY IMPLICATIONS

Environmental

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

Economic

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

Social

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

Risk

Risk	That the Town will need to seek reduced quorum and reduced absolute majority from the Minister for Local Government and Communities on a more frequent basis.	That the Town will need to find a further \$30,000 in the 2016/17 Budget to hold an extraordinary election.
Risk Likelihood (based on history and with existing controls)	Unlikely (2)	Unlikely (2)
Risk Impact / Consequence	Insignificant (1)	Minor (2)
Risk Rating (Prior to Treatment or Control)	Low (1-4)	Low (1-4)
Principal Risk Theme	Service Interruption - 1 Insignificant - No material service interruption	Financial Impact - 2 Minor - \$3,000 - \$30,000

Risk Action Plan (Controls or Treatment proposed)	Accept Risk	Accept Officer Recommendation
--	-------------	-------------------------------

Risk Matrix

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

A risk is often specified in terms of an event or circumstance and the consequences that may flow from it. An effect may be positive, negative or a deviation from the expected and may be related to the following objectives; occupational health and safety, financial, service interruption, compliance, reputation and environment. A risk matrix has been prepared and a risk rating of 2 and 4 has been determined for this item. Any items with a risk rating over 10 (considered to be high or extreme risk) will be added to the Risk Register, and any item with a risk rating over 17 will require a specific risk treatment plan to be developed.

CONCLUSION

It is recommended that Council allow the vacancy to remain unfilled until the October 2017 Ordinary election upon approval from the Electoral Commissioner.

6.11pm Councillor Melville declared an impartially interest for item 12.1.2 'Statement of Financial Activity for the period ended 31 October 2016' as he is a member of the Turf Club.

12.1.2 Statement of Financial Activity for the period ended 31 October 2016

File No: 12/14/0003
Applicant/ Proponent: N/A
Subject Land/ Locality: N/A
Date: 10/11/2016
Author: Rakana Smith, Finance Officer Grants Administration
Authorising Officer: Kathryn Crothers, Acting Director Corporate Services
Disclosure of Interest from Author: Nil
Authority/Discretion: Information Purposes - includes items provided to Council for information purposes only, that do not require a decision of Council (i.e. - for 'noting').

Attachments:

1. Monthly Financial Health Check for the period ended 31 October 2016
2. Statement of Financial Activity for the period ended 31 October 2016 (Under Separate Cover)
3. Material Variance Report for period ended 31 October 2016 (Under Separate Cover)
4. Accounts paid under delegated authority for period ended 31 October 2016 (Under Separate Cover)
5. Credit Card Statements for period ended 31 October 2016
6. Bank Account Summary for period ended 31 October 2016

CM201617/097 OFFICER RECOMMENDATION/COUNCIL DECISION

MOVED: CR ARIF

SECONDED: MAYOR BLANCO

That with respect to the Statement of Financial Activity for the period ended 31 October 2016, Council:

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

CARRIED 8/0

EXECUTIVE SUMMARY

This report presents the Statement of Financial Activity for the period ended 31 October 2016. Supplementary information regarding the Town's financial activities is attached to this report.

The net current assets and opening surplus figure presented in this report are consistent with the 2015/16 annual financial statements to be adopted at November OCM.

The annual financial statements were audited by the Town's independent auditors RSM Bird Cameron and will be presented to Council for adoption.

BACKGROUND

The attachments detail the Town's financial performance for the period ending 31 October 2016.

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

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

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

The interim net current asset position as at 31 October 2016 is \$21.927M. The interim unrestricted cash position as at 31 October 2016 is a \$13.466M. This means the Town has sufficient funds to cover expenditure without utilising cash dedicated to cash backing reserves or requiring an overdraft facility.

	2016/17 Actuals
Current Assets: Cash and Investments	253,097
Restricted Cash – Reserves	239,631
Unrestricted Cash Position as at 31 October 2016	13,466

CONSULTATION

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

LEGISLATIVE IMPLICATIONS

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

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

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

- (a) the payee's name; and
- (b) the amount of the payment; and
- (c) the date of the payment; and
- (d) sufficient information to identify the transaction.

POLICY IMPLICATIONS

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

1. With regards to expenditure classified as operating, a variance of 10% or \$10,000, whichever is the greater, of the year to date current month Current Budget, with Program as the level that requires explanation;

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

FINANCIAL IMPLICATIONS

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

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

- a. Consultants
- b. Contractors
- c. Legal expenses
- d. IT expenses
- e. Accommodation and travel expenses etc.

STRATEGIC IMPLICATIONS

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

SUSTAINABILITY IMPLICATIONS

Environmental

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

Economic

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

Social

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

Risk

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

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

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

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

Risk	Underground Power Debtor
	Council has one Debtor who is currently disputing the works on the basis of rateability. The value of this Debtor is over \$271K with accrued interest.
Risk Likelihood (based on history and with existing controls)	Possible (3)
Risk Impact / Consequence	Moderate (3)
Risk Rating (Prior to Treatment or Control)	Medium (5-9)
Principal Risk Theme	Financial Impact - 3 Moderate - \$30,001 - \$300,000
Risk Action Plan (Controls or Treatment proposed)	Manage by creating provision for doubtful debt in the case that the amount is unrecoverable

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

Risk Matrix

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

A risk is often specified in terms of an event or circumstance and the consequences that may flow from it.

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

CONCLUSION

As at 31 October 2016, the net current asset position is \$21.927. A budget variation was adopted on 28 September 2016 Council Resolution CM201617/070 to amend the 2016/17 Budget, resulting in a municipal deficit position as at 30 June 2017 of (\$28,411). This amendment is reflected in the October Financial Statements.

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

MONTHLY FINANCIAL HEALTH CHECK



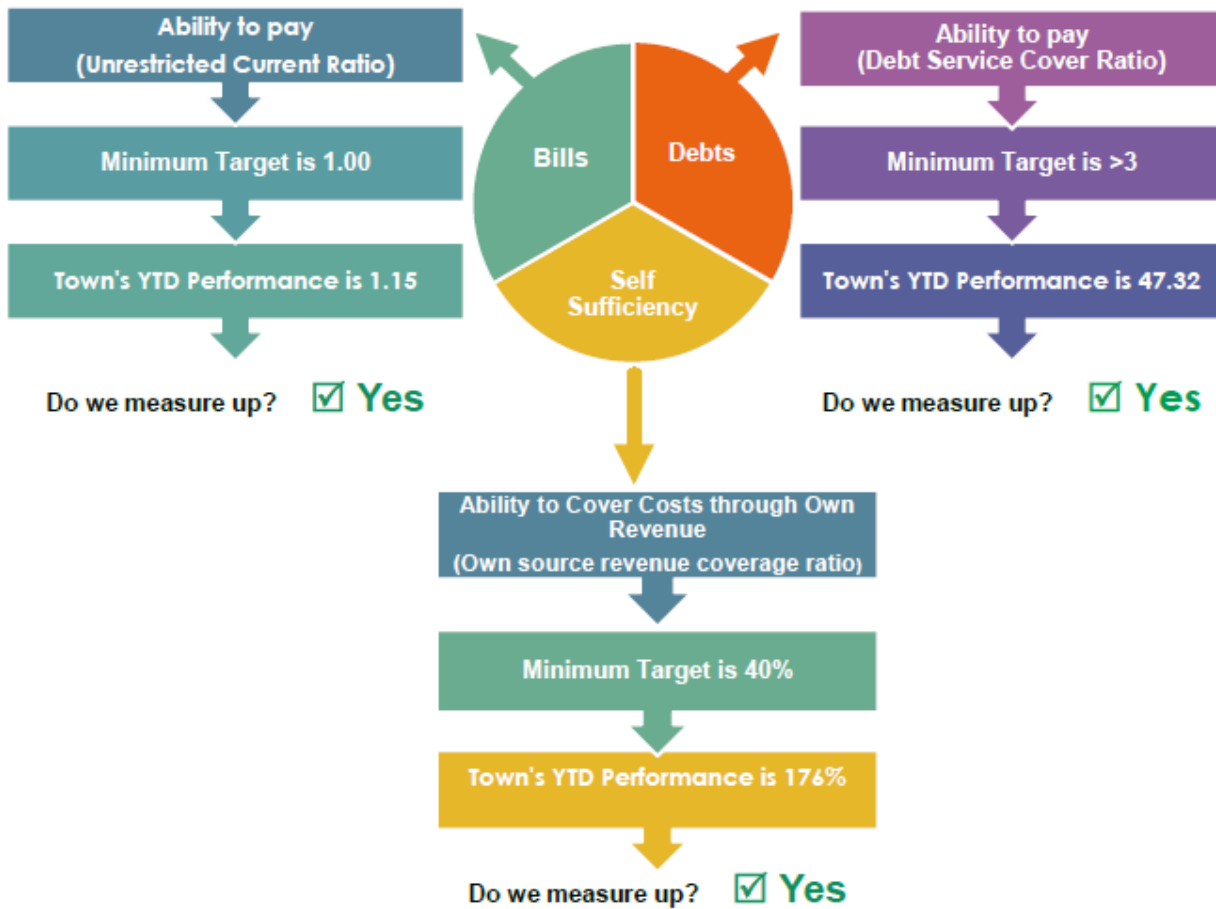
As at 31 October 2016

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



Financial Snapshot (Year to Date)	Actual (000's)
Operating Revenue	\$30,896
Operating Expenditure (Including Non-Cash Items)	(\$16,968)
Non-Cash Items	\$4,590
Capital Revenue	\$220
Capital Expenditure	(\$2,015)
Loan Repayments	(\$412)
Transfers to/from Reserves	(\$34)
Surplus Brought Forward 1 July 2016	\$5,650
Current Municipal Surplus Position at 31 October 2016	\$21,927
Current Budget Municipal Deficit Position at 30 June 2017	(\$28)

Financial health indicators



Cash in the bank



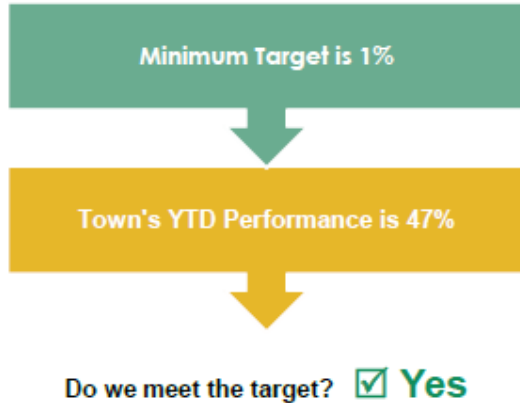
How are we tracking against our budgeted targets?

Adjusted Operating Surplus

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

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

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



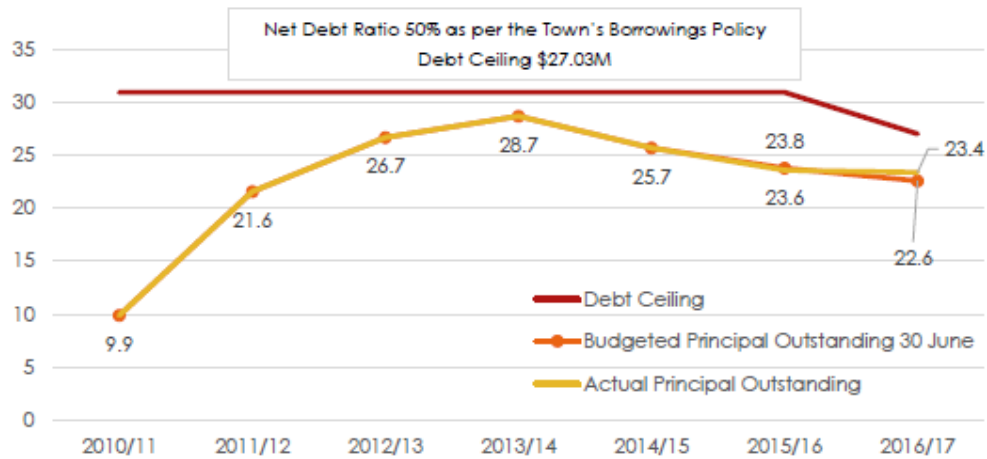
Asset Sustainability Ratio

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

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



Debt levels



Original Budget Principal Outstanding Forecast at 30 June 2017 = \$22.6M
 Original Budget Operating Revenue = \$54.06M
 Budgeted Net Debt Ratio = 42%
 Actual Net Debt Ratio = 43%
 Actual Principal Outstanding 31 October 2016 = \$23.4M
 Debt Ceiling 50% pursuant to Policy (\$54.06M x 50%) = \$27.03M

Intergenerational Loans		
Loan Purpose	Outstanding Amount	Remaining Term
1. Marquee Park	\$4.50M	14/15 years
2. JD Hardie Upgrade	\$2.59M	14/16 years
3. Wanangkura Stadium	\$8.95M	15/16 years
4. GP Housing	\$1.33M	16 years

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

ATTACHMENT 5 TO ITEM 12.1.2

TOWN OF PORT HEDLAND

Summary of Credit Card Statements for the Month of October 2016

Attachment 6

Account Name	Account Number	Card Holder	Debit Balance (\$)
Town of Port Hedland	██████████-8349	Tandy Williams	\$1,475.71
Town of Port Hedland	██████████-8364	Jessica Dodd	\$6,239.14
Town of Port Hedland	██████████-8885	Chris Linnell	\$0.00
Town of Port Hedland	██████████-7068	Andrea Pears	\$3,702.34
Town of Port Hedland	██████████-8868	Jessica Rankin	\$0.00
Town of Port Hedland	██████████-4948	Megan Cocciardi	\$2,392.15
Town of Port Hedland	██████████-5176	Ashley Groch	\$0.00
Town of Port Hedland	██████████-8444	Kelly Andrews	\$6,350.78
			\$20,160.12

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



NAB Connect

Transaction History Report

Account details

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

Account balance summary

Opening balance: 0.00 CR
Total credits: 0.00 CR
Total debits: 1,475.71 DR
Closing balance: 0.00 CR

Date from: 01 October 2016
Date to: 31 October 2016

Transaction details

Date	Narrative	Reference	Debit amount	Credit amount	EOD balance
20/10/2016	CREDIT CARD PURCHASE WOOLWORTHS 4316		48.46 DR		48.46 DR
25/10/2016	CREDIT CARD PURCHASE VIRGIN AUST 7958223803774		11.00 DR		
25/10/2016	CREDIT CARD PURCHASE LOMBARD PTY LTD		44.95 DR		
25/10/2016	CREDIT CARD PURCHASE EB *2016 Sustainable C		87.31 DR		
25/10/2016	CREDIT CARD PURCHASE VIRGIN AUST 7952134096587		1,118.00 DR		1,261.26 DR
27/10/2016	CREDIT CARD PURCHASE PAYPAL *LCYTRADINGA		165.99 DR		165.99 DR

End of report



NAB Connect

Transaction History Report

Account details

Account name
TOWN OF PORT HEDLAND
Account number
[REDACTED]-8364
Currency
AUD

Account balance summary

Opening balance: 0.00 CR
Total credits: 0.00 CR
Total debits: 6,159.14 DR
Closing balance: 0.00 CR

Date from: 01 October 2016
Date to: 31 October 2016

Transaction details

Date	Narrative	Reference	Debit amount	Credit amount	EOD balance
03/10/2016	CREDIT CARD PURCHASE FACEBK *TCXZ8AS4Y2		4.55 DR		
03/10/2016	CREDIT CARD PURCHASE FACEBK *MCXZ8AS4Y2		119.94 DR		124.49 DR
06/10/2016	CREDIT CARD PURCHASE DROPBOX*Q1TB35HTRJM4		85.00 DR		85.00 DR
07/10/2016	CREDIT CARD PURCHASE WOOLWORTHS 4316		19.17 DR		19.17 DR
10/10/2016	CREDIT CARD PURCHASE MAILCHIMP		66.89 DR		
10/10/2016	CREDIT CARD PURCHASE LOCAL GOVERNEMENT MANA		1,500.00 DR		1,566.89 DR
13/10/2016	CREDIT CARD PURCHASE LOCAL GOVERNEMENT MANA		1,795.00 DR		1,795.00 DR
14/10/2016	CREDIT CARD PURCHASE MERCURE BROOME		378.46 DR		
14/10/2016	CREDIT CARD PURCHASE MERCURE BROOME		378.46 DR		
14/10/2016	CREDIT CARD PURCHASE MERCURE BROOME		378.46 DR		
14/10/2016	CREDIT CARD PURCHASE MERCURE BROOME		378.46 DR		
14/10/2016	CREDIT CARD PURCHASE MERCURE BROOME		378.46 DR		1,892.30 DR
24/10/2016	CREDIT CARD PURCHASE VIRGIN AUST 7958223789462		8.29 DR		
24/10/2016	CREDIT CARD PURCHASE VIRGIN AUST 7952134071414		638.00 DR		646.29 DR
25/10/2016	CREDIT CARD PURCHASE P H C C I P O R		30.00 DR		30.00 DR

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NAB Connect

Transaction History Report

Account details

Account name
TOWN OF PORT HEDLAND
Account number
[REDACTED]-7068
Currency
AUD

Account balance summary

Opening balance: 0.00 CR
Total credits: 0.00 CR
Total debits: 3,085.05 DR
Closing balance: 0.00 CR
Date from: 01 October 2016
Date to: 31 October 2016

Transaction details

Date	Narrative	Reference	Debit amount	Credit amount	EOD balance
06/10/2016	CREDIT CARD PURCHASE QANTAS AIRWAYS		668.60 DR		
06/10/2016	CREDIT CARD PURCHASE QANTAS AIRWAYS		668.60 DR		1,337.20 DR
14/10/2016	CREDIT CARD PURCHASE VIRGIN AUST 7958223693265		9.15 DR		
14/10/2016	CREDIT CARD PURCHASE VIRGIN AUST 7952133893124		704.00 DR		713.15 DR
20/10/2016	CREDIT CARD PURCHASE DEPT OF TRANS INTERNET		29.05 DR		29.05 DR
21/10/2016	CREDIT CARD PURCHASE DEPT OF TRANS INTERNET		100.00 DR		100.00 DR
26/10/2016	CREDIT CARD PURCHASE AUSTRALIA POST - SOU		88.70 DR		
26/10/2016	CREDIT CARD PURCHASE AUSTRALIA POST - SOU		269.35 DR		358.05 DR
27/10/2016	CREDIT CARD PURCHASE GRAVITY CRANE SERVIC		470.25 DR		470.25 DR
31/10/2016	CREDIT CARD PURCHASE HEDLAND EMPORIUM PTY		77.35 DR		77.35 DR

End of report



NAB Connect

Transaction History Report

Account details

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

Account balance summary

Opening balance: 0.00 CR
Total credits: 0.00 CR
Total debits: 2,392.15 DR
Closing balance: 0.00 CR

Date from: 01 October 2016
Date to: 31 October 2016

Transaction details

Date	Narrative	Reference	Debit amount	Credit amount	EOD balance
03/10/2016	CREDIT CARD PURCHASE FACEBK K3SBKA69D2		17.03 DR		
03/10/2016	CREDIT CARD PURCHASE FACEBK M3SBKA69D2		30.00 DR		
03/10/2016	CREDIT CARD PURCHASE FACEBK Z62MGAJXK2		116.52 DR		163.55 DR
17/10/2016	CREDIT CARD PURCHASE DEPT OF RACING GAMIN		109.00 DR		
17/10/2016	CREDIT CARD PURCHASE Alex Hotel Perth FDI		740.00 DR		849.00 DR
20/10/2016	CREDIT CARD PURCHASE ASIC		9.00 DR		9.00 DR
21/10/2016	CREDIT CARD PURCHASE ASIC		108.00 DR		108.00 DR
24/10/2016	CREDIT CARD PURCHASE ELEARNING PORTAL		98.00 DR		
24/10/2016	CREDIT CARD PURCHASE DEPT OF RACING GAMIN		109.00 DR		
24/10/2016	CREDIT CARD PURCHASE CROWN METROPOL PERTH		1,055.60 DR		1,262.60 DR

End of report



NAB Connect

Transaction History Report

Account details

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

Account balance summary

Opening balance: 0.00 CR
Total credits: 0.00 CR
Total debits: 6,156.07 DR
Closing balance: 0.00 CR

Date from: 01 October 2016
Date to: 31 October 2016

Transaction details

Date	Narrative	Reference	Debit amount	Credit amount	EOD balance
06/10/2016	CREDIT CARD PURCHASE KMART 1103		21.00 DR		
06/10/2016	CREDIT CARD PURCHASE OFWKS ONLINE BENTLEIGH		70.95 DR		
06/10/2016	CREDIT CARD PURCHASE QANTAS AIRWAYS		88.00 DR		
06/10/2016	CREDIT CARD PURCHASE QANTAS AIRWAYS		88.00 DR		
06/10/2016	CREDIT CARD PURCHASE QANTAS AIRWAYS		738.50 DR		1,006.45 DR
14/10/2016	CREDIT CARD PURCHASE APPLECROSS MEDICAL APP		286.00 DR		286.00 DR
17/10/2016	CREDIT CARD PURCHASE KMART 1103		14.96 DR		14.96 DR
19/10/2016	CREDIT CARD PURCHASE QANTAS AIRWAYS		334.30 DR		334.30 DR
20/10/2016	CREDIT CARD PURCHASE VIRGIN AUST 7958223762382		4.15 DR		
20/10/2016	CREDIT CARD PURCHASE COLES EXPRESS 6945		10.00 DR		
20/10/2016	CREDIT CARD PURCHASE VIRGIN AUST 7952134019231		319.00 DR		333.15 DR
21/10/2016	CREDIT CARD PURCHASE KMART 1103		113.00 DR		
21/10/2016	CREDIT CARD PURCHASE COMPASS PORT HAVEN		691.83 DR		804.83 DR
24/10/2016	CREDIT CARD PURCHASE COLES 0385		7.94 DR		
24/10/2016	CREDIT CARD PURCHASE KMART 1103		54.00 DR		61.94 DR
26/10/2016	CREDIT CARD PURCHASE VIRGIN AUST 7958223840204		9.93 DR		
26/10/2016	CREDIT CARD PURCHASE VIRGIN AUST 7952134162026		764.00 DR		773.93 DR

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Transaction History Report (Continued)

Date	Narrative	Reference	Debit amount	Credit amount	EOD balance
27/10/2016	CREDIT CARD PURCHASE HARBOUR CAFE POR		195.00 DR		
27/10/2016	CREDIT CARD PURCHASE QANTAS AIRWAYS		808.40 DR		1,003.40 DR
28/10/2016	CREDIT CARD PURCHASE QANTAS AIRWAYS		334.30 DR		
28/10/2016	CREDIT CARD PURCHASE COMMUNICATION AND WI		338.80 DR		673.10 DR
31/10/2016	CREDIT CARD PURCHASE VIRGIN AUST 7958223878816		5.01 DR		
31/10/2016	CREDIT CARD PURCHASE VIRGIN AUST 7952134234408		385.00 DR		
31/10/2016	CREDIT CARD PURCHASE HOUGOUMONT HOTEL		474.00 DR		864.01 DR

End of report

ATTACHMENT 6 TO ITEM 12.1.2



NAB Connect

Account Balance History Report

Details

Date range: 31-Oct-2016 to 31-Oct-2016
Account name: TOPH MUNICIPAL
Account number: 086-905 50-836-4446
Currency: AUD

Date	No. of debits	Debit amount	No. of credits	Credit amount	EOD balance
31/10/2016	8	1,251,317.18	48	4,212,127.28	4,187,970.21 CR

End of report



NAB Connect

Account Balance History Report

Details

Date range: 31-Oct-2016 **to** 31-Oct-2016
Account name: TOWN OF PORT
Account number: 083-817 83-883-9096
Currency: AUD

Date	No. of debits	Debit amount	No. of credits	Credit amount	EOD balance
31/10/2016	1	4,003,409.74	0	0.00	3,000,000.00 CR

End of report



NAB Connect

Account Balance History Report

Details

Date range: 31-Oct-2016 to 31-Oct-2016
Account name: TOPH RES FND
Account number: 086-905 50-836-4462
Currency: AUD

Date	No. of debits	Debit amount	No. of credits	Credit amount	EOD balance
31/10/2016	0	0.00	0	0.00	1,000.00 CR

End of report



NAB Connect

Account Balance History Report

Details

Date range: 31-Oct-2016 **to** 31-Oct-2016
Account name: TOPH TRUST
Account number: 086-905 50-836-4489
Currency: AUD

Date	No. of debits	Debit amount	No. of credits	Credit amount	EOD balance
31/10/2016	1	500.00	0	0.00	44,861.12 CR

End of report

12.1.3 Audited Annual Financial Statement for the Year Ended 30 June 2016

File No:	12/14/0001
Applicant/ Proponent:	Nil
Subject Land/ Locality:	Nil
Date:	25/10/2016
Author:	Lorraine Muzambwa, Coordinator Financial Planning & Reporting
Authorising Officer:	Kathryn Crothers, Acting Director Corporate Services
Disclosure of Interest from Author:	Nil
Authority/Discretion:	<input checked="" type="checkbox"/> Executive – the substantial direction setting and oversight role of the Council. E.g. adopting plans and reports, accepting tenders, directing the Chief Executive Officer, setting and amending budgets. <input checked="" type="checkbox"/> Legislative – includes adopting local laws, town planning schemes and policies. Review when Council reviews decision made by Officers.

Attachments:

1. Audited Annual Financial Report for the Year Ended 30 June 2016 (Under Separate Cover)
2. RSM Bird Cameron Independent Auditor's Report
3. RSM Bird Cameron Closing Report (Under Separate Cover)

CM201617/098 OFFICER RECOMMENDATION/COUNCIL DECISION

MOVED: CR WHITWELL

SECONDED: CR ARIF

That Council receive and endorse the Audited Financial Statements and External Auditor's Report for the year ended 30 June 2016.

CARRIED 8/0

EXECUTIVE SUMMARY

The Audit, Risk & Governance Committee received the Audited Annual Financial Statements (AFR) for the year ended 30 June 2016 at the meeting on Tuesday 8 November 2016. This report presents the audited Annual Financial Report (AFR), the Independent Auditors Report, Audit Findings and Closing Report from the Town's Auditors, RSM Bird Cameron for the year ended 30 June 2016. An unqualified opinion was issued, meaning that the Town of Port Hedland financial records and statements are fairly and appropriately presented, and in accordance with Generally Accepted Accounting Principles (GAAP). There were no significant matters for consideration during next year's audit.

The Annual Report as a whole inclusive of the Audited Annual Financial Statements will be presented to Council at this meeting as a late item.

BACKGROUND

The Town is required to prepare general purpose financial reports each year and refer them to audit as soon as practicable, no later than 30 September following end of financial year (Section 6.4 of the Local Government Act 1995). The Audit Report is to be received by no later than 31 December (Section 7.9 of the Local Government Act 1995). The annual financial report is prepared in accordance with Australian Accounting Standards; the Local Government (LG) Act 1995; and the Local Government (Financial Management) Regulations 1996. Management's responsibility is to prepare it in accordance with the Standards, Act and Regulations and to ensure that the reports present fairly the financial performance and position of the Town, free from material misstatement, whether due to fraud or error.

The Town's Auditors, RSM Bird Cameron, conducted the end of year audit onsite from 29 August to the 1st of September 2016, with the draft Annual Financial Report submitted to the Auditors on 30 September 2016. Areas of audit emphasis included the following:

- Valuation of Non-Current Assets
- Non-compliance with tendering and quotation requirements
- Port Hedland International Airport
- Restricted Cash Reserves
- Credit Card Purchases
- Revenue Cycle

The attached Closing Report on the audit from RSM Bird Cameron further illustrates the risks, the approach that was used to review effectiveness and the respective conclusion for each risk.

The role of the Auditor is to provide an opinion based on their audit as to whether Management has fulfilled these obligations. The Auditors also prepare a separate, more detailed report for Management identifying any issues arising from the conduct of the audit, and recommending any corrective actions. An unqualified audit opinion was issued as the Auditors did not become aware of any instances where the Town did not comply with Australian Accounting Standards, LG Act 1995 and LG (Financial Management) Regulations 1996, as they relate to financial statements.

Council's Audit, Risk and Governance Committee has delegated authority to liaise with the Auditor, and receive and examine the Auditor's report and any Management Letters arising from the conduct of the audit (as attached). The ARG Committee met with RSM Auditors on the 7th of November 2016 to discuss audit procedures and findings.

Summary of Financial Report for the Year Ended 30 June 2016

Discontinued Operations- Port Hedland International Airport Long Term Lease

Following a review of the Port Hedland International Airport (PHIA) governance structure to determine a more efficient and economically viable operating model, it was endorsed that a long-term lease was the most beneficial approach. At a Special Council Meeting held on the 25th of August 2015, Council agreed to award Tender 05/15 PHIA Long-Term Lease to AMP Capital Investors Limited and Infrastructure Capital Group Limited (the Consortium) at a lease value of \$205m for a period of 50 years.

The settlement of funds occurred on the 11th of March 2016, with a gross amount of \$166,847M being transferred to the Town Municipal Bank account. On the same day, the principal was invested with Western Australian Treasury Corporation (WATC) as per Council Resolution 2015/026 which stated that the CEO was required to liaise with WATC and “establish an agreement to immediately invest all of the funds into an interest bearing account in accordance with Section 6.14 of the Local Government Act”

Independent advice regarding the accounting treatment and subsequent disclosures (Note 39 & 42) in the report was received from accounting firm, Moore Stephens. The advice was then reviewed by the Town’s auditors, RSM Bird Cameron, and subsequent amendments were then requested by the RSM technical director. A profit of \$2.6M was made from the discontinued operations, while the profit from the sale of the ongoing operations was \$33,223M.

Continuing Operations

The Town earned a carry forward surplus of \$5.650M, a 12% increase from the 14/15 Financial Year. However, the Town’s revenue streams declined by 16% mainly due to the loss of recurrent revenue streams from the PHIA and Transient Worker Accommodation facilities. The expenses increased by 17% mainly due to the decrement in the revaluation of the airport land, resulting in a deficit of \$13.8M in the operating result from continuing operations; and a negative Operating Surplus Ratio of 15.92%. A carried forward surplus was still achieved due to the unfinished capital projects rebudgeted in the 2016/17 financial year.

The Town had a 24% increase in Cash and Cash Equivalents and a 500% increase in investments, as a result of the PHIA Long Term lease transaction. All the funds are held in various Authorised Deposit Institutions, in line with the Local Government Financial Management Regulations (1995) and the ToPH Investment Policy. The decline in trade receivables is consistent with the state and nation wide economic downturn, resulting in an increase in the number of defaults and bankruptcies.

The ratio analysis of the Town’s financial position showed a general decline from prior years. The asset sustainability ratio reduced from 99.57% to 37.04%, which is below the 90% standard set by the Local Government and Communities. This ratio is an approximation of the extent to which assets managed by the ToPH are being replaced as these reach the end of their useful lives. The negative is a reflection of the loss from the Continuing Operations mainly due to decrement on the valuation of the PHIA Land not attributable to Discontinued Operations.

CONSULTATION

The Town’s Auditors, RSM Bird Cameron
Moore Stephens
Financial Services Team
Acting Manager of Finance
Acting Director of Corporate Services
Executive Leadership Group
CEO
Audit, Risk and Governance Committee

LEGISLATIVE IMPLICATIONS

Part 7 of the Local Government Act 1995 and the Local Government (Audit) Regulations 1996 details the requirements for audit.

The Department of Local Government and Communities has also prepared Operational Guideline Number 9 to provide guidelines to the Audit, Risk & Governance Committee for Audit in Local Government.

Regulation 5(2)(c) of the Local Government (Financial Management) Regulations 1996 details the CEO’s duties as to financial management.

POLICY IMPLICATIONS

Nil

FINANCIAL IMPLICATIONS

The costs associated with conducting the Interim Audit and end of Financial Year audit are captured in the 2015/16 budget.

STRATEGIC IMPLICATIONS

The Town has conducted the Interim Audit and end of Financial Year audit as part of its delivery of high quality corporate governance, accountability and compliance. The Town’s goals and actions in this regard are set out in the Leading our Community section of the Strategic Community Plan 2014-2024.

SUSTAINABILITY IMPLICATIONS

Environmental

There are no significant identifiable environmental impacts arising from adoption of the officers recommendation.

Economic

There are no significant identifiable economic impacts arising from adoption of the officers recommendation.

Social

There are no significant identifiable social impacts arising from adoption of the officers recommendation.

Risk

There were three audit findings during the Audit and the risk ratings were all classified as medium.

Risk	That the failure to properly reconcile the amounts in the General Ledger to the amounts allocated and disclosed in the Statement of Comprehensive Income increases the risk of non-compliance with
------	--

	Financial Management Regulations and inaccurate disclosure of program costs
Risk Likelihood (based on history and with existing controls)	Possible (3)
Risk Impact / Consequence	Moderate (3)
Risk Rating (Prior to Treatment or Control)	Medium (5-9)
Principal Risk Theme	Financial Impact - 3 Moderate - \$30,001 - \$300,000
Risk Action Plan (Controls or Treatment proposed)	Manage by initiating a monthly reconciliation of labour overheads and including the task on the monthly checklist of the Financial Services team

Risk	That non-compliance with the Town's Sub Delegation Register Policy could result in a breach of the Local Government Act 1995 and increases the risk of unauthorised or inappropriate transactions
Risk Likelihood (based on history and with existing controls)	Likely (4)
Risk Impact / Consequence	Minor (2)
Risk Rating (Prior to Treatment or Control)	Medium (5-9)
Principal Risk Theme	Compliance - 3 Moderate - Non-compliance with significant regulatory requirements imposed
Risk Action Plan (Controls or Treatment proposed)	Control through the implementation of electronic centre-led procurement and purchasing system, which will be established by December 2016. Paper/hardcopy authorisation will be abolished and replaced with electronic authorisation of payments with sub-delegations controlled by the ERP system parameters. The system will store sub-delegations and be updated only when authorisation by CEO is obtained. This will prevent authorisation without sub-delegations being authorised
Risk	That excessive annual leave balances accrued increases the risk of an adverse impact through excessive financial liabilities and may also indicate over-reliance on key individuals
Risk Likelihood (based on history and with existing controls)	Likely (4)

Risk Impact / Consequence	Minor (2)
Risk Rating (Prior to Treatment or Control)	Medium (5-9)
Principal Risk Theme	Compliance - 3 Moderate - Non-compliance with significant regulatory requirements imposed
Risk Action Plan (Controls or Treatment proposed)	Manage by regular monitoring of leave balances by Managers and Directors and leave balances over 350 hours will be managed through reporting to the Executive Leadership Team

Risk Matrix

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

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

CONCLUSION

The Management Letter and Factual Findings Report are attached for Council’s consideration. It is clear to see that the Town has made significant improvements since the 2014/15 Final audit review and continues to implement improvements. Management strives to continue to build stronger internal controls within financial management and in accordance with the Town’s values of Unity, Quality and Integrity.

ATTACHMENT 2 TO ITEM 12.1.3



RSM Australia Pty Ltd

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**INDEPENDENT AUDITOR'S REPORT
TO THE RATEPAYERS OF
TOWN OF PORT HEDLAND**

Report on the financial report

We have audited the financial report of Town of Port Hedland, which comprises the statement of financial position as at 30 June 2016 and the statements of comprehensive income, statement of changes in equity, statement of cash flows and rate setting statement for the year ended on that date, the summary of significant accounting policies and other explanatory notes and the statement by the Chief Executive Officer.

Chief Executive Officer's responsibility for the financial report

The Chief Executive Officer is responsible for the preparation and fair presentation of the financial report in accordance with Australian Accounting Standards (including the Australian Accounting Interpretations), the *Local Government Act 1995* and the *Local Government (Financial Management) Regulations 1996*. This responsibility includes establishing and maintaining internal controls relevant to the preparation and fair presentation of the financial report that is free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies and making accounting estimates that are reasonable in the circumstances.

Auditor's responsibility

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

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

**THE POWER OF BEING UNDERSTOOD
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RSM Australia Pty Ltd is a member of the RSM network and trades as RSM. RSM is the trading name used by the members of the RSM network. Each member of the RSM network is an independent accounting and consulting firm which practices in its own right. The RSM network is not itself a separate legal entity in any jurisdiction.

RSM Australia Pty Ltd ACN 009 321 377 a/lf Brindico Practice Trust ABN 65 319 382 479 trading as RSM

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12.2 Community and Development Services

12.2.1 Establishment of a Bush Fire Brigade

File No:	09/04/0002
Applicant/ Proponent:	N/A
Subject Land/ Locality:	N/A
Date:	31/10/2016
Author:	Andrew Neil, Coordinator Emergency Services
Authorising Officer:	Adam Majid, Acting Director Community and Development Services
Disclosure of Interest from Author:	Nil
Authority/Discretion:	<input checked="" type="checkbox"/> Legislative – includes adopting local laws, town planning schemes and policies. Review when Council reviews decision made by Officers. <input checked="" type="checkbox"/> Advocacy – when Council advocates on its own behalf or on behalf of its community to another level of government/body/agency.

Attachments:
Nil

CM201617/099 OFFICER RECOMMENDATION/COUNCIL DECISION

MOVED: CR GILLINGHAM

SECONDED: CR TAVO

That with respect to the Establishment of a Bush Fire Brigade, Council:

- 1. Resolves to establish a Bush Fire Brigade in Port Hedland named “*Hedland Bush Fire Brigade*”, pursuant to Section 41 of the Bush Fires Act 1954; and**
- 2. Request the Chief Executive Officer or his authorised officer to prepare a local law for the operation of a Bush Fire Brigade and present it to Council for adoption.**

CARRIED 8/0

EXECUTIVE SUMMARY

For Council to consider the creation of a Bush Fire Brigade within Port Hedland.

BACKGROUND

The Town of Port Hedland, has a legislative responsibility for the management of all fires outside of the gazetted fire district and is responsible for the management, training and control of Bush Fire Brigades (BFB) within the local government area.

As reported to Council at its April 2016 meeting, the Department of Fire and Emergency Services (DFES) had been working with Pilbara Local Government Authorities to develop a Memorandum of Understanding (MOU) whereby the control of fires and bush fire brigades will be handed to the Department.

Although Council resolved to authorise the CEO to become a signatory to the MOU at its April meeting, due to certain circumstances, DFES has advised that the MoU is being reconsidered. Should the MoU recommence, it is still the legislative responsibility of the Town to provide the resources needed to combat a fire.

Officers have had discussions with DFES and other Local Governments in relation to providing a greater bush fire control capability within their respective LGA. The City of Karratha have recently resolved to establish the "*Karratha City Bush Fire Brigade*" with East Pilbara in the early stages of considering forming another one. Currently the Town is reliant on the Rangers which are called upon to combat fires outside of the gazetted fire district.

The operational capacity and capability of the Rangers is quite limited as is the surrounding Volunteer Fire and Rescue Services.

Volunteer Fire and Rescue Service (VFRS) Brigades are in place to respond to fires and other hazards within towns. When a fire occurs outside of a gazetted fire district, VFRS units will attend, if available and subject to their own operational risk assessments. When this occurs, it can, and does leave our town potentially unprotected or subject to a delayed response for long periods of time. Having a bush fire brigade located centrally between Port and South Hedland will provide greater bush fire control capacity as a whole by providing a larger and faster response to fires located outside the gazetted fire district, and to potentially assist with fires inside the gazetted district.

DFES has given their support for the Town to establish a Bush Fire Brigade and supports the application to DFES for brigade funding under the Local Government Grant Scheme (LGGS).

Gaining Council's endorsement is the first step in forming the brigade. Once the brigade is endorsed by Council, a "*Risk to Resource*" will be undertaken in consultation with DFES to determine the type(s) of vehicles that will be required. It is likely that in the first instance, a refurbished vehicle or vehicles from Perth will be supplied. The Brigade will then be added to the LGGS build program for a new vehicle in the coming years.

It is proposed that the BFB will be stationed jointly with the Hedland SES Unit near the airport. The Hedland SES unit manager has given the proposal a lot of support. Funding for a permanent facility will be provided by the LGGS although if mutually beneficial, permanent housing of the brigade may remain at the SES facility.

CONSULTATION

The following areas have been consulted with:

- Department of Fire and Emergency Services Pilbara District Office
- Department of Fire and Emergency Services Asset Planning and Delivery Office
- Hedland SES Unit Manager
- City of Karratha CBFCO
- Shire of East Pilbara CBFCO
- Shire of Ashburton CBFCO

- Town of Port Hedland Ranger Services

LEGISLATIVE IMPLICATIONS

- Bush Fires Act 1954, s41. - Formation of a Bush Fire Brigade
- Local Government Act 1995, 3.5. (1) – Power to create a Local Law
- State Emergency Management Committee Policies 3, 4 & 5
- Westplan – FIRE – Details the requirement for Local Government to manage bush fires outside gazetted fire districts
- Pilbara Inter-Agency Bushfire Command and Control Arrangements

POLICY IMPLICATIONS

Given the current requirements of the Bush Fires Act 1954, a local law will be required to be developed to support the Bush Fire Brigade. DFES are currently investigating changes to legislation so that a local law will not be required however as it would be a legislative change it will take a long period of time before the legislation comes into place.

The Town of Port Hedland Bushfire Management Plan relates to the prevention and preparedness for fires. The Bushfire Response Plan relates to the planning, response and command structure in respect to bushfires. The Town of Port Hedland Bushfire Response Procedures would also be applicable to the brigade.

FINANCIAL IMPLICATIONS

Preliminary set up costs will be in the vicinity of between \$10,000 to \$15,000 which covers items of equipment and PPE. The formation of a Bush Fire Brigade will show a decrease in Ranger overtime costs with the BFB being the primary response service for all fire calls after hours. As a result of the State Emergency Management Committee undertaking extensive emergency management exercises in the region this year the Town has not needed to undertake exercises in house. This has resulted in savings adequate to cover the upfront expenses for the formation of the Bush Fire Brigade.

The cost of approximately \$3,000 would be associated with developing a Bush Fire Brigade local law.

STRATEGIC IMPLICATIONS

The following sections of the Strategic Community Plan apply:

- 3.1 Sustainable services and infrastructure
- 3.2 Protect our natural environment
- 3.3 Safe, attractive and accessible environment
- 4.1 Strategic and best practice local government administration
- 4.2 Engage our community and stakeholders

SUSTAINABILITY IMPLICATIONS

Environmental

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

Economic

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

Social

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

Risk

Risk	That if the Council does not resolve to form the Bush Fire Brigade
Risk Likelihood (based on history and with existing controls)	Likely (4)
Risk Impact / Consequence	Moderate (3)
Risk Rating (Prior to Treatment or Control)	High (10-16)
Principal Risk Theme	Failure in Councils ability to sustain and/or recover operations in the event of a major disaster
Risk Action Plan (Controls or Treatment proposed)	Accept Officer Recommendation

Risk Matrix

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

A risk is often specified in terms of an event or circumstance and the consequences that may flow from it. An effect may be positive, negative or a deviation from the expected and may be related to the following objectives; occupational health and safety, financial, service interruption, compliance, reputation and environment. A risk matrix has been prepared and a risk rating of 12 has been determined for this item. Any items with a risk rating over 10 (considered to be high or extreme risk) will be added to the Risk Register, and any item with a risk rating over 17 will require a specific risk treatment plan to be developed.

CONCLUSION

The formation of a Bush Fire Brigade will greatly enhance the Town's strategic and operational capabilities towards bush fire management and in meeting our statutory obligations under the Bush Fire Act and Westplan FIRE. This will provide greater response and coverage capabilities to combat fire and significantly improve the Town's ability to prevent risk to people and property.

12.2.2 Short Term Recreation Vehicle Accommodation at the Racecourse: Report on the 2016 Season

File No:	25/10/0001
Applicant/ Proponent:	N/A
Subject Land/ Locality:	Part Crown Reserve 30768 on Management Order MO80548
Date:	01/11/2016
Author:	Brie Holland, Economic Development Officer
Authorising Officer:	Adam Majid, Acting Director of Community and Development Services
Disclosure of Interest from Author:	Nil
Authority/Discretion:	<input checked="" type="checkbox"/> Executive – the substantial direction setting and oversight role of the Council. E.g. adopting plans and reports, accepting tenders, directing the Chief Executive Officer, setting and amending budgets.

Attachments:

1. Economic Impact Modelling, *Short Term Recreational Vehicle Accommodation at the Racecourse: 2016 Season*, October 2016
2. Letter of support, Spinifex Hill Studios, dated 6 October 2016
3. Letter of support, Harbour Café, dated 30 August 2016
4. Letter of support, Hedland Emporium, dated 31 August 2016
5. Letter of support, Port Hedland Visitor Centre, dated 19 September 2016
6. Letter of support, Port Hedland Nature, dated 22 September 2016
7. Letter of support, Port Hedland Courthouse, dated 6 October 2016
8. Email addressed to the CEO from FORM, dated 19 August 2016

CM201617/100 RECOMMENDATION 1/COUNCIL DECISION

MOVED: CR GILLINGHAM

SECONDED: CR HOOPER

That Council:

1. **Receives the Economic Impact Modelling report, Short Term Recreational Vehicle Accommodation at the Racecourse: 2016 season, dated October 2016;**
2. **Approves to continue with the project for the next three years (2017-2019) in line with the conditions set out in part 3 of Council Decision 201516/185, adopted on 23 March 2016;**
3. **Increases the period that the racecourse is open to RV travelers for an additional month being May - September;**
4. **Delegates authority to the CEO or this delegated officer to approve a camp host (rotational) on site, free of charge for both parties (caretaker and the Town of Port Hedland), appointed through an expression of interest to monitor the site (stay capped at three months); and**
5. **Approves the use of three (3) short term Recreational Vehicle sites, operating 365 days a year at the Port Hedland Golf Club, at a low cost charge (\$10 - \$13 per night, managed and funds retained by the Port Hedland Golf Course), to enable**

the Town of Port Hedland achieve 'RV Friendly Town' accreditation from the Campervan and Motorhome Club of Australia.

CARRIED 8/0

6.22pm Councillor Arif declared a financial interest in item 12.2.2 'Short Term Recreation Vehicle Accommodation at the Racecourse: Report on the 2016 Season' as she works part time for the Visitors Centre.

6.22pm Councillor Hooper declared a financial interest in item 12.2.2 'Short Term Recreation Vehicle Accommodation at the Racecourse: Report on the 2016 Season' as FORM sells his paintings. xx.

Councillors Arif and Hooper left the room.

RECOMMENDATION 2

That Council:

1. Approves FORM A State of Creativity (FORM) to retain 100% of each ticket sale sold at the Port Hedland Visitor Centre in the form of sales commission commencing the 2016 season;
2. If it approves of the sales commission to FORM it notes;
 - a. That this activity will need to be legally addressed in a contract variation in relation to the current Management contract between the Town of Port Hedland and FORM;
 - b. The total monies receipted from the project for the 2016 season was \$21,968 (GST inclusive);
 - c. Reverse the invoice the Town of Port Hedland has raised for FORM for a total of \$10,880 (GST inclusive) for the 2016 season and any paid monies will need to be refunded, decreasing the receipted total revenue for the budget from \$21,968 to \$11,088 (GST inclusive);
 - d. That this additional revenue receipted by FORM will be captured in the quarterly profit and loss FORM reports to the Town of Port Hedland; and
 - e. Requests that this revenue be spent on tourism marketing for Port Hedland.
3. FORM's current Management Contract of the Visitor Centre expires 30 June 2017 and if the Town appoints an alternative external company to manage the Visitor Centre, facilitating the sale of the recreational vehicle accommodation sites will be incorporated as a key performance indicator of the management agreement and the retention of ticket sales will be renegotiated.

AMENDED RECOMMENDATION 2/MOTION

MOVED: CR GILLINGHAM

SECONDED: MAYOR BLANCO

That Council:

1. Approves FORM A State of Creativity (FORM) to retain 100% of each ticket sale sold at the Port Hedland Visitor Centre in the form of sales commission commencing the 2016 season;

2. If it approves of the sales commission to FORM it notes;
 - a. That this activity will need to be legally addressed in a contract variation in relation to the current Management contract between the Town of Port Hedland and FORM;
 - b. The total monies receipted from the project for the 2016 season was \$21,968 (GST inclusive);
 - c. The invoice that the Town of Port Hedland has raised for FORM for a total of \$10,880 (GST inclusive) for the 2016 season will be cancelled and any paid monies will need to be refunded to FORM, decreasing the receipted total revenue for the budget from \$21,968 to \$11,088 (GST inclusive);
 - d. That this additional revenue receipted by FORM will be captured in the quarterly profit and loss FORM reports to the Town of Port Hedland; and
 - e. Requests that this revenue be spent on tourism marketing for Port Hedland.
3. FORM's current Management Contract of the Visitor Centre expires 30 June 2017 and if the Town appoints an alternative external company to manage the Visitor Centre, facilitating the sale of the recreational vehicle accommodation sites will be incorporated as a key performance indicator of the management agreement and the retention of ticket sales will be renegotiated.

LOST 2/4

For: Mayor Blanco and Councillor Gillingham

Against: Councillor Melville, Councillor Newberry, Councillor Whitwell and Councillor Tavo

Councillors Arif and Councillor Hooper reentered the room at 6.36pm.

RECOMMENDATION 3

That Council:

1. Approve to charge \$10.00 (Including GST) per RV, per night across the 2016/17 and 2017/18 financial periods;
2. Request that the Acting Chief Executive Officer, or his delegate(s), provide local public notice of the charge in accordance with section 6.19 of the *Local Government Act 1995*; and
3. Requests that this charge be included in the Town's 2016/17 Fees and Charges Schedule, and on an ongoing basis or until the project ceases.

CM201617/101 AMENDED RECOMMENDATION 3/COUNCIL DECISION

MOVED: CR NEWBERRY

SECONDED: CR TAVO

That Council:

1. **Approve a charge of \$10.00 (Including GST) per RV, per night to be included in the 2016/17 Fees and Charges Schedule;**
2. **Request that the Acting Chief Executive Officer, or his delegate(s), provide local public notice of the charge in accordance with section 6.19 of the *Local Government Act 1995*.**

CARRIED BY ABSOLUTE MAJORITY 8/0

EXECUTIVE SUMMARY

This report summaries the 2016 season of the Recreational Vehicle (RV) accommodation at the racecourse which includes the results of the survey responses from the travellers who visited the site as well as the outcomes from consultation with all local stakeholders involved directly in the project.

The Town of Port Hedland (the Town) aims to receive the accreditation of a RV Friendly Town from Campervan and Motorhome Club of Australia (CMCA). In order to satisfy the criteria listed by the CMCA the Town needs to provide short term low cost RV parking for 365 days of the year. This report proposes the licenced approval of three short term recreational vehicle sites at the Port Hedland Golf Club (PHGC) which would fulfil the last remaining criteria of the Town providing low cost short term parking to RV travellers continuously throughout the year.

BACKGROUND

2016 Season Summary

Over the last two years, the Town has made a portion of its racecourse reserve available for short term camping for RV travellers only. The RV racecourse campground is only available from 1 May – 31 August, once all the traditional caravan parks reach an occupancy level of 50 per cent, with the exception of those RV owners that have oversized vehicles and / or if an RV owner's pet is not accepted by the licensed caravan parks. The site officially opened at the start of June 2016 when the three caravan parks in Town reached 50% occupancy. The primary reason for the project was to provide low cost camping for RV travellers who have no intention to stay in the Town unless they were offered a low cost camping facility. To note, Port Hedland was named one of the top 10 RV Towns in Australia by the Caravan and Motorhome Tour magazine.

During the 2016 season the Town collected survey data from the RV racecourse users; more specifically the exact time (days) spent in Town and money spent (per industry sector) per day by (1-multiple) person(s). This data was specifically designed to be analysed through the Regional Economic Modelling program provided by the Pilbara Development Commission. The aim of the Economic Impact Modelling report, *Short Term Recreational Vehicle Accommodation at the Racecourse: 2016 season*, dated October 2016 (attachment one) is to present the economic impact analysis (purchasing of local goods and services) from the survey results to the public, in order to potentially justify retaining the project into the future.

The following summarises the economic modelling assumptions (pre impact results):

- Value of the total nights sold equalled 2,197 (total revenue ex GST \$19,971.73 divided by \$9.09)
- Average length of stay equalled 2.71 nights (total responses (minus blank responses) divided by total number of responses)
- Average number of visitors per RV equalled 2.12 (total responses (minus blank responses) divided by the total number of responses)
- Total visitors were 1,718 ((average number of visitors per RV multiplied by the total nights sold) divided by the average length of stay)
- Expenditure per response converted to expenditure per visitor was calculated by dividing total expenditure per category by total visitors (\$167,382 by an est. 825 persons)

The following summarises the considerations and suggested improvements to the survey:

- Total stay was restricted to three days
- Visitors could have stayed for more than one three day period for example, stayed, left for the weekend and then returned for another three days
- Not all respondents answered every question
- Total number of visitors on tour was taken to be number of visitors (that is, the outliers of 11)
- Data capture was less than 15%, data entry was 86%
- Three Town employees entered data over the course of the project
- The site was only formally opened to all RV travellers from June – August (when 50% occupancy was reached at the three caravan sites)

The outcome of the report were as follows:

- 390 surveys entered
- 2,197 nights total spend on site
- \$167,382 spent on local goods and services
- Applying the multiplier meant that demand for goods and service in the Town for these visits during the four month period increased to total of \$495,403
- In the longer term (over a 12 month period) is estimated that the increase in the level of demand will typically correspond with three full time jobs in the local economy and two of these are most likely to be in the retail sector
- Many respondents indicated that they weren't intending to stay in Hedland until they heard of the low cost camping
- Most popular attraction was the Port

2016 Close Out Meeting

On 12 October 2016 the Economic and Tourism Unit organised a close out meeting. Invitees included Health and Community Wellbeing, Corporate Information, Reception, Rangers and the managers of the Visitor Centre FORM. The aim was to provide a close out report of the 2016 season, collect feedback from all stakeholders and agree on considerations for the 2017 season.

To note, the Town has received letters of support during the 2016 season for the initiative to be continued from the following organisations:

- Spinifex Hill Studios, dated 6 October 2016 (attachment two)
- Harbour Café, dated 30 August 2016 (attachment three)
- Hedland Emporium, dated 31 August 2016 (attachment four)
- Port Hedland Visitor Centre, dated 19 September 2016 (attachment five)

- Port Hedland Nature, dated 22 September 2016 (attachment six)
- Port Hedland Courthouse, dated 6 October 2016 (attachment seven)

It was unanimously agreed amongst the stakeholders that the project is a great initiative for the community and deemed a success. There were many suggested improvements discussed at the roundtable which included:

- Redesign survey (since completed)
- Distinguish origin of survey by colour of paper or number/question
- Print each survey with a serial number to ascertain how many surveys were given out, and the proportion returned.
- Additional questions of 'How many people are you travelling with?', '\$ spent on fuel?' and 'Place of residence and last destination'
- Provide clarification/definition of expenditure categories
- Open the site for an additional month

There are a few issues which need to be addressed and in response the Economic and Tourism unit drafted an issue register which will be completed before the start of the 2017 season:

	Issue description	Responsibility for resolution	Deadline to Resolve	Status (open or closed)	Date closed	Comments. Details of resolution
1	Signage (Guidelines/Restrictions, water, bins site closure notices)	Economic and Tourism unit	Pre 2017 Season	Open		Visitors need more visually obvious signs to understand the difference between the wash down water and the potable water and where the taps for these are located.
2	Incorrect Media stating that the site is free	Sheridan Reed	Pre 2017 Season - ongoing	Open		Emails sent to known websites inaccurately describing the site
3	Format for recording camper data e.g. Rego on a <i>smart sheet</i>	Sheridan Reed	Pre 2017 Season	Open		
4	The need for passive surveillance on site	Economic and Tourism unit	Pre 2017 Season	Open		The option for a full time camping host is being presented

Camping host solution

One of the main complaints received by the Town and the Visitors Centre was from visitors who abided by the conditions of use on the site, including paying their night(s) stay however they often reported visitors entering the site late in the evening (without formal notice of pay – bumper stickers) and leaving early in the morning. A solution to this was raised by FORM. FORM advised the Town of an initiative being carried out at Millstream Chichester National Park in the Shire of Ashburton. The rangers of the park appoint camp hosts who are travellers who stay within the park for a lengthy period of time on the condition that they stay free of

charge, but assist the rangers with duties such as aiding the campers with enquiries, issues, collecting of fees and ensuring that all visitors respect the environment. Every November the Department of Parks and Wildlife (DPAW) holds a training session in Perth for future travellers that would like the opportunity to become camp hosts, the Town could use this event to attract camp hosts (even if on a roster system) for the RV site at the racecourse for 2017. The Economic and Tourism unit is in conversations with the DPAW and would like this to be a consideration for the next season, even though the role may not be on the same scope as camp host in a national park.

Impact of the project on the caravan parks in Town

Council supported the following (part) resolution (decision 201516/186) at the Ordinary Council Meeting 23 March 2016:

3. Confirms its approval of the conditions of use for the recreational vehicle (RV) camping on the western end of part Reserve 8214 McGregor Street, Port Hedland with the following conditions;

a) Subject to existing Port Hedland Caravan Parks reaching an occupancy rate at 50% of usable caravan sites, subject to:

i) Oversize recreational vehicles that are unable to be accommodated in the licenced caravan parks are able to access the recreational vehicle camping area

ii) Where pets are not accepted by caravan parks RV owners with pets are also able to access recreational vehicle camping ground.

Clarity on how the Town would interpret the resolution was requested of the Executive team who on 13 April endorsed that once an occupancy rate of 50% (or more) is confirmed at the three caravan parks sites (Cooke Point, Blackrock and Port Hedland Tourist Park) the RV camping site at the racecourse will be opened on 1 May (or until 50% occupancy is formally accepted by the Town) and remain open until 31 August 2016.

The Town requested occupancy levels at each of the caravan parks during the month of August and September of this year and the responses were as follows:

August:

Caravan Park	Caravan Park occupancy levels
Cooke Point (64)	62 = 97% occupancy (verbal)
Blackrock (64)	52 = 81.7% occupancy (verified via report)
Tourist Park (23)	20 = 87% occupancy (verified via report)

September:

Caravan Park	Caravan Park occupancy levels
Cooke Point (79)	54 = 68% occupancy (verified via report)
Blackrock (64)	No response
Tourist Park (23)	No response

An assumption could be made that during the peak of the tourism season the caravan parks were not heavily impacted by the Town offering a non-competitive short stay RV only tourism product and in actual fact the RV short term accommodation could be viewed as an alternative camp site to offering short stay accommodation during the peak season. Typically the tourism season peaks during August and visitor numbers retract during September, however the

number of visitors still remain high. Even though no response was received from Blackrock or the Port Hedland Tourism Park, the Cooke Point caravan park presented very healthy occupancy numbers, well above the 50% benchmark. If the Town were able to open the site for an additional month during September the estimated economic multiplier effect on purchasing additional goods and services from local business within the Town would be approximately \$125k towards the local economy.

Port Hedland Visitor Centre retains ticket sales proposal

The Town receipted an email from the Visitor Centre Management FORM on 19 August (attachment eight) requesting that the Town consider allowing the Visitor Centre to retain all tickets sold from the RV camping initiative to be used to update the marketing collateral, including promotion of the camping, as we move toward preparations for next season. FORM state that the cost of facilitating the ticket sales is borne by the centre (additional staffing hours) has not been accommodated for.

Total monies receipted from the project this season was \$21,968 (GST inclusive).

The total money receipted at the Port Hedland Visitor Centre for the 2016 season was approximately \$10,880 (GST inclusive). As there was not a formal resolution to allow FORM to receipt commission the Town has invoiced FORM for all the total of these monies. If Council approves to allow FORM to retain 100% of the accommodation sales sold at the Visitors Centre for the 2016 sales the Town will need to reimburse FORM any monies receipted via invoice.

RV Friendly Town initiative

At its Ordinary Council Meeting (OCM) on 16 December 2015 Council in part supported the following resolution:

4. Notes the Pilbara Regional Council and the Town's continued efforts to canvas the three other Pilbara Local Government Authorities in relation to the RV Friendly initiative.

The RV Friendly Towns is an initiative run by the CMCA. An RV Friendly Town is one that provides basic amenities and services to the RV traveller. A Town that is labelled as an RV Friendly Town receives the following benefits from CMCA:

- Listed in the club magazine, *The Wanderer*, which is distributed to over 66,000 members
- Free listing on the CMCA website including a complementary article and announcement on the CMCA Facebook page
- A complimentary copy of *The Wanderer* will be sent to either the Town or the Visitors Centre each month; and
- Supply two (2) RV Friendly Town signs free of charge

By promoting the partnership between RV tourists and a location, it is anticipated to encourage the expansion of tourism related infrastructure and services, and most importantly promote expenditure on local businesses. It is important to note that this initiative does not intend to extract profit from the existing caravan park industry, but rather provide an alternative low cost accommodation option for RV travellers and encourage additional visitation from those that may not be attracted to stay in the Town as part of their journey.

The Pilbara Regional Council RV Friendly feasibility study states that the Pilbara currently attracts over 700,000 visitors annually, only 30% of these are leisure travellers, 79% of these

leisure travellers are reported to arrive by road. An opportunity exists to develop a leisure tourism market by specifically targeting and enticing this self-drive audience.

It has also been noticed that there is a distinct lack of 'RV Friendly' towns in northern WA compared to a plethora of sites available in northern Queensland, as a comparison (specifically none in the Pilbara with Newman being the only centre to have this status).

In order to be officially labelled an RV Friendly Town a municipality must complete an assessment form which details the following list of essential amenity items which need to be satisfied for the RV traveller:

- Provision of parking bays for all sized RV's within a kilometre of the Post office/agency;
- Provision of low cost short term parking no more than five kilometres from the Post office/agency;
- Longer term parking for a minimum of three days, 365 days of the year;
- Provision of a dump point for the disposal of black and grey water waste; and
- Provision of potable water for refilling fresh water tanks.

To date, the Shire of East Pilbara or more specifically Newman is the only local government in the Pilbara to achieve the status <https://www.cmca.net.au/services/rv-friendly/rv-friendly-towns/5889-newman>.

Currently the Town is able to satisfy only four out of the five essential criteria because it currently does not provide 365 days of low cost short term parking, however there is a possible solution.

The Economic Development and Tourism unit short listed potential short term RV only sites in Town including the South Hedland Tennis and Bowls Club at Lot 522 (6) Hedditch Street on Reserve 37820 which has disused recreational court space which could be potential for short-term RV parking. There are many factors involved in securing this site, including but not limited to, a change in the sub delegation reserve purpose to 'Short Term Recreation Vehicle Camping' and also removal and remediation works of the old bowling greens.

The PHGC situated on Reserve 35915, Lot 5164 Shoata Road, South Hedland currently holds a caravan licence for over flow camping from June to August. The PHGC has suitable amenities such as access to ablutions and potable water. Discussions were initially had with PHGC President early this year regarding the possibility of increasing the PHGC licence to accommodate RV travellers, at a low cost for the period of time the RV racecourse accommodation was closed. The President has since addressed this item at the June 2016 Committee Meeting, which received full support. The PHGC President was formally approached via email which requested the PHGC to reconfirm their position, in particular that the licence would be for 365 days, not just granted during the off season, to which he replied on 26 October giving full support towards the updated initiative.

If Council is supportive, a new licence will need to be issued to the PHGC to allow three short term Recreational Vehicle sites, operating throughout the year, to enable the Town to achieve the "RV Friendly" accreditation. In this instance the PHGC would manage the site and retain the ticket sales and would not be restricted to opening the site dependant on other caravan parks in Town achieving 50% occupancy levels.

CONSULTATION

Internal:

- Manager Environmental Health and Community Safety
- Environmental Health Officer
- Economic Development Officer
- Economic Development and Tourism Officer
- Customer Service Officer
- Ranger Services Coordinator
- Administration Officer

External:

- Pilbara Regional Council
- Campervan and Motorhome Club of Australia
- Port Hedland Golf Course
- South Hedland Tennis and Bowls Club
- Port Hedland Visitor Centre

LEGISLATIVE IMPLICATIONS

In considering appointing a camp host, even though stays are restricted to three nights, according to the *Caravan Parks and Camping Grounds Regulations 1997*, specifically Part 2 – Caravanning and camping generally 11 (1)(a) the CEO has delegation to allow more than three nights (capped at three months) under Part 2. 11 (2)(a)

2) Written approval may be given for a person to camp on land referred to in sub regulation

(1)(a) for a period specified in the approval which is longer than 3 nights

(a) by the local government of the district where the land is situated, if such approval will not result in the land being camped on for longer than 3 months in any period of 12 months;

This proposal satisfies the Town's obligations to the *Caravan Parks and Camping Grounds Regulations 1997*. Council has delegated authority down to the officers to approve Caravan parks and camping ground licenses however the impact of this initiative needs to be considered by Council.

POLICY IMPLICATIONS

Nil

FINANCIAL IMPLICATIONS

Total monies receipted from the project this season was \$21,968 (GST inclusive) across 2015/16 and 2016/17 financial periods. The targeted 2016/17 budgeted revenue from the project is \$5,000 (GST exclusive).

The total money receipted at the Port Hedland Visitor Centre for the 2016 season was approximately \$10,880 (GST inclusive). As there was not a formal resolution to allow FORM to receipt commission the Town has invoiced FORM for all the total of these monies. If Council approves to allow FORM to retain 100% of the accommodation sales sold at the Visitors Centre for the 2016 sales the Town will still achieve the budgeted revenue noting the additional sales to be recognised during May and June for the 2017 season.

Further, the Town will need reverse the invoice the Town of Port Hedland has raised for FORM for a total of \$10,880 (GST inclusive) for the 2016 season and any paid monies will need to be refunded, decreasing the receipted total revenue for the budget from \$21,968 to \$11,088 (GST inclusive).

STRATEGIC IMPLICATIONS

The benefit of increasing the number of tourists entering the Town will directly lead to a greater spend on local businesses (for example at restaurants and retail outlets). Strategic planning documents such as the *Pilbara’s Port City Growth Plan* have identified, as an immediate priority that all levels of government assist in increasing expenditure on local businesses.

This project directly aligns with the Town’s *Strategic Community Plan 2014-2024*, specifically sections: -

- 2.2 A nationally significant gateway city and destination Success Indicator – Increased tourism opportunities and accommodation offerings.
- 3.1 Sustainable services and infrastructure

The project also aligns with Town’s *Corporate Business Plan 2014-2018*:

- 1.2.2 Celebrate our multiculturalism, indigenous culture, arts and history
- 2.1.3 Work closely with businesses, government and industry groups to drive local employment and investment, encourage entrepreneurship and achieve sustainable economic growth
- 2.2.2 Develop our tourism industry, facilitate increased accommodation offerings and position Port Hedland as a unique destination

SUSTAINABILITY IMPLICATIONS

Environmental

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

Economic

The increased number of tourists entering the Town will directly led to a greater spend on local businesses (for example at restaurants and retail outlets). It is argued that an increased quality of life for local residents (increase in amenity offering) will make a town more attractive and therefore increase the likelihood that people will stay and settle in Port Hedland.

Social

The Town will endeavour to encourage further engagement between the RV travellers and the local community by the means of continuing to advertise community events to the RV traveller to engage them to participate.

Risk

Risk	Council refuses to support the project for the next three	Council refuses to allow FORM to retain any monies
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	calendar years being 2017 – 2019.	from the sale of each RV night's stay sold from the Visitor Centre.
Risk Likelihood (based on history and with existing controls)	Rare (1)	Possible (3)
Risk Impact / Consequence	Major (4)	Minor (2)
Risk Rating (Prior to Treatment or Control)	Low (1-4)	Low (1-4)
Principal Risk Theme	Financial Impact - 4 Major - \$300,001 - \$3M	Reputation - 2 Minor - Substantiated, localised impact on key stakeholder trust or low media item
Risk Action Plan (Controls or Treatment proposed)	Accept Risk	Accept Officer Recommendation

Risk Matrix

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

A risk matrix has been prepared for two items and both have an acceptable risk rating of 4 and 6. There is no need for a risk action plan as the consequence of both actions bring no major or catastrophic risk to the Town.

CONCLUSION

It is recommended that Council resolve to receive the Economic Modelling Report on the RV racecourse accommodation for the 2016 season and approve to continue the project for the next three years, whilst extending the racecourse site to be open to RV travellers for an additional month (May – September, subject to previous conditions). Council should also approve to give delegation to the CEO or his delegated officer to approve a camp host(s) on site (capped at three months). Council should also consider to allow FORM to retain any accommodation ticket sales during the season in order for them to recirculate the money on marketing the Town as a place of destination (defined by a contract variation). Finally, Council should support issuing an annual license for three RV bays at the PHGC with the aim of supporting the Town achieving the accreditation as being an RV Friendly Town.

ATTACHMENT 1 TO ITEM 12.2.2

ECONOMIC IMPACT MODELLING

Short Term Recreational Vehicle Accommodation at the Racecourse: 2016 Season



October 2016



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REMPPLAN ECONOMIC IMPACT MODELLING

The Pilbara Development Commission has licensed the REMPLAN (Regional Economic and Planning) tool from Compelling Economics.

REMPPLAN provides economic information at the four Local Government Areas in the Pilbara and the ability to model impacts in this economy.

The primary datasets of REMPLAN at December 2015? are the:

- 2011 ABS Census JTW employment data
- 2012/2012 National Input Output Tables
- June 2015 ABS Gross State Product

REMPPLAN uses localised input / output tables to describe relationships between sectors in the economy. Multipliers are calculated and used to estimate potential economic impacts of increased or decreased activity.

Input / output modelling has strengths and weaknesses. For further information refer to:

http://www.latrobe.edu.au/csarc/publications/reg_eco_model.pdf

http://en.wikipedia.org/wiki/Input-output_model

DATA COLLECTION METHODOLOGY

The Town of Port Hedland (ToPH) designed and distributed the survey utilised in this report.

390 survey responses were collated, expenditure was sorted into industry sectors and an average per-person industry spend was calculated using the following data and assumptions.

Survey data summary

- Average length of stay = 2.71 days (survey Question 9)
- Average number of visitors per RV = 2.12 (survey Question 10)
- Total visitors estimated as being represented in the survey is 827.
- Total survey expenditure was calculated at \$167,382

Full activity estimates

- Total nights sold by the ToPH was 2197
- Total estimated visitors = 1718 (average number of visitors per RV x Total nights sold / average length of stay)

An average visitor spend was calculated for the 4 months and is detailed below in the follow sectors.

Industry sector	Expenditure per visitor (\$)
Agriculture, Forestry & Fishing	
Mining	
Manufacturing	
Electricity, Gas, Water & Waste Services	
Construction	

Wholesale Trade	
Retail Trade	120
Accommodation & Food Services	23
Transport, Postal & Warehousing	3
Information Media & Telecommunications	
Financial & Insurance Services	2
Rental, Hiring & Real Estate Services	
Professional, Scientific & Technical Services	
Administrative & Support Services	
Public Administration & Safety	
Education & Training	
Health Care & Social Assistance	7
Arts & Recreation Services	19
Other Services	29

Total average spend per visitor is estimated at \$203

Tourism in the Town of Port Hedland – background information

Tourism is not an individual sector as reported by the ABS in standard accounts; tourism is made up of various other industries such as accommodation, transport and retail sectors.

Tourism is defined in the ABS as:

"Comprising the activities of persons travelling to and staying in places outside their usual environment for not more than one consecutive year for leisure, business and other purposes not related to the exercise of an activity remunerated from within the place visited."

Tourism in the Town of Port Hedland economy is estimated to have an annual output of \$107.8 million as at April 2016. This is broken-down into the following sectors.

Industry Sector	\$M	%
Accommodation & Food Services	\$75.980	70.5 %
Ownership of Dwellings	\$11.382	10.6 %
Transport, Postal & Warehousing	\$8.265	7.7 %
Retail Trade	\$4.156	3.9 %
Rental, Hiring & Real Estate Services	\$1.948	1.8 %
Administrative & Support Services	\$1.680	1.6 %
Education & Training	\$1.495	1.4 %
Wholesale Trade	\$1.066	1.0 %
Arts & Recreation Services	\$0.723	0.7 %
Health Care & Social Assistance	\$0.415	0.4 %
Other Services	\$0.312	0.3 %

Manufacturing	\$0.254	0.2 %
Information Media & Telecommunications	\$0.095	0.1 %
Financial & Insurance Services	\$0.045	0.0 %
Public Administration & Safety	\$0.000	0.0 %
Construction	\$0.000	0.0 %
Electricity, Gas, Water & Waste Services	\$0.000	0.0 %
Mining	\$0.000	0.0 %
Professional, Scientific & Technical Services	\$0.000	0.0 %
Agriculture, Forestry & Fishing	\$0.000	0.0 %

THE PROJECT DESCRIPTION – SHORT TERM RV ACCOMMODATION AT THE RACECOURSE, PORT HEDLAND

Over the last two years, The Town of Port Hedland has made a portion of its racecourse reserve available for short term camping for recreational vehicles (RV only). The RV racecourse campground is only available from 1 May – 31 August, once all the traditional caravan parks reach an occupancy level of 50 per cent, with the exception of those RV owners that have oversized vehicles and / or if an RV owner's pet is not accepted by the licensed caravan parks.

The primary reason for the project is to provide low cost camping for RV travellers who have no intention to stay in the Town unless they were offered a low cost camping facility.

During the 2016 season the Town collected survey data from the RV racecourse users; more specifically the exact time (days) spent in Town and money spent (per industry sector) per day by (1-multiple) person(s). This data was intended to be fed through the Regional Economic Modelling program provided by the Pilbara Development Commission.

The aim of this report is to present the economic impact analysis (purchasing of local goods and services) from the survey results to the public, in order to potentially justify retaining the project into the future.

IMPACT IN THE TOWN OF PORT HEDLAND REGIONAL ECONOMY – REMPLAN RESULTS

OUTPUT

It is estimated that the RV short term camping initiative will produce a direct increase in demand for local good and services to a value of \$348,754 per annum.

As local businesses gear up for the visits they purchase goods and services from other business in Port Hedland, this is called the multiplier effect and is estimated at 1.42 for these activities.

Applying the multiplier means that demand for goods and service in the Town of Port Hedland may increase to total of \$495,403.

Most of this expenditure occurred in the local retail trade (\$216,159) the survey indicated that this included fuel and supplies.

Significant amounts are spent on Accommodation and Food (\$47,975) survey data indicates that 75% of this expenditure was in local cafes and restaurants.

A large amount of expenditure was in Arts and Recreation activities (\$33,947) with the survey data indicating high patronage of the seafarers port tour and tours by BHP and FMG of their operations.

The demand for goods and services are estimated to be distributed in the following sectors.

Output	Direct Effect (\$)	Industrial Effect (\$)	Consumption Effect (\$)	Total (\$)
Agriculture, Forestry & Fishing		\$1,811	\$116	\$1,927
Mining		\$801	\$296	\$1,096
Manufacturing		\$4,504	\$2,044	\$6,549
Electricity, Gas, Water & Waste Services		\$1,762	\$2,018	\$3,780
Construction		\$3,702	\$1,397	\$5,099
Wholesale Trade		\$4,157	\$4,161	\$8,318
Retail Trade	\$206,160	\$2,203	\$7,797	\$216,159
Accommodation & Food Services	\$39,514	\$1,567	\$6,894	\$47,975
Transport, Postal & Warehousing	\$5,154	\$7,929	\$6,655	\$19,738
Information Media & Telecommunications		\$2,224	\$772	\$2,996
Financial & Insurance Services	\$3,436	\$1,100	\$2,695	\$7,231
Rental, Hiring & Real Estate Services		\$11,570	\$1,672	\$13,241
Professional, Scientific & Technical Services		\$4,981	\$828	\$5,809
Administrative & Support Services		\$10,289	\$1,914	\$12,203
Public Administration & Safety		\$947	\$320	\$1,266
Education & Training		\$199	\$4,285	\$4,484
Health Care & Social Assistance	\$12,026	\$175	\$4,859	\$17,060
Arts & Recreation Services	\$32,642	\$608	\$697	\$33,947
Other Services	\$49,822	\$1,853	\$3,505	\$55,180
Ownership of Dwellings			\$31,343	\$31,343
TOTAL	\$348,754	\$62,382	\$84,267	\$495,403
		Type 1		Type 2
Multiplier		1.179		1.420

EMPLOYMENT

From a direct increase in output of \$348,754 a proportion of this will be spent on wages and salaries and therefore support 6 jobs for the duration of the camp operation with 4 of these jobs in the Retail Sector, 1 in Accommodation and Food Sector and 1 in Other Services (likely to be mechanical).

In the longer term, (over a 12 month period) it is estimated that the increase in the level of demand will typically correspond with 3 full time jobs in the local economy, 2 of these likely to be in the retail sector.

VALUE ADDED

From a direct increase in output in the Town of Port Hedland Regional Economy of \$348,754, the proportion of value added is estimated to be \$190,384. As flow on effects occur and other local businesses have the opportunity to add value (a multiplier of 1.427), the total value added to the economy of the short term facilitates is \$271,696.

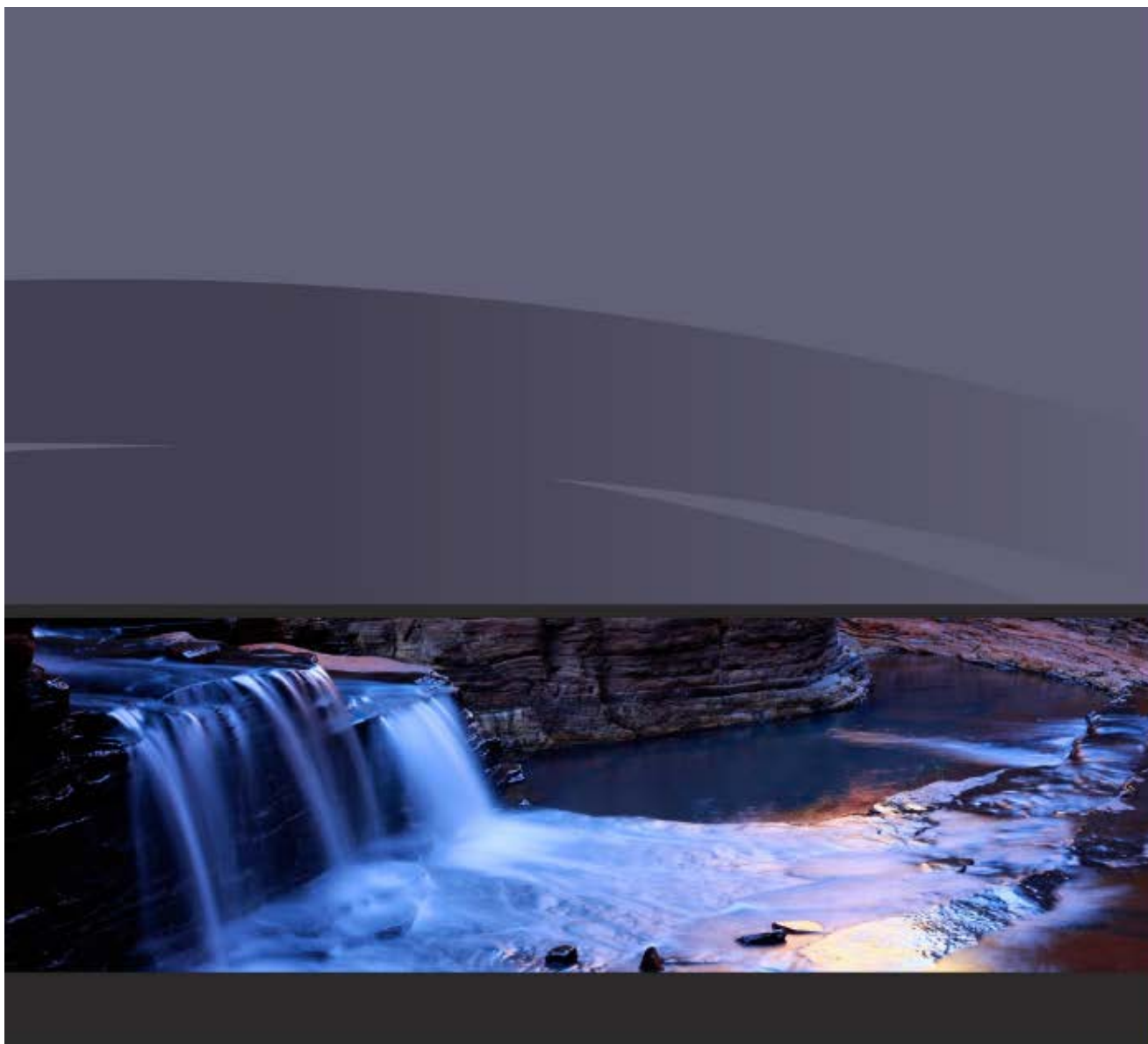
TOURISM IMPACT SUMMARY

Impact Summary	Direct Effect	Industrial Flow On Effect	Consumption Flow On Effect	Total	Type 1 Multiplier	Type 2 Multiplier
Output (\$)	\$348,754	\$62,382	\$84,267	\$495,403	1.179	1.420
Long Term Employment (Jobs)	2	0	1	3	1.000	1.500
Wages and Salaries (\$)	\$121,710	\$16,035	\$18,019	\$155,764	1.132	1.280
Value-Added (\$)	\$190,384	\$28,871	\$52,441	\$271,696	1.152	1.427

TOURISM IMPACT GROSS REGIONAL PRODUCT REPORT

Port Hedland Gross Regional Product

GRP Income Method	Before \$	Impact \$	Change %
Wages and Salaries	\$1,035,486,740	\$1,035,642,504	0.02 %
Gross Operating Surplus	\$2,754,948,581	\$2,755,050,611	0.00 %
Net Taxes - Products & Services	\$113,982,242	\$113,985,292	0.00 %
Net Taxes - Production	\$66,907,379	\$66,918,230	0.02 %
Gross Regional Product	\$3,971,324,941	\$3,971,596,637	
Population	15,046		
Per Capita GRP (\$'000)	\$263.946	\$263.964	0.01



DEVELOPMENT
COMMISSION

Tel: 1800 THE PILBARA (+61) 1800 843 745

pdc@pdc.wa.gov.au | www.pdc.wa.gov.au

KARRATHA OFFICE | Ground Floor, 5 Sharpe Avenue Karratha, WA 6714

PORT HEDLAND OFFICE | Shop 2, 6 Wedge Street Port Hedland, WA 6721

PERTH OFFICE | Level 2, 16 Parliament Place, PO Box 51 West Perth, WA 6827

As publishers of this report the Pilbara Development Commission makes every reasonable effort to ensure the accuracy of all information in the report. Nevertheless, we are unable to guarantee the accuracy of all information contained. We take no responsibility and will not be liable either in contract for negligence or in any other way for any errors, act or omissions, which may occur in relation to the report.

ATTACHMENT 2 TO ITEM 12.2.2



18 Hedditch Street
South Hedland WA 6722

Susan McMahon
Port Hedland Visitor Centre
13 Wedge Street
Port Hedland WA 6721

6 October 2016

LETTER OF SUPPORT- CONTINUATION OF RV CAMPING AT MCGREGOR STREET RESERVE

Dear Susan,

We would like to express the support of Spinifex Hill Studios in the proposal for the continuation of the low cost overflow camping area for recreational vehicles camping at the racecourse during May-September.

The 2016 tourism season was turned on its head once again this season with the introduction of overflow camping within the town centre of Port Hedland.

The overflow initiative was embraced by the caravanning community and the local community wholeheartedly. Together we saw a dramatic increase in investment in small business, especially in tourism. We were particularly pleased that visitors were able to spend more time in the town and come and visit our studios.

Kindest Regards,

A handwritten signature in red ink, appearing to read "Greg Taylor", is written over the typed name.

Greg Taylor
Studio Manager

ATTACHMENT 3 TO ITEM 12.2.2

Harbour Café

Po Box 61

Port Hedland WA 6721

30/8/2016

To it May Concern

In relation to the free camping area at the Turf Club as a small business owner in Wedge Street the last 2 years since the overflow park has operated in the tourist season it has been the best that we have had in 10 years. We have had at least 20-30 tourists per day if Port Hedland wishes to capture the tourist market we need to make some major changes from the feedback that I receive talking to a lot of people.

We need to welcome people to our town and encourage them to stay awhile and to have a good look around and use Port Hedland as a base.

One of the major complaints is that the local caravan park will not accept a dog and it is expensive

The overflow one you are only allowed to stay 2 or 3 days people tell me as most folk travel with their pets by the time they arrive in town organise their washing buy supplies service the car they have to leave I was speaking to a group of people yesterday who explained to me that they would have loved to spend more time in town and enjoy the food ,weather and have a good look around but where told that the free camping was closing Thursday and they would have to leave it is sad to see money leave this town when people are wanting to spend. We need cheap places for people with trailers and pets to park with toilets showers and make it easy for old people as there are more and more grey nomads on the road every year we don't want people driving through as they have done during the boom.

If you wish to discuss the feedback that I have received please call me

Yours Faithfully



Ray Sampson

Owner

Harbour Café

91732630

0419829982

HEDLAND EMPORIUM PTY LTD

ABN: 91 097 219 684

1 The Esplanade, or P.O.Box 604, Port Hedland WA 6721

Furniture: Ph 08 9173 2022 Fax 08 9140 1611 Email emporiumfurniture@bigpond.com

Stationery: Ph 08 91731559 Fax 08 9140 1611 Email hedlandemporium@bigpond.com

Accounts : Ph 08 9173 2969 Fax 08 9140 1611 Email emporiumaccounts@bigpond.com

To Port Hedland Visitor Centre

We would like to add our support to the overflow camping facility which has been made available to tourists in Hedland.

We have benefitted from an increase in visits by tourists to our shop, and we feel sure that the town in general has experienced increased tourist presence.

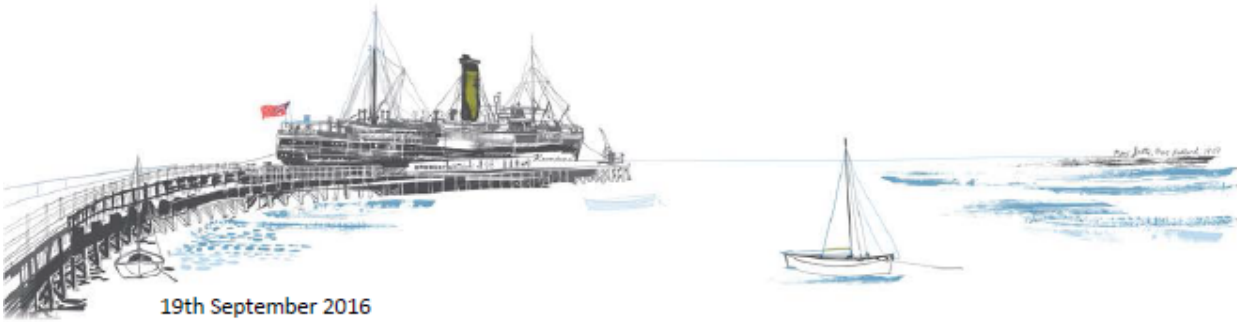
Yours Sincerely,

Des Moloney

(Proprietor.)

August 31st 2016

ATTACHMENT 5 TO ITEM 12.2.2



19th September 2016

Chris Linnell
Acting Chief Executive Officer
Town of Port Hedland
PO Box 41
PORT HEDLAND WA 6721

Dear Chris,

LETTER OF SUPPORT – CONTINUATION OF RV CAMPING AT MCGREGOR STREET RESERVE

We would like to express the support of the Port Hedland Visitor Centre in the proposal for the continuation of the low-cost recreational vehicle camping at the racecourse during May - August.

The 2016 tourism season was turned on its head once again this season with the help of the low-cost self-contained overflow camping within the town centre of Port Hedland.

The low-camping/ overflow initiative was embraced by the caravanning community and the local community wholeheartedly. Together we saw a dramatic increase in investment in small business, especially in tourism.

The overflow camping area brought a new influx of people into Port Hedland and allowed us the opportunity to extend our reach and services to a group of travellers who had traditionally viewed Port Hedland as a refuelling station rather than the destination it is.

Locally we saw a dramatic increase in visitor numbers, the Visitor Centre attendance increased from last year by an extra 3,775 visitors for the May-August period.

What we saw from these visitors is that they were eager to engage with local business, support the tourism programs in place and share the word about our town; the initiative changed the outlook for our season and allowed us to prove our tourism merit to an entirely new market.

Following the closure of the camping we saw a fall in numbers, a change in the spending habits and received feedback around shortened length of stay (more often back to passing through or staying one night rather than three) or people ringing and telling us they are not staying because there is no longer an option for low-cost self-contained camping available.



The Port Hedland Visitor Centre believes the overflow camping was a fantastic initiative. The majority of visitors we spoke to said they had no intention of staying within Port Hedland until the overflow camping was opened and would have camped at De Grey and Peawah.

The Port Hedland Visitor Centre strongly recommends the continuation of this initiative next year and would like to see the season run from May or June to September. By increasing the end of the over-flow camping area by one month allows those travellers still coming down from the warmer climate in the North an opportunity to stay and experience Port Hedland before moving on to Karijini – th primary location of choice at this time of the year.

Yours sincerely

Sue McMahon
Manager, Port Hedland Visitor Centre
FORM

ATTACHMENT 6 TO ITEM 12.2.2



Bill Dziombak trading as Port Hedland Nature
ABN: 84956834832
PO Box 349, Port Hedland, WA 6721
Phone: 0429226662
Email: bill.dziombak@bigpond.com
Website: www.porthedlandnature.com

ATTENTION PORT HEDLAND VISITORS CENTRE MANAGER-SUE McMahon

Dear Sue,

I would like to add my support to Form and the Port Hedland Visitors Centre in lobbying for the low-cost camping to re-open for 2017.

Yours sincerely,

A handwritten signature in black ink, appearing to be "Bill Dziombak".

Bill Dziombak.

22.9.16

ATTACHMENT 7 TO ITEM 12.2.2

Courthouse Gallery
16 Edgar Street
Port Hedland WA 6721

Susan McMahon
Port Hedland Visitor Centre
13 Wedge Street
Port Hedland WA 6721

6th October 2016

LETTER OF SUPPORT- CONTINUATION OF RV CAMPING AT MCGREGOR STREET RESERVE

We would like to express the support of the Courthouse Gallery in the proposal for the continuation of the low cost overflow camping area for recreational vehicles camping at the racecourse during May-September 2017.

Based on the overwhelmingly positive feedback we received from travellers, the overflow initiative was embraced by the caravanning community and the local community wholeheartedly. The Gallery saw a dramatic increase in the number of people visiting our site, engaging with the artwork and retail space.

The overflow camping area brought a new influx of people into Port Hedland and allowed us the opportunity to extend our reach and services to a group of travellers who had traditionally viewed Port Hedland as a refuelling station rather than the destination it is.

Kindest Regards,

Katie Evans
Regional Programs Coordinator

ATTACHMENT 8 TO ITEM 12.2.2

From: [Brie Holland](#)
To: [Brie Holland](#)
Subject: FW: Camping fee collection
Date: Tuesday, 25 October 2016 10:11:04 AM
Attachments: [image005.jpg](#)

From: Natasha Fry [<mailto:natasha@visitporthedland.com>]
Sent: Friday, 19 August 2016 11:44 AM
To: Chris Linnell (Acting) <ceo@porthedland.wa.gov.au>
Subject: Camping fee collection

Hi Chris

At the outset of this project, following the council resolution to apply a fee to the camping space at McGregor Street, there was discussion about an allocation of collected funds to the Port Hedland Visitor Centre.

As the proponents of the council decision have moved on, this intention seems to have fallen through the gaps. In the initial discussions the Town indicated the Visitor Centre would be compensated for the administrative requirements of the project, ie taking bookings, marketing the project through our networks etc.

Conversations immediately following the council adoption of the fee with the Mayor indicated an intention for the VC to be allocated the takings directly through the VC, to support further marketing and resourcing.

We have been invoiced for the full amount of the takings over the course of the tourism season to date with no benefit to our Centre. The funds generated through the camping program will be used to update the marketing collateral, including promotion of the camping, as we move toward preparations for next season.

I would appreciate your consideration in this matter as we are keen to progress the next phase of the marketing.

Kind regards, Natasha

Natasha Fry
Port Hedland Courthouse Gallery
16 Edgar Street, Port Hedland, WA 6721

signature



T: +61 8 9173 1064 | E: mail@courthousegallery.com.au | For more information about our projects, please [visit our website](#)
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12.3 Works and Services

12.3.1 Award of Tender 2016-05: Construction of Pinga Street Upgrade - Stage 2

File No:	28/16/0031
Applicant/ Proponent:	NA
Subject Land/ Locality:	NA
Date:	2 November 2016
Author:	Anthony Williams, Engineering Technical Officer
Authorising Officer:	Ray Davy, Acting Director Works & Services
Disclosure of Interest from Author:	Nil
Authority/Discretion:	<input checked="" type="checkbox"/> Executive – the substantial direction setting and oversight role of the Council. E.g. adopting plans and reports, accepting tenders, directing the Chief Executive Officer, setting and amending budgets.

Attachments:

1. Layout of works
2. Price Submission Schedule (Confidential)
3. Evaluation of Qualitative Criteria (Confidential)

CM201617/102 OFFICER RECOMMENDATION/COUNCIL DECISION

MOVED: CR TAVO

SECONDED: CR ARIF

That with respect to Request for Tender 2016-05: Construction of Pinga Street Upgrade - Stage 2, Council award the Tender to Downer EDI Engineering Power Pty Ltd for the lump sum price of \$2,301,256.00 (ex. GST).

CARRIED 8/0

EXECUTIVE SUMMARY

The purpose of this report is to provide a summary of the assessment of submissions received for Request for Tender (RFT) 2016-05: Construction of Pinga Street Upgrade - Stage 2 (Schillaman Street to Cajarina Road) and to award the contract, with an aim to have the construction completed by 22 March 2017.

BACKGROUND

Pinga Street is the main access road for light and heavy vehicles from the Great Northern Highway (GNH) into Wedgefield, a light industrial area for service industries and small business supporting the mining, transport and local industry sectors. Pinga Street provides a link between Powell Road and the GNH.

Under the Main Roads Western Australia (MRWA) functional road hierarchy, Pinga Street is classified as a Local Distributor road which collects and distributes traffic within the Wedgefield industrial area and to locations external to Wedgefield. It is included in the Restricted Access Vehicle (RAV) Category 10 network.

As a result of the construction of the GNH bypass, the traffic flow and volumes on Pinga Street have been impacted considerably. A traffic Assessment conducted by Hyder Consulting in 2015 provided a structured approach to dealing with the changes to Pinga Street. The report proposed to complete the required upgrade to Pinga Street in a staged manner. The first stage of works which was constructed between September and November 2015, saw Pinga Street upgraded between the Great Northern Highway and Schillaman Street including drainage improvements, street lighting, intersection widening, turning pockets and an improved pavement surface.

In the approved 2016/17 budget Council provided funds to complete stage 2 which will see further improvements to Pinga Street from Schillaman Street to Cajarina Road including drainage improvements, street lighting, intersection widening, turning pockets and an improved pavement surface.

Request for Tender

The documentation for RFT 2016-05 was released on Wednesday 28 September 2016. When the Tender submissions closed on Tuesday 18 October 2016 four (4) submissions were received. All submissions were from locally based contracting companies who had attended the mandatory site inspection and briefing on Thursday 6 October 2016. Submissions were received from the companies listed below:

Company name:	Registered Address:
All Earth Group	20 Munda Way, Wedgefield WA 672
BGC Contracting	22 Moorambine St, Wedgefield WA 6722
DeGrey Civil	7A Yanana St, Wedgefield WA 6722
Downer EDI Engineering Power	5 Munda Way, Wedgefield WA 6722

Tender Assessment

All four (4) submissions were deemed compliant and assessed against the tender assessment criteria of: price (inclusive of application of Regional Preference Policy), relevant experience, resources/skills and demonstrated understanding, by the tender assessment panel. The approved weighting for the qualitative criteria is shown in the table below:

Criteria	Weighting
Price, inclusive of application of Regional Preference Policy	50%
Relevant Experience	15%
Tenderers Resources, Key Personnel, Skills and Experience	10%
Demonstrated Understanding	25%

The following table provides a summary of the assessment results of submissions received for RFT 2016-05.

Tenderer / Assessment Criteria	Price (50%)	Relevant Experience (15%)	Resources/Skills (10%)	Demonstrated Understanding (25%)	Total Score (100%)
Tenderer 1	50	9	5.6	16.8	81.4
Tenderer 2	44.9	10.8	6.2	18.8	80.7
Tenderer 3	42.5	11.1	6.2	14.4	74.2
Tenderer 4	46.7	10.8	6.8	21.9	86.2

Price Assessment

The Regional Price Preference (RPP) was applied to all tenders as they had all demonstrated a sizeable investment into the Town and a commitment to using local sub-contractors and suppliers.

Detailed price evaluation information is included in the confidential price schedule (under separate cover)

Relevant Experience Assessment

Tenderer 1 did not complete the project reference sheet as requested though all tenderers provided sufficient details regarding previous projects completed, outcomes and details relating to projects completed in the Pilbara.

Resources Assessment

All tenderers provided plant and equipment schedules, CV's of key staff and organisational charts though only tenderer 4 provided details regarding the project specific roles for their nominated resources.

Demonstrated Understanding Assessment

All tenderers provided an 8-10 week construction program with adequate detail regarding critical milestones. All tenderers provided a method statement, though Tenderer 3 provided a general statement of works. Tender 1 and 2 demonstrated a planned project approach and tenderer 4 provided a detailed plan giving a proposal for the completion of critical project scope items.

Assessment Conclusion

Overall, we received quality and competitive submissions from 4 reputable local civil contracting companies with all tenderers scoring above 70%. The weighting applied to the demonstrated understanding of the project scope ensured the selected tenderer will have a good project methodology. Tenderer 4 provided a very detailed methodology which provided the Town with the confidence needed to proceed with the works.

CONSULTATION

Detailed designs and cost estimates for the project were prepared in consultation with Hyder Consulting Engineers and Shawmac Consulting Engineers.

The scope of works was reviewed by members of the community at a community conversations session conducted on Tuesday 16 February 2016.

The tender assessment also involved internal staff, in accordance with the requirements of the tender policy, specifically:

- Engineering Technical Officer
- Project Officer
- Coordinator Technical Services
- Manager Technical Services

LEGISLATIVE IMPLICATIONS

The Local Government Act (1995) section 3.57 and the Local Government (Functions and General) Regulations 1996 part 4, division 2 provide statutory requirements for the release, assessment and award of tenders.

Sections of this report pertaining to price submissions from tenderers have been deemed confidential in accordance with the *Local Government Act (1995) section 5.23 part 2(e)(iii)*.

POLICY IMPLICATIONS

RFT 2016-05 was conducted in accordance with these regulations, the Towns Procurement Policy 2/007, Tender Policy 2/011 and Regional Price Preference Policy 2/016.

FINANCIAL IMPLICATIONS

At the Special Council Meeting on 25 August 2016, the 2016/17 budget was adopted. As per Council Decision 201617/037, the construction of Pinga Street upgrade stage 2 budget was an approved amount of \$2,470,863.00 and is contained within GL C1201301. The contract award recommendation is within this value, therefore there is no impact on the current budget.

This budget amount of \$2,470,863.00 is funded by:

- Regional Road Group - \$1,647,242.00
- Municipal - \$100,000.00
- Reserve Funded - \$723,621.00

The proposed works will provide improvements to the pavement quality of Pinga Street and extend the useful life of the road. This will have long term asset and financial benefits and decrease the scope and frequency of maintenance works.

STRATEGIC IMPLICATIONS

As part of the Strategic Community Plan 2014-2024 section 2.2 states the need for Port Hedland to be a nationally significant gateway city and destination and one of the success indicators is to improve road transport infrastructure.

SUSTAINABILITY IMPLICATIONS

Environmental

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

Economic

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

Social

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

Risk

Risk	That Council does not award a tender and the project ceases.
Risk Likelihood (based on history and with existing controls)	Rare (1)
Risk Impact / Consequence	Major (4)
Risk Rating (Prior to Treatment or Control)	Low (1-4)
Principal Risk Theme	Infrastructure planning and delivery failing to meet future population demands
Risk Action Plan (Controls or Treatment proposed)	Accept Officer Recommendation

Risk Matrix

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

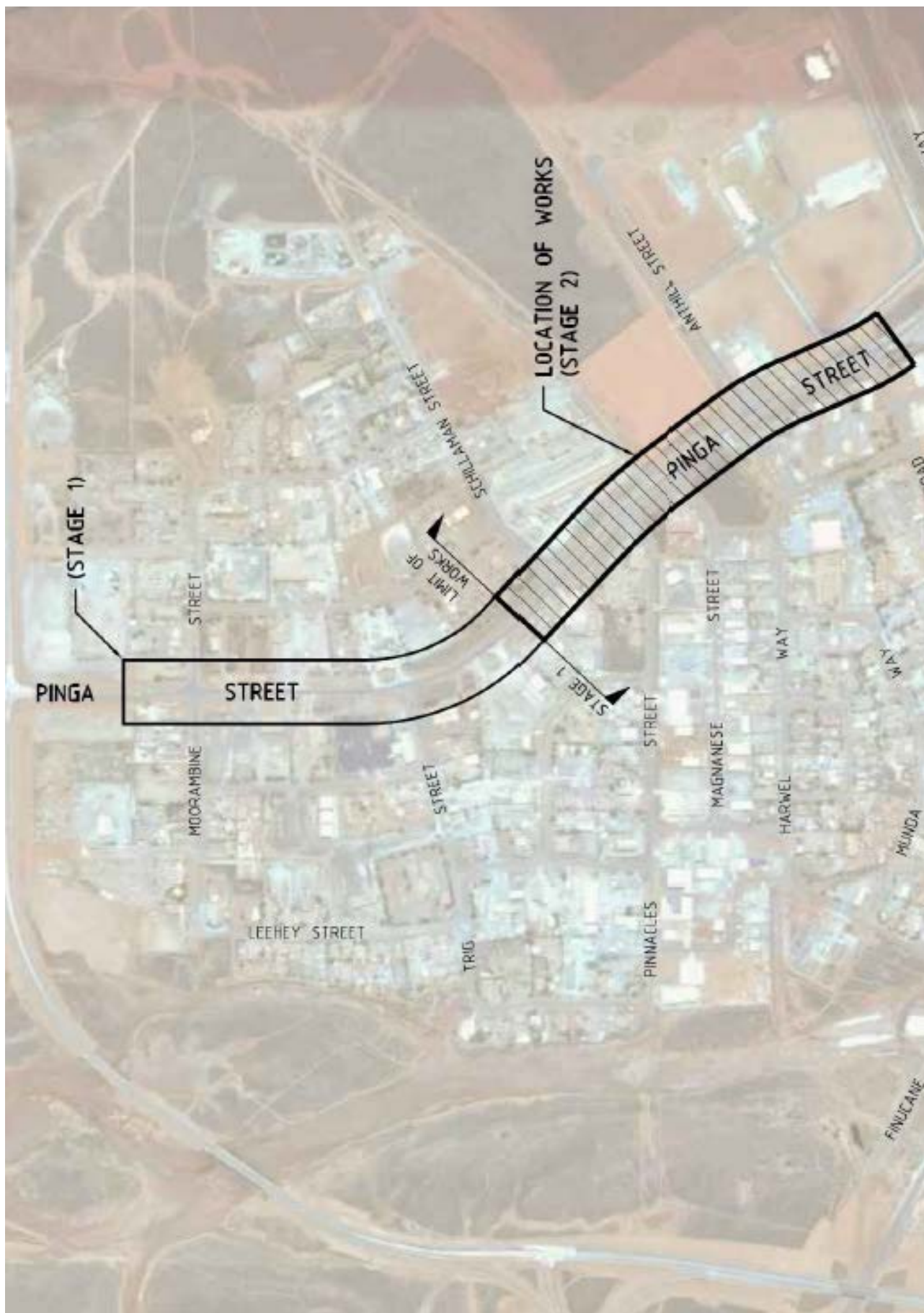
A risk is often specified in terms of an event or circumstance and the consequences that may flow from it. An effect may be positive, negative or a deviation from the expected and may be related to the following objectives; occupational health and safety, financial, service interruption, compliance, reputation and environment.

A risk assessment has been prepared for this item and a risk rating of low 4 has been determined.

CONCLUSION

Town officers recommend RFT 2016-05 be awarded to Tenderer 4 (Downer EDI Engineering Power Pty Ltd) for the lump sum price of \$2,301,256.00 (ex. GST).

ATTACHMENT 1 TO ITEM 12.3.1



12.3.2 Baseline Contamination Assessment – Port Hedland International Airport

File No: 30/12/0013
Applicant/ Proponent: Acting Director Works & Services
Subject Land/ Locality: Port Hedland International Airport
Date: 01/11/2016
Author: Ray Davy, Acting Director Works and Services
Authorising Officer: Chris Linnell, Acting Chief Executive Officer
Disclosure of Interest from Author: None
Authority/Discretion: Executive – the substantial direction setting and oversight role of the Council.

Attachments:

1. PSI Report by GHD
2. Letter from PHIA Asset Pty Ltd 31 October 2016

CM201617/103 OFFICER RECOMMENDATION/COUNCIL DECISION

MOVED: CR TAVO

SECONDED: CR ARIF

That Council approve the scope of works for Stage 2 (Detailed Site Investigation) of the Baseline Contamination Assessment at Port Hedland International Airport and notes the increased estimate of associated cost.

CARRIED 8/0

EXECUTIVE SUMMARY

Under the terms of the Agreement for Lease between the Town and PHIA Asset Pty Ltd (PHIA) the parties have jointly commissioned a Baseline Contamination Assessment by consultants GHD Ltd. The consultants have completed Stage 1 of the assessment, a Preliminary Site Investigation (PSI) and have recommended a scope of works for Stage 2 of that process (a Detailed Site Investigation, or DSI) that is somewhat greater than had originally been anticipated. Extensive discussions have taken place with PHIA as to whether the increased scope and cost of the DSI is warranted. After detailed consideration of the legal, financial and risk issues the Administration has concluded that it would be in the mutual best interests of the parties to proceed with the expanded scope so long as in doing so the Town has not incurred any unnecessary financial liability.

Based on the cost sharing arrangements with PHIA, the expanded scope of the DSI will increase the Town's immediate costs by \$84,000 relative to earlier estimates, but will provide greater certainty of future project planning and facilitate planning decisions that will result in long-term savings in remediation costs.

BACKGROUND

With transfer of management responsibility for the Airport from the Town to PHIA Asset Pty Ltd (PHIA), it was necessary to establish a “baseline” of soil contamination as at the time of transfer. This is necessary in order to assign responsibility for any remediation works, with the Town retaining responsibility for any pre-existing contamination and PHIA becoming responsible for any contamination identified as having occurred after the transfer.

The Town and PHIA have jointly commissioned consultants GHD Ltd to undertake a Baseline Contamination Assessment in two stages:

- A Preliminary Site Investigation (PSI), comprising a desktop study of past land use, available reports of activities involving the use of potentially hazardous materials and substances, etc. The purpose of the PSI is to identify areas of potential risk warranting a more comprehensive on-site investigation through soil sampling and testing groundwater etc for any evidence of contaminants.
- A Detailed Site Investigation (DSI) of areas identified in the PSI as requiring such further site testing

The consultancy contract between GHD, the Town and PHIA provides that the scope of work for the DSI shall include:

- (1) *any area of the land identified in Attachment 1 as a "Baseline Area" requiring a detailed site investigation; and*
- (2) *any area identified in the PSI Report as requiring a detailed site investigation and which is confirmed by the Consultant as a material or high risk area due to the presence of potentially significant contamination.*

The DSI Report must include:

- (i) *recommendations where considered appropriate for the management or remediation or both (as appropriate) of all high risks areas (including costs), including for the scenario where these area(s) are subject to potential development by the Lessee; and*
- (ii) *appropriately detailed remedial action plan covering all material and high risk areas in, on or under the land, which addresses the recommendations raised in the DSI Report, to ensure consistency with the relevant regulatory requirements under the Contaminated Sites Act.*

The contract between the Town and PHIA (jointly) with GHD provides for a fixed rate for Stage 1 (the PSI) and a schedule of rates for Stage 2 (the DSI), with costs to be met equally by the Town and PHIA. When the matter was considered by Council at a Special Council Meeting on 10 February 2016, officers estimated that the cost of Stage 2 would be \$232,610 of which the Town's share would be \$116,305.

Since that time there has been a change in regulatory requirements throughout Australia in relation to testing for groundwater contamination arising from the historic use of fire suppressant foam of a type no longer in use. As a consequence, the cost of the DSI will be greater than could have been anticipated at the time.

GHD has supplied a risk matrix which classifies areas of potential contamination according to both the probability of contamination being found and the consequence of contamination were any to be found. Some areas have been identified as being of only a “minor” consequence and only a “possible” probability but it is difficult at this stage (before the master plan for the future development of the Airport is finalised) to know which areas are “*subject to potential development by the Lessee*” as required by the consultancy agreement.

The Town has therefore been in detailed discussions with PHIA as to the desirability of extending the scope of the DSI to cover all areas of potential contamination identified in the

PSI Report, and not necessarily only those classified as “material” or “high risk”, even though this will require a greater body of work than was contemplated at the time the matter first came before Council. It has been agreed that it is in the best interest of both parties to accept the full scope of the DSI and Sampling and Analysis Quality Plan as presented by GHD in the PSI Report. It is felt that this approach:

- Provides certainty over the areas encompassed in the DSI report;
- Takes full advantage of the indemnities offered under the contract with GHD;
- Mitigates risk in relation to responsibility for remediation by removing any future areas of dispute over responsibility for contamination that might be found (bearing in mind the 50-year duration of the Lease);
- Documents a fuller representation of specific and selected areas of the site where GHD has sought to provide detailed information and investigation; and
- By not constraining GHD's report the Town and PHIA can have a greater reliance on the information obtained.

In particular, having comprehensive knowledge now of soil and groundwater conditions will assist in future planning for development and provide both parties with adequate lead time to address issues ahead of development (including the possibility of designing future developments around this knowledge). A key consideration for the Town is that PHIA has agreed not to require the Town to immediately remediate sites identified in the DSI report with the exception of any site that has been identified by Health, Work Safe and other similar authorities. PHIA has also committed to work with the Town to address the implications of the DSI for any sites with future development potential, so that remediation programmes and timeframes are established for any identified developable sites.

Knowing now what future remediation obligations the Town will have will assist in planning future financial implications of those obligations. The intention is to establish a reserve fund sufficient to meet the estimated future cost of these works, which can be drawn against as and when required to meet the agreed development timetable of PHIA, avoiding future budget imposts. An estimated value of such a reserve is being compiled in conjunction with GHD. In the context of a 50-year relationship with PHIA, the cost differential between the minimum necessary scope of works and the more comprehensive approach now proposed is considered relatively insignificant.

CONSULTATION

As there are no direct impacts on the community and other stakeholders, no consultation is deemed required.

LEGISLATIVE IMPLICATIONS

The baseline contamination assessment is required in order to enable the Town to meet its obligations under various environmental statutes including the Contaminated Sites Act.

POLICY IMPLICATIONS

There are no policy implications for the Town.

FINANCIAL IMPLICATIONS

The estimated total cost of the Stage 2 works is now \$400,000 of which the Town's share will be \$200,000.

The increase of approximately \$84,000 from the original estimate is covered by the overall budget provision for “Airport Projects” in the FY 2016/17 budget for which a total of \$15,872,130 has been allocated under Job Code E1210100.

STRATEGIC IMPLICATIONS

This work is in line with objective 3.2 of the 2014-2024 Strategic Community Plan – Protect our natural environment. It will also contribute indirectly to objective 2.2 – A nationally significant city and destination through facilitating increased investment in tourism infrastructure at the Airport.

SUSTAINABILITY IMPLICATIONS

Environmental

The baseline contamination assessment is an essential part of the Town’s environmental responsibility.

Economic

There are no direct economic implications.

Social

The baseline contamination assessment will have a positive social impact through improved environmental outcomes and assist in planning investment in facilities to help growth.

Risk

Risk	That the final cost might exceed current estimates	That the future cost of remediation exceeds provisioning
Risk Likelihood (based on history and with existing controls)	Possible (3)	Possible (3)
Risk Impact / Consequence	Minor (2)	Moderate (3)
Risk Rating (Prior to Treatment or Control)	Low (1-4)	Medium (5-9)
Principal Risk Theme	Financial Impact - 2 Minor - \$3,000 - \$30,000	Financial Impact - 4 Major - \$300,001 - \$3M
Risk Action Plan (Controls or Treatment proposed)	Accept Risk	Manage by staging remediation works to match future development

Risk Matrix

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

Rare	1	Low (1)	Low (2)	Low (3)	Low (4)	Medium (5)
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CONCLUSION

It is in the Town's interests to have a comprehensive understanding of the extent of any future responsibility for environmental remediation at the Airport so that the implications – both financially and in terms of future development at the Airport – can be properly planned and managed. The proposed scope of the DSI will remove any potential for future dispute with PHIA over responsibility, bearing in mind that in some instances development may not proceed for 15-20 years. In the context of a 50-year relationship, the cost differential between the minimum necessary scope of works and a more comprehensive approach are considered relatively insignificant.



05 July 2016

Michael Cuvalo
Manager Environment and Community Safety
Town of Port Hedland
PO Box 41
Port Hedland WA 6721

Our ref: 61/33159
157355
Your ref:

Dear Michael

Baseline Contamination Assessment - Port Hedland International Airport Scope of Detailed Site Investigation

Further to recent discussion on this matter we write to confirm the outcomes of recently completed 'Phase 1' Preliminary Site Investigation (**PSI**) and the associated implications for the forthcoming 'Phase 2' Detailed Site Investigation (**DSI**).

As we have discussed, the PSI has identified a significant number of additional areas of environmental concern in comparison with our original quotation which was based upon limited information.

The overall aim of the DSI is to provide a baseline of pre-existing contamination at the Port Hedland Airport. GHD consider that should the DSI fail to incorporate investigation of these additional areas of environmental concern, the resultant DSI Report will contain some significant data gaps and hence the findings will be subject to an appreciable degree of uncertainty.

Specifically, the investigations (site visit and data review) undertaken during the PSI was extremely valuable and identified approximately 30 'areas of interest' (i.e. areas of environmental concern) that warrant further investigation during the DSI (only 15 areas of environmental concern were identified at bid stage). Included among the additional areas of interest are the following:

- Detailed aerial photographs we were able to obtain from offline Landgate archives to enhance the robustness of the PSI identified approximately five additional areas of environmental concern, including a potential former fire-fighting training ground that was not previously identified in any other site records;
- An increase in the number of locations where Perfluoroalkyl and Polyfluoroalkyl Substances (**PFAS**) may have been used. PFAS compounds have typically been used in areas where fire-fighting foams have been deployed. PFAS contamination is receiving increasing attention from both regulatory authorities and the media, with a series of guidelines having been published during the course of the project so far. It has therefore been necessary to incorporate enhanced protocols in the scope of work to seek to address developments with respect to these emerging contaminants.
- There is limited previous reporting only concerning past and current action taken to address known/suspected contamination issues such as impacts to groundwater beneath the former Mobil Depot, and the extent and nature of groundwater contamination at the former fire training area to the west of the current Airservices facilities. With the exception of unexploded ordnance (**UXO**), we

haven't therefore been able to 'close out' areas of environmental concern as not needing further assessment.

- The inspection conducted as part of the PSI indicated Asbestos Containing Materials (**ACM**) are likely to be more significant issue at the site than previously anticipated.
- The need for an increase the number of soil bores and monitoring wells to assess background conditions in relatively undisturbed areas of the site as a result of more areas of environmental concern having being identified;

Further, the PSI confirmed that whilst some pre-existing wells are in locations that may render them suitable for use in the DSI, their in-ground condition (and hence functionality) has not been confirmed. It would be prudent to allow for some contingency to install new wells, should the pre-existing wells prove to be damaged or unusable.

Whilst GHD would recommend increasing the scope of the DSI to cover these supplementary areas of environmental concern, it is acknowledged that there will be some appreciable costs associated with the additional studies.

As discussed, implementing the full suite of recommended additional investigations in the DSI will increase the cost by approximately \$200,000 and will require the delivery date for the DSI to be moved to 30th November. The table below provides an approximate breakdown of the fees for the Phase 2 investigation based on the scope of work outlined in the Sampling and Analysis Quality Plan (**SAQP**).

Table 1 Estimate of Phase 2 fees

Service	Approximate cost (excl. GST)
Phase 2 estimate of fees (excluding disbursements)	\$125,000
Phase 2 estimate of travel and accommodation	\$26,000
Phase 2 estimate of supplier fees and other disbursements	\$249,000
Phase 2 estimate of total fees	\$400,000

Possible options that the Town of Port Hedland (TOPH) and the Port Hedland International Airport (PHIA) may wish to consider are as follows:

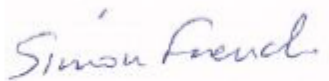
1. Proceed with an increased scope of DSI (as set out in the SAQP). This will limit the number of data gaps and uncertainties in the DSI Report and decrease the likelihood of further supplementary studies being required before a meaningful Remediation Action Plan (**RAP**) can be produced.
2. Proceed with original scope of DSI, accepting that the DSI Report will contain some data gaps and uncertainties that will likely require further assessment, either as part of, or prior to production of the RAP. It should be noted that this approach (of staged investigation) is reasonably common on large sites with multiple uses and occupancies. It does, however, result in multiple mobilizations and potentially a loss of the "economies of scale" associated with a more comprehensive initial DSI.

3. Prioritised approach: keep to original budget, however prioritise inclusion of areas of environmental concern strictly according to likely significance/severity (refer to Attachment A). This will have a similar outcome to scenario 2 (above), except that the most "high risk" areas will be subject to more comprehensive assessment, leaving some of the "less risky" areas subject to appreciable data gaps.

We would be pleased to discuss this matter with TOPH and PHIA as required to assist in defining the preferred approach to the Phase 2 scope that you consider will best meet your objectives.

To facilitate consideration of this matter please note that we have also written to Mr Mitchell Cameron at the Port Hedland International Airport concerning the above.

Kind Regards,



Simon French
Principal Scientist
08 6222 8203



Sarah McNab
Environmental Scientist
08 6222 8424

Attachment A Risk Classification Matrix

Consequence Descriptors

Potential Consequence¹	
Classification	Description
Catastrophic	Human Health: Acute irreversible damage to human health for large population. Environment: Potentially lethal to regional ecosystem or threatened species, widespread lethal on-site and off-site local impacts. Property: Irreparable damage to property such as buildings or infrastructure/ permanent loss of use.
Major	Human Health: Chronic, irreversible damage to human health and/or acute non-permanent health effects upon human health for small population Environment: Potentially lethal to local ecosystem, widespread harmful on site and off site impacts. Property: Damage to property such as buildings or infrastructure resulting in heavily disrupted use or loss of use in medium term and requiring extensive and intensive repairs.
Moderate	Human Health: Non-permanent or easily preventable effects upon human health (for large population) and/or potentially chronic effects to human health (for small population). Environment: Potentially harmful to regional ecosystem with local harmful impacts primarily contained on site. Property: Damage to property such as buildings or infrastructure, possible short term disruption to use and locally intensive repairs.
Minor	Human Health: Non-permanent or easily preventable effects upon human health (for small population). Environment: Potentially harmful to local ecosystem with local harmful impacts contained on site. Property: Easily repairable defects/non-structural damage/cosmetic impact only to property such as buildings or infrastructure.
Negligible	No discernible impact, or inconsequential in nature.

Probability Descriptors

Probability¹	
Classification	Description
Almost Certain	Is expected to occur with a probability of multiple occurrences within a year.
Likely	Will probably occur within a 5-10 year period.
Possible	Might occur or should be expected to occur within a 5-10 year period.
Unlikely	Could occur within 20 years, or in unusual circumstances.
Rare	May occur only in exceptional circumstances (e.g. once in 100 years).



Risk Classification Matrix

Risk Classification		Consequence					
		Negligible	Minor	Moderate	Major	Catastrophic	
Probability	Rare	-	-	Wastewater pond (Area 1) Stormwater drain Air BP facility Borrow pit (AA1)	Two small borrow pits west of main runway, concrete tank of unknown origin west of main runway	-	-
	Unlikely	-	Area of disturbed ground & waste stockpiling (Area 1) Stockpiling adjacent to Southern Apron Former HF Radio Receiver Radio arrays	Avis yard Hertz yard AirOps depot Current Airservices facilities	Former air traffic control tower and fire fighting station Circular tank/former fire training ground	-	-
	Possible	Apron perimeter	AirOps housing SES yard Port Haven spray field Aviation fuel ASTs at Northern Apron Former incinerator Hedland Riders Association	Budget yard Former Mobil Aviation Depot Aprons and stormwater drainage system (Area 5) Powerhouse	Former Airservices fire training ground	-	-
	Likely	-	TEC Services yard Wastewater ponds (Mia Mia village)	-	-	-	-
Almost Certain		-	-	-	-	-	-
Very Low		Low	Moderate	High	Very High		



Description of Risks and Likely Action Required

Very High Risk	The probability of harm to a relevant receptor is at least likely and consequences would be moderate or worse. Urgent action is likely to be required.
High Risk	The probability of harm to a relevant receptor is at least likely with moderate consequences. At worst, the probability of catastrophic consequences is rare. Urgent action may be required in the short term and action is likely to be required in the long term.
Moderate Risk	The probability of harm to a relevant receptor is at least likely with minor consequences. At worst, the probability of major consequences is rare. Action may be required in the short term or long term.
Low Risk	The probability of harm to a relevant receptor is at least likely although consequences would be negligible and at worst, the probability of moderate consequences is rare. Action unlikely to be required or will be limited in nature/extent/duration.
Very Low Risk	There is a low probability only that harm could occur to a relevant receptor with negligible consequences and at worst, the probability of a minor consequence is rare. No action required.

Action: Further assessment (e.g. site investigation, detailed quantitative risk assessment), or intervention, (e.g. remediation, mitigating measures).

¹ Based on guidance presented in:

1. Department of Environment and Conservation (2006) *The Use of Risk Assessment in Contaminated Site Assessment and Management*.
2. Standards Australia/Standards New Zealand Standard Committee, *AS/NZS ISO 31000:2009, Risk Management-Principles and Guidelines*, November 2009.
3. International Electrotechnical Commission, *International Standard, ISO/IEC 31010:2009, First Edition*, 2009.
4. Department of Health WA (2011) *Guidelines for the Non-potable Uses of Recycled Water in Western Australia*.

ATTACHMENT 2 TO ITEM 12.3.2



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

Our Ref: Port Hedland International Airport – Baseline Contamination Assessment
Enquiries: Mitchell Cameron
Phone: 08 9160 0500

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

Dear Mr Linnell *Chris*

Port Hedland International Airport – Baseline Contamination Assessment

We refer to your letter (ref 20/01/0155) dated 7 October 2016 and previous correspondence on this matter culminating in our meeting of the 27 September 2016. As you are aware PHIA Operating Company Pty Ltd (PHIA OpCo), operate Port Hedland International Airport (PHIA) and the PHIA Asset Trust (Trust) under an Agreement for Lease between the Town of Port Hedland (Town) and PHIA Asset Pty Ltd as trustee of the PHIA Asset Trust dated 15 September 2015 (Agreement) and the other Transaction Documents, as defined in the Agreement.

We have each acknowledged that both the Town and PHIA have joint obligations under the Agreement to conduct a Baseline Contamination Assessment of Port Hedland International Airport.

Firstly, thank you for your willingness to suggest a sensible middle ground i.e. that the Town is prepared to accept responsibility for the cost of remediation works for pre-existing contamination identified in relation to future development works where these may not be covered by the scope of the DSI. However, we believe it is in the best interest of both parties, that we agree to accept the full scope of the DSI and Sampling and Analysis Quality Plan as presented by GHD. There are a number of beneficial reasons that this would be an advantage to both parties: -

1. Provides certainty over the areas encompassed in the DSI report;
2. Takes full advantage of the indemnities offered under the contract with GHD;
3. Mitigates risk in relation to responsibility;
4. Documents a fuller representation of specific and selected areas of the site where GHD has sought to provide detailed information and investigation;
5. Not constraining GHD's report and subsequently, therefore, being able to rely on the information for the satisfaction of both parties.

Furthermore, the difference between the cost of the reduced scope and the full scope is not significant when considered against minimising the potential risks. Considering the 50-year lease tenure and handback obligations the incremental increase in cost at this point in time is not material.

Finally, PHIA can confirm we are not seeking that the Town immediately remediate sites identified in the DSI report with the exception of any site that has been identified by Health, Work Safe and other

similar authorities e.g. the asbestos contamination in drains and soil piles already identified by Work Safe (August 2016).

In conjunction with the PHIA 20-year Master Plan and Land Use Report currently being developed, we will work with the Town to address the implications of the DSI for any sites with future development potential. The intention would be that remediation programmes and timeframes are established for any identified developable sites that may require remediation to address any identified risks so that any issues affecting development can be attended to before development progresses.

We look forward to your consideration and that the benefits outlined above will result in your agreeing to the full extent of the scope of the GHD DSI and Sampling and Analysis Quality Plan.

Yours sincerely



Mitchell Cameron
Chief Executive Officer
PHIA Operating Company Pty Ltd

31 October 2016

12.3.3 Old Port Hedland Hospital Contaminated Materials Disposal

File No:	TBA
Applicant/ Proponent:	LandCorp
Subject Land/ Locality:	Former Port Hedland Hospital Site
Date:	08/11/2016
Author:	Ray Davy, A/Director Works and Services
Authorising Officer:	Ray Davy, A/Director Works and Services
Disclosure of Interest from Author:	None
Authority/Discretion:	<input checked="" type="checkbox"/> Executive – the substantial direction setting and oversight role of the Council. E.g. adopting plans and reports, accepting tenders, directing the Chief Executive Officer, setting and amending budgets.

Attachments:
Nil

CM201617/104 OFFICER RECOMMENDATION/COUNCIL DECISION

MOVED: CR WHITWELL

SECONDED: CR HOOPER

That, with respect to the Old Port Hedland Hospital contaminated materials disposal, Council:

- 1. Grant a concession of the fee for contaminated soils (per tonne) from \$159.09 per tonne (excluding GST) to \$123.81 per tonne (excluding GST) at the South Hedland Landfill for disposal of contaminated materials from the demolition of the former Port Hedland Hospital complex; and**
- 2. Notes that acceptance of this material will involve an increase in both the budgeted revenues and costs for the Landfill, to be quantified in the mid-year budget review.**

CARRIED 8/0

EXECUTIVE SUMMARY

As a consequence of the State Government decision to proceed with demolition of the former Port Hedland Hospital, a large quantity of contaminated (asbestos-containing) material will be taken to the South Hedland Landfill. The practical logistics of this operation mean that for the importation of contaminated soil in particular, there will need to be special arrangements made for the receipt of material and sufficient clean fill to ensure that the Town can meet its license obligations to provide continuous containment of contaminated and hazardous materials.

In negotiations with the State's agent LandCorp, it has been agreed in principle that the best way to ensure uninterrupted receipt and coverage of contaminated material is for LandCorp's

contractor(s) to be responsible for importation of clean fill in a coordinated sequence with contaminated material, under supervision of the Town. The Town would retain responsibility for spreading clean fill and coverage of contaminated material.

As this involves LandCorp carrying costs that would otherwise be met by the Town, it is appropriate that an adjusted special "one off" rate be struck for the disposal of this material.

The scale of importation of contaminated soil is significantly greater than the existing equipment at the Landfill could handle without closing the facility to normal use. Accordingly, there will be a temporary increase in operating costs to deploy additional equipment during this period, which will be comfortably offset by the greater than budgeted revenue involved. A detailed estimate of these additional revenues and costs will be presented to Council in the mid-year budget review.

BACKGROUND

LandCorp on behalf of the State Government wishes to proceed with demolition of the former Port Hedland Hospital as soon as practicable. The proposed sequence of work is as follows:

1. Demolition of fire-damaged Building 9 – immediately
2. Removal of asbestos from the remainder of the site – December-January
3. Demolition of the remaining buildings, maximizing recycling of building materials – January-March
4. Excavation and removal of contaminated soil – April-May

Following a competitive tender process, LandCorp has selected a preferred contractor for the works and wishes to sign a contract as soon as possible. However, before it can do so it needs to finalise agreement with the Town on the procedure for importation of contaminated materials to the South Hedland Landfill and the associated fees.

While the quantities of asbestos building materials are significant, they are within the existing capacity of the Landfill operations to receive and manage. However, the importation of an estimated 12,400 tonnes of contaminated soil will pose challenges. In particular, there will be an associated requirement for some 21,000 tonnes of clean fill to be imported in a coordinated way so that the contaminated material can be progressively covered and contained in accordance with the applicable regulations. Whereas responsibility and cost for importing clean fill would normally be a matter for the Town (and be covered by the disposal fees charged), the level of coordination required during the importation of large volumes in a short period of time poses a risk that is best managed by making the one entity responsible for both.

In negotiations with LandCorp on this matter, it has been provisionally agreed that LandCorp's contractor will carry the responsibility and cost of importing clean fill in a coordinated manner and in sufficient volumes so that the Town's operators can progressively cover and contain the contaminated material in accordance with regulations. The cost to LandCorp of the imported clean fill has been set at \$35.28 per tonne excluding GST.

The Town's usual charge for contaminated material is \$175.00 per tonne including GST (\$159.09 per tonne excluding GST). After making allowance for LandCorp's cost to provide clean fill, it would be appropriate that an adjusted special "one-off" rate of \$123.81 per tonne excluding GST be struck for contaminated material from the old hospital site.

The scale of importation of contaminated soil will be significantly greater than the existing equipment at the Landfill could handle without closing the facility to other users, and additional equipment will need to be hired during this phase for dedicated use on the asbestos disposal

area. There may also be a need for additional short-term site supervisors to oversee the disposal operation.

Accordingly, there will be a temporary increase in operating costs to deploy additional equipment during this period, which will be comfortably offset by the greater than budgeted revenue involved. Details of these costs will be established through further negotiations with LandCorp and its contractor in coming weeks.

CONSULTATION

This decision will have no direct impact on the community or other stakeholders, and therefore no consultation is deemed required.

LEGISLATIVE IMPLICATIONS

There are no legislative implications of this decision for the Town. The obligations of the Town under the Contaminated Sites Act are unaffected by the rate charged.

POLICY IMPLICATIONS

There are no specific policy implications for the Town.

FINANCIAL IMPLICATIONS

At the proposed rate the Town will receive approximately \$1.5 million in revenues from the disposal of contaminated material from the former hospital site, excluding GST. However there will be additional expenditure associated with these works. The associated additional costs will be assessed as part of the mid-year budget review.

STRATEGIC IMPLICATIONS

The project is in line with section 3.2 of the 2014-2024 Strategic Community Plan, in relation to maintaining environmental standards.

SUSTAINABILITY IMPLICATIONS

Environmental

There are no direct environmental impacts associated with the recommendation.

Economic

Demolition of the former hospital and site clean-up will assist in future investment at the site. This decision facilitates that outcome.

Social

There are no direct social impacts associated with the recommendation.

Risk

Risk	That Council does not approve the adjusted rate resulting in project delays as negotiations with LandCorp continue.
Risk Likelihood (based on history and with existing controls)	Possible (3)
Risk Impact / Consequence	Moderate (3)
Risk Rating (Prior to Treatment or Control)	Medium (5-9)
Principal Risk Theme	Intergovernmental relations
Risk Action Plan (Controls or Treatment proposed)	Accept Officer Recommendation

Risk Matrix

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

CONCLUSION

The proposed that an adjusted “one off” special rate reflects the least-risk approach to the works by ensuring that the Town is not involved in trying to integrate the parallel importation of clean fill and contaminated material, and avoids the potential for the demolition works to be delayed as a consequence.

Item 13 Reports of Committees

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

13.1 Audit, Risk and Governance Committee Minutes – Tuesday 8 November 2016**CM201617/105 OFFICER RECOMMENDATION/COUNCIL DECISION****MOVED: CR ARIF****SECONDED: CR WHITWELL**

That Council receive the Minutes of the Ordinary Meeting of the Audit, Risk and Governance Committee held on Tuesday 8 November 2016 at 5:30pm inclusive of the following decisions:

Confirmation of previous minutes of the Audit, Risk and Governance Committee Meeting;

Item 12.1.1 Monthly Audit, Risk and Governance Committee Reports; and

Item 12.1.2 Annual Audited Financial Report for the year ended 30 June 2016.

CARRIED 8/0

Item 14 Motions of Which Previous Notice Has Been Given

Nil

Item 15 New Business of an Urgent Nature

15.1 2015/16 Annual Report

Note: This item was withdrawn from the meeting and will be considered at the Ordinary Council meeting on the 14 December 2016.

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

16.1 2017 North West Festival – Approval of Event

Note: This item was withdrawn from the meeting and will be considered at the Ordinary Council meeting on the 14 December 2016.

Item 17 Closure

17.1 Date of Next Meeting

The next Ordinary Meeting of Council will be held on Wednesday 14 December 2016, commencing at 5:30pm, with the Public Agenda Briefing being held on Wednesday 7 December 2016, commencing at 5:30pm.

17.2 Closure

There being no further business, the Mayor declared the meeting closed at 6.40pm.

DECLARATION OF CONFIRMATION OF MINUTES

I certify that these Minutes were confirmed by the Council at its Ordinary Meeting of _____ 2016.

CONFIRMATION:

MAYOR

DATE