



TOWN OF PORT HEDLAND

ANNUAL GENERAL MEETING OF ELECTORS MINUTES

WEDNESDAY 24 JANUARY 2018 AT 8:00PM

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

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*David Pentz
Chief Executive Officer*

Distribution Date: 8 February 2018

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Item 1 Opening of Meeting

The Mayor declared the meeting open at 8:00pm.

Item 2 Acknowledgement of Traditional Owners

The Mayor acknowledges the traditional custodians, the Kariyarra people, and recognises 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 Louise Newbery
Councillor Julie Arif
Councillor Richard Whitwell
Councillor Peter Carter
Councillor George Daccache
Councillor Tricia Hebbard
Councillor Warren McDonogh

David Pentz	Chief Executive Officer
Josephine Bianchi	Manager Governance
Jodi Marchant	Manager Financial Services
Louise O'Donnell	Governance Officer/ Minute Taker

3.2 Apologies

Councillor Telona Pitt

3.3 Approved Leave of Absence

Nil

Item 4 Response to Previous Questions Taken on Notice

4.1 Response to questions taken on notice from the Annual Meeting of Electors held on Wednesday 1 February 2017

Nil

Item 5 Confirmation of Minutes of Previous Meeting

5.1 Confirmation of Minutes of the Annual General Meeting held on Wednesday 1 February 2017.

RECOMMENDATION/ DECISION**MOVED: CR ARIF****SECONDED: CR WHITWELL**

That Council confirm that the Minutes of the Annual General Meeting held on Wednesday 1 February 2017 are a true and correct record.

CARRIED UNANIMOUSLY

Item 6 Annual Report

6.1 Mayor's Report**RECOMMENDATION/ DECISION****MOVED: CR CARTER****SECONDED: CR ARIF**

That the Town of Port Hedland Mayor's Report for the 2016/17 Financial Year be received.

CARRIED UNANIMOUSLY**6.2 Chief Executive Officer's Report****RECOMMENDATION/ DECISION****MOVED: CR MCDONOGH****SECONDED: MS NINA PANGAHAS**

That the Town of Port Hedland Chief Executive Officer's Report for the 2016/17 Financial Year be received.

CARRIED UNANIMOUSLY**6.3 Annual Report****6.3.1 Mr Arnold Carter**

I would like to express my concern about the financial statements in the Annual Report as I have spent quite a considerable time on the analysis of this report and I have found a lot of errors. I would like to point out that I was given the opportunity to discuss these concerns with the Town's Financial Services Manager and she was very informative in concerns I had and after this meeting I have no problem endorsing the financial statements for the Annual Report.

6.3.2 Councillor Julie Arif

How many Annual Reports have been printed as there is an error on page 9 which lists Councillor Richard Whitwell as Councillor Troy Whitwell?

The Mayor advised that there was 20 copies printed for this meeting.

The Manager of Marketing, Communications and Events advised that there has been a small number of Annual Reports printed, however the Town will be printing the Annual Report again which will include the financial statements as a complete and final document.

6.3.3 Mr Arnold Carter

In the future, can the financial statements be included in the printing of the Annual Report?

The Chief Executive Officer advised in the affirmative.

There was a lot of errors that I picked up in the financial statements which I have raised with the Town and there was a lot of good things that the Mayor mentioned earlier in his speech which differed to the Mayor's speech in the Annual Report, will the Annual Report reflect this additional information?

The Mayor advised that the Annual Report has already been adopted by Council and will not include any additions.

6.3.4 Ms Nina Pangahas

Can I ask a question about statutory reporting listed in the Annual Report?

The Mayor advised in the affirmative.

On page 32 and 33 of the Annual Report, on the employee data table, it stated that in 2016 there was 30 staff terminated and in 2017 there were 37 staff terminated, and also on the Employee Remuneration – Salary Range table the total number of employees is 34, can you please explain this?

The Mayor advised that the Employee Remuneration – Salary Range table is in relation to the total number of employees that were entitled to an annual salary of \$100,000 or more which is the legislative requirement to list this in the Annual Report.

On page 32 of the Annual Report, does the number of staff listed on the Employee Data table include voluntary and involuntary redundancies?

The Chief Executive Officer advised that it includes those positions that have been made redundant, offered voluntary redundancies for various positions and also those who have chosen to move on.

How much did it cost to terminate positions in 2017?

The Chief Executive Officer advised that he would find out the total cost and provide Ms Pangahas with this information.

6.3.5 Mr Sam Arif

On page 3 of the financial report within the Annual Report, can you clarify what the discontinued operations for \$33 million is for in 2016?

The Manager of Financial Services advised that she would get the information and provide Mr Arif with the answer.

On page 3 of the financial statements within the Annual Report, what is the change of the re-evaluation for?

The Manager of Financial Services advised that this was in relation to the re-evaluation of land and property.

Which property are we talking about?

The Chief Executive Officer advised that this was in relation to the entire district.

6.3.6 Ms Nina Pangahas

Could you identify expenses that are not budgeted for and are allocated to pay for an expense?

The Mayor advised that all of the Town's expenses are within budget. The Town does not spend money that is not in the budget as this is a requirement in the Local Government Act 1995. Before the Town allocate any finances that are not in the budget, it needs to be approved by Council by absolute majority.

In relation to the redundancies, was there money allocated in the budget for this?

The Chief Executive Officer advised in the affirmative.

So was it anticipated that there was going to be so many involuntary redundancies within that financial year for money to be allocated in the budget for this purpose?

The Chief Executive Officer advised in the affirmative and further stated that this was achieved through realising that some positions were budgeted for the full 12 months, but were going to take 3 to 6 months to recruit and the savings in wages was then used for the redundancies.

6.3.7 Mr Sam Arif

On page 38 of the financial statements within the Annual Report, the actual closing bonds of the airport was \$165 million and there was \$4 million transferred out of that?

The Mayor advised that the \$4 million that was transferred out of the airport reserve was carried over from the previous financial year. This was approved by Council by absolute majority and funds was rolled over to this year. The Town has not used any interest out of this year's interest generated from the airport reserve.

6.3.8 Ms Nina Pangahas

As stated before by the Mayor that everything has been budgeted for, by any chance was there expenses moved from one cost centre to another to be within the budget?

The Mayor advised that if this was done, it would have been done at half yearly budget review which would have been authorised by Council by absolute majority.

Have there been any instances where this has happened?

The Mayor confirmed that there would have been a few expense reallocations from one cost centre to another which was approved by Council but is nothing compared to previous years where there has been hundreds or reallocations.

What monetary amount requires Council approval for reallocation of expenses from one cost centre to another?

The Mayor advised that any amount that is reallocated in the budget from one cost centre to another requires Council approval.

6.3.9 Councillor George Daccache

When it was stated earlier that questions will be answered at a later date, does this mean that people will have to wait a year to get answers?

The Mayor advised that questions will be answered in the next few weeks.

The Chief Executive Officer advised that the reason why no questions have been taken on notice was to ensure that people do not have to wait a year to get an answer.

RECOMMENDATION/ DECISION

MOVED: CR MCDONOGH

SECONDED: MR ARNOLD CARTER

That the Town of Port Hedland Annual Report for the 2016/17 Financial Year be received.

CARRIED UNANIMOUSLY

Item 7 General Business

7.1 Mr Arnold Carter

It is noted on the Annual Report that Council have reviewed their Local Laws, has the Council considered making a submission to the State Government in the proposed review of the Local Government Act 1995, and will this include consultations with ratepayers before the submission is made?

The Manager of Governance advised that the submissions to the Local Government Department close in March 2018. Submissions are currently open to members of the public who can log onto the Department's website and submit an individual submission. In terms of a submission from the Town of Port Hedland's Council, the Town will be doing a briefing in February with a view of putting an agenda item to the Ordinary Council Meeting in February 2018 for Council consideration.

Has the submission from the Town that has been lodged with the Department at this present moment been consulted with the ratepayers at all?

The Manager of Governance advised that the Town have not put in a submission to date.

Does the Town intend to hold discussions on this matter with ratepayers?

The Manager of Governance advised that this will be done as part of the council meeting process.

I am not talking about a council meeting but rather a public meeting?

The Chief Executive Officer advised that no public meeting will be held on this topic at this stage.

I am asking as they are reviewing the entire Act and it is very important as there are so many flaws in it.

The Mayor advised from that his understanding of the Act over quite a few years is that WALGA and other agencies have been putting forward the amendments that are needed in the Act and they have been listed for many years. They have a good understanding of what needs to be changed.

I think there are a lot of people out there that have very constructive ideas for this review of the Local Government Act.

The audit report indicated that interest received in investment for 2017 was \$4.541 million, on this amount \$3.412 million was reinvested in the airport reserves. I understood that when the airport was leased that there was a benefit to the rate payers, and a financial advisory committee be established to advise in the investment of the funds.

I find it quite ludicrous that the Council receives \$3.412 million in interest and reinvests with no benefit to the rate payers. It is noted that in your strategic corporate planning you included the establishment of a wealth fund. I sincerely trust that when council discuss distribution, they remember the purpose of the lease, and the benefits projected for the community of Port Hedland. You do not dispose of an asset unless you received a benefit of same. I would like to see this committee formed and my points mentioned to be taken on board as soon as possible.

The Chief Executive advised that Mr Carter's recommendations is noted.

The Town have a \$3 million allocation in the budget for the future development of a proposed plan for the marina, is there any further updates on this?

The Mayor advised that the Town have sent quite a few letters in January 2018 to the relevant persons and the Town have requested a meeting by the latest for 22 February 2018 which will include discussion on an update on what is happening with the marina project. The first thing the Town wants to know is what is the government going to do with the \$112million as they have not consulted with the Town for quite some time on this.

In relation to expenditure that have not been budgeted for, the financial position does not exist as far as the Town of Port Hedland is concerned with the takeover of the aged person home retirement village. This is in a terrible situation. What is the Council's position on the future of the Port Hedland Retirement Village? Whose requirement is it to bring this village up to satisfaction so that they don't start suing them?

The Mayor advised that it is the responsibility of the Town of Port Hedland to bring this facility up to a standard that would be accepted by the Department of Housing.

It is the Mayor's understanding that the Town have already had some reports done on this facility that could cost the Town up to \$3 million dollars to get it up to a specific standard. The Town is going to have a look at every avenue to see if this facility can be relocated and seek funding for the costs that will be incurred or put the facility into someone else's care and maintenance giving them the responsibility for this facility. Supplying facilities for aged care is not the core business of local government.

This is what worries me, in the event of a relocation, who is going to supply the purchase of land once it changes over from the local government? The Town will put itself into a situation that is worse than the marina project.

The Mayor advised that the Town will investigate all options and create the best outcome for an aged person facility but he would like to see the facility stay on the foreshore and would like to see an opportunity to make that happen.

7.2 Mr Sam Arif

The reason we would spend \$3 million on the retirement village is because we have never spent a penny on the retirement village and it is rundown. It would be really hard to change the facility as there are old people living there.

The Mayor advised that it is the Town's responsibility to get this facility up to a standard.

As a community members, are we going to find out what is going to happen this facility?

The Chief Executive Officer advised in the affirmative and further stated that the Town has had first found discussion with Foundation Housing, they are coming to Port Hedland on Wednesday, 31 January 2018. They will do a tour of the facility which will be a starting point for discussions on what transition needs to take place for this facility.

What is going to happen the committee for this facility?

The Chief advised that he is hopeful that the committee will stay on for the transitional period and the Town will be able to engage Foundation Housing in this transition phase to do an audit of the facility and this will come back to Council.

7.3 Mr Arnold Carter

I would say that we would certainly have to have a timeline on the Retirement Village because at one of the Retirement Village Committee's recent meeting I put up the resolution that they all retire. If you have a committee that is retired, in the interim period, what is going to happen there with the retirement fund and the Town's takeover?

7.4 Councillor Julie Arif

[In addressing Mr Carter's question above]. Prior to this AGM, the Retirement Village Committee had an Annual General Meeting where it was agreed for a date in March or thereabouts to complete the transition.

7.5 Mr Arnold Carter

Have we got a date to when this [Retirement Village transition] will happen?

The Mayor advised that from what he can see in the documents for the retirement village, there is a process that will need to be followed and the process is that once a breach is issued to the Town, this matter is then brought to Council where Council will decide what will happen the retirement village but the documents also state that the Town is responsible for the maintenance of bringing the retirement village up to a standard.

7.6 Mr Sam Arif

It was my understanding that the Town and Foundation Housing were equally responsible for the retirement village?

The Mayor advised that the documents state that the Committee of the Retirement Village are responsible for the maintenance and the management of the facility. It does not state in these documents that the Town of Port Hedland would apply funds to that facility, it has always been the Committee's responsibility.

7.7 Mr Arnold Carter

When you look around at the community there is no one that has the expertise to take on this direct responsibility to run the Retirement Village, it's just impossible.

The Chief Executive Officer advised that the breach letter does not recognise the Committee, it only recognises the relationship between the Department of Housing and the Town.

What was the cost of the most recent upgrade of the South Hedland Aquatic Centre?

The Manager of Financial Services advised that she would get the information and provide Mr Carter with the answer.

7.8 Ms Nina Pangahas

In relation to the transition of the Retirement Village issue, who is paying for this? I am sure staff have started to spend time using the Town's resources organising meetings and organising what needs to be done?

The Chief Executive Officer advised that the Town will provide the funding. This matter will be put up to Council for a decision. In terms of the retirement village Committee dissolving, it creates an emergency situation and it is necessary for the Town to engage with Foundation Housing to address the immediate issues. The Town will request them to carry out the audit as they are familiar with running this type of facility and what standard it needs to be at and it will then come back to Council in terms of the cost and whether the Town will pay the costs or seek funding elsewhere.

Last year, there was a discussion about the Town of Port Hedland doing studies to look into the feasibility of having regional flights, can you provide an update on this?

The Chief Executive Officer advised that the Pilbara Regional Council are doing a business analysis assessment and this is still to come back to each of the four local Councils.

On the agenda for the Ordinary Council Meeting, it has a list of all the meetings that the Mayor has been to each month, is it possible for this list to include who the Mayor meets and the title of the topic discussed at each meeting?

The Mayor advised that this can be done but confidential details cannot be released.

7.9 Mr Arnold Carter

In relation to the recent 10 year lease agreement for Port Haven, has the Town received the consultant's report as required under the council resolution for the lease agreements with Port Hedland International Airport and Port Haven TWA renewal?

The Mayor advised that BHP is doing this report, the Town have not yet been told when this report will be received but the Mayor has been told that a substantial part of this report has already been completed.

7.10 Councillor Tricia Hebbard

There is a Senate enquiry into the Operation Regulation and Funding of Air Route Service Delivery to rural, remote and regional communities, will the Town be putting in a submission? I encourage members of the public to also put in a submission.

The Chief Executive advised in the affirmative.

7.11 Councillor Richard Whitwell

Has it yet been determined the value of the 20 year lease with the arrangement with BHP and if not wouldn't this be appropriate to do?

The Chief Executive Officer advised in the negative and further stated that the land on which Port Haven is located was part of the lease which was transferred out for a 50 year agreement. The only income the Town receives is the rates, the Town has no reason to go back and look at what the value was on that portion of land in terms of the lease as we do not hold the lease.

Reading the BHP's submission in relation to ownership for that portion of the lease is quite different.

The Chief Executive Officer advised that the land leased went to the airport and then BHP subleased this land from the Airport.

The use of the land that the Town is giving is a different use to what was originally agreed and nobody has compensated the Town for that?

The Mayor advised that the control of the land went to the airport group.

This is a different context, here you have got the provision of giving the land without that particular part put into the agreement, now this agreement is extended for another 20 years.

The Mayor advised that the lease is for 50 years which the 20 year lease agreement falls within this period.

The Chief Executive Officer advised that he understood where Councillor Whitwell was coming from however the Town did not see the value in doing this piece of work.

7.12 Ms Nina Pangahas

If there is a prospect of further port expansion in terms of production of tonnage, would the Town consider facilitating to hold a public information session to ensure that the community knows what is happening?

The Mayor advised that the Town can put the appropriate agencies together that have control of this area and organise a public meeting for these agencies to discuss all matters of this topic with the community. The Mayor further advised that this is not a local government issue and is under the control of the State Government some of which include the Department of Health, the Department of Lands and the Department of Transport.

Item 8 Closure

There being no further business, the Mayor declared the meeting closed at 8:49pm.