



## **TOWN OF PORT HEDLAND**

### **ORDINARY COUNCIL MEETING MINUTES**

**WEDNESDAY 22 MARCH 2017 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”**

*David Pentz  
Chief Executive Officer*

*Distribution Date: 5 April 2017*

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**Item 1 Opening of Meeting**

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The Mayor declared the meeting open at 5:30pm.

On behalf of the Town of Port Hedland and himself, the Mayor passed on his sincere condolences to the family of Irene Rozario who recently passed away and was a long term resident of Port Hedland.

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**Item 2 Acknowledgement of Traditional Owners**

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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.

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**Item 3 Recording of Attendance**

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**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

David Pentz	Chief Executive Officer
Kathryn Crothers	Director Corporate Services
Ray Davy	Acting Director Community and Development Services
Nasir Shah	Manager Infrastructure and Projects
Louise O'Donnell	Minute Taker/ Governance Officer

Public	7
Media	7
Officers	6

**3.2 Apologies**

Nil

**3.3 Approved Leave of Absence**

Nil

**3.4 Disclosure of Interests**

Name	Item no.	Interest	Nature
Councillor Arif	12.1.4 Spot rating of transient workforce accommodation camps located on Mining Tenements	Financial	Councillor Arif has BHP Shares
Councillor Hooper	12.1.4 Spot rating of transient workforce accommodation camps located on Mining Tenements	Financial	Councillor Hooper declared he has shares with Atlas above the threshold.
Councillor Gillingham	12.1.2 Proposed 'Complaints' Policy, rescinding of Policy 1/002 'Complaints Against Third Parties' and rescinding of Policy 7/001 'Matt Dann Cultural Centre'	Impartiality	Councillor Gillingham declared she has an association with the Pilbara Music Festival.
Councillor Gillingham	16.2 Spoilbank Marina – Budget Update and Funding Arrangements	Impartiality	Councillor Gillingham declared she carries out private teaching on the premises of St. Cecilia's Primary School.
Councillor Melville	12.1.4 Spot rating of transient workforce accommodation camps located on Mining Tenements	Financial	Councillor Melville declared he is a BHP employee and has shares above the threshold.
Councillor Whitwell	16.2 Spoilbank Marina – Budget Update and Funding Arrangements	Financial	Councillor Whitwell declared he owns a property in the same district as the proposed Spoilbank Marina.
Councillor Tavo	12.1.4 Spot rating of transient workforce	Financial	Councillor Tavo declared he has BHP Shares above the threshold.

	accommodation camps located on Mining Tenements		
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#### Item 4 Response to Previous Questions

#### 4.1 Response to Questions taken on notice from Public at the Ordinary Council Meeting held on Wednesday 22 February 2017

##### 4.1.1 Mr Arnold Carter

*Currently, the Town has \$162,437,000 invested from the lease of the Port Hedland International Airport (PHIA).*

*In October 2016 the balance was \$162 million, in January 2017 the balance was \$162 million, meaning there have been no reductions at all. The interest payable over that period of three months was \$1,203,000. In your Mid-Year Budget Review contained in this agenda, at the end of January the Town had received \$6,953,000 in interest, and the Towns interest payable projection to the end of June on \$162 million is only \$422,000. Can I have a breakdown of the proposed expenditure of the income earned out of PHIA investment?*

The interest earnings reflected in the Statement of Financial Activity represents all interest the Town expects to receive throughout the financial year from the full investment portfolio accrued interest for the year from investments not yet matured, with \$4,548,225 budgeted interest earnings relating to the PHIA lease fund investments (as per reserve summary).

The Town will not see a reduction of the amount opening balance in reserves as this is an accounting method to restrict funds, which have been invested as per our Investment register. Any interest earned on the PHIA lease funds invested are then placed into Reserves as it is earned and received, including investments with varying maturities throughout the year.

The interest earned on the Statement of Financial Activity is showing \$6,953,000 being the interest earned and accrued for the full year across all investments and is updated each month.

Proposed expenditure of funds from the PHI lease reserve following the mid-year budget review is a total of \$3,848,000, which is less than the interest earned on the investments and is split between the below Capital Works projects.

Project
Pinga St – Rehabilitation of existing pavement
South Hedland Aquatic Centre Works: Replace filters, sink wastewater tank, replace pipework, replace pumps and install UV filters for leisure pool
Rod Reseal Program
McGregor, Athol, Cooke Point Roundabout Rehabilitation
Colin Matheson and Kevin Scott Oval Scoreboard Replacement
Marquee Park Compliance & Upgrade Softfall
Drainage Construction Wanangkura Stadium & Faye Gladstone Netball Courts
Upgrade of Kevin Scott Oval / High School Reuse Tanks
Unsealed Road Resheeting Program
Kennedy St / Parker St Intersection

## **4.2 Response to Questions taken on notice from Elected Members at the Ordinary Council Meeting held on Wednesday 22 February 2017**

### **4.2.1 Councillor Troy Melville**

*Are there any funds left in the Joint BHP and Town of Port Hedland community fund, and if so, what is the amount?*

The Acting Manager Financial Services advises that there are no funds remaining in the joint fund. This was finalised in 2015/16 with the remaining \$296,236.03 making up part of the BHP funding towards the Faye Gladstone Netball Court Clubroom Upgrade.

*Can Councillors please receive the correspondence that was requested at the January Ordinary Council Meeting under item 12.1.1 'Reactivation of the Port Hedland Community Safety and Crime Prevention Plan' part 3 that states 'Provide all Councillors with brief/notes from each meeting/meetings with State/Federal agencies as soon as possible', and is there a reason as to why Council have not received this?*

The Chief Executive Officer advised that correspondence was distributed to Elected Members on 8 March 2017.

*Does the Town have any information in regards to safety procedures in relation to persons of interest that may have been flagged at the Port Hedland International Airport over the last three weeks?*

The Chief Executive Officer advises that as the Port Hedland International Airport (PHIA) is now leased the Town does not receive this information. The Town has requested information from PHIA who have advised that this is a WA Police matter and queries should be referred to them. The Town contacted WA Police and they have confirmed that a male was arrested at the PHIA last week who was flagged on departure and advised that there was no risk or safety issues to the general public.

### **4.2.2 Councillor Jan Gillingham**

*In regards to the mould issues at the Matt Dann Theatre and Cinema, is there any idea when it will be open to the public?*

The Acting Director Works and Services advises that the High school is responsible for the infrastructure. The Town will offer advice to the High School to ensure adequate modifications and repairs are made to the infrastructure. The Acting Director Works and Services will follow up with Principal accordingly.

### **4.2.3 Councillor Julie Arif**

*The Town of Port Hedland's responsibility in the past is putting out the banners, which didn't happen and welcoming the cruise ship, the staff do not generally volunteer as town ambassadors, we usually have town people. Why wasn't it advertised that we could get all of our wonderful townsfolk down there greeting people?*

The Acting Director Community Development advises that the Town completed its regular role during the recent cruise ship visit, by meeting and greeting visitors, handing out water and assisting them onto and off the buses. Town staff set up the marquees and set out chairs and signage at the arrival/ departure point as per previous events.

Town staff have always been involved in welcoming the visitors as they did recently. There were also some volunteers ambassadors from the community as well as the "Town Crier" who entertained the tourists. This year, the Senior Events Officer contacted a list of community ambassadors from previous years and three responded, with two of those people assisting on the day. Going forward, there is an opportunity to review the process of recruiting volunteer ambassadors.

In regards to the street banners, in December, the street banners were taken down due to a potential cyclone.

They are generally then kept down during cyclone season as it takes considerable time and resources to re-install them (hiring cherry picker etc.).

Should there be a desire for the banners to be re-hung immediately after a cyclone alert once they are taken down, this could be achieved, however consideration will need to be given to the cost of labour and equipment required to carry this out. A new rotation of banners will be installed after cyclone season.

#### **4.2.4 Councillor Louise Newbery**

*I have been notified by two residents that the fire break at the back the houses leading to the creek on Nichols Retreat in Pretty Pool, are overgrown. Can that be looked into?*

The Director Works and Services advises that Town officers will look into this matter and inspect the site to determine the capacity of the works.

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#### **Item 5 Applications for Leave of Absence**

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Nil

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#### **Item 6 Attendance by Telephone/Instantaneous Communications**

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Nil

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#### **Item 7 Public Time**

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*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 declared Public Question Time opened at 5:39pm.

## **7.1 Public Question Time**

### **7.1.1 Mr Roger Higgins**

*Will the Town of Port Hedland, in conjunction with the support from the business community, be prepared to consider the relocation of the tourist caravan park that is adjacent to the Port Hedland racecourse to a prepared site on the Spoilbank with the construction being funded by the Town of Port Hedland and the Business Community Fund?*

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

### **7.1.2 Mr Arnold Carter**

*In the Statement of Financial Activity on the investment register it has the amount of \$239,297,239 and on the bank reconciliation it has the amount of \$240,636,894, can the Town advise where the difference of \$1,339,655 has gone to?*

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

*There appears to be an error in terminology for interest received from the Port Hedland International Airport as it states on the financial reports that the interest was paid but it should state that interest was received?*

The Chief Executive Officer advised in the affirmative and that the administration would make an amendment to state that the interest was received.

*Does the interest indicated in the February 2017 Statement of Financial Activity of \$7,417,000 include the interest received from the Port Hedland International Airport?*

The Director Corporate Services advised in the affirmative.

*From the interest received from the Port Hedland International Airport lease proceeds, is there an allocation of \$3.96 million to do capital works?*

The Mayor advised that over \$4 million was applied to capital works in the last budget and that the figure of \$3.96 million is the revised figure. The Mayor confirmed that all capital works comes from the interest received from the Port Hedland International Airport investment.

*In the Town's mid-year review, there was an indicative interest income for the year of \$7,379 for the year, is the Town going to amend this figure as at the present moment this figure has been exceeded?*

The Director Corporate Services advised that the Town would do a forecast review.

The Mayor declared Public Question Time closed at 5:44pm.

The Mayor declared Public Statement Time at 5:44pm.

## **7.2 Public Statement Time**

### **7.2.1 Mr Roger Higgins**

Mr Higgins made a statement based on a meeting that was held in Council Chambers at the Civic Centre in April 2014 of which the Committee for the Development of Northern Australia were present and he proposed a road, which he has been named Henry Highway.

The road that comes from Winton in Queensland towards the Stewart Highway to Alice Springs of which he proposed Henry Highway to be a new route back to Port Hedland. If it is looked at closely, the distance in travelling from Brisbane going the current route that is available via Catherine, Kununurra and then down to Port Hedland is considerably longer than driving across Henry Highway saving a distance of 800km.

Mr Higgins discussed the Labor Government policy document where it stated that "A Mc Gowan Labor Government will inject \$425 million over five years to establish WA and showcase our beautiful State including Milstream Chichester National Park, Karijini National Park, historic Cossack and the Burrup Peninsula". He further added that there is no mention of tourism in Port Hedland and he believes that Port Hedland has the potential to be a major tourist location if there is support for the development of Henry Highway to make Port Hedland more accessible.

Mr Higgins stated that people want to come to Port Hedland in the winter as it has great weather and suggests that the Council support and promote Port Hedland as a key tourist destination which would become a lot more feasible with the creation of the Henry Highway and the Spoilbank Marina.

Mr Higgins reverts back to his question earlier in the meeting at public question time requesting if Council would consider relocating the Caravan Park to the Spoilbank which he feels if carried out would show the Labor Government that Port Hedland is a genuine attractive destination for tourists to visit which will benefit the town immensely in the long run.

He further added that at the moment the road from Winton through to Stewart Highway is partially unsealed and the other roads are unpassable, he advised the Council to look at all the key areas listed above.

### **7.2.2 Mr Arnold Carter**

Mr Carter stated that he was amazed that item 14.1 'Consumption of Alcohol at Council Related Meetings' has been put up for a decision in a Council meeting and stated that he was not aware that Councillors consumed alcohol during Council Meetings. He added that in his 30 years involved with Council alcohol has never been consumed during a meeting.

Mr Carter stated that he does not believe that passing this motion would make any difference to the anti-social behaviour that is currently happening in Port Hedland.

The Mayor advised Mr Carter that the officer's report stated that there has been no alcohol consumption during Council Meetings but occurs after the meetings.

The Mayor declared Public Statement Time closed at 5:50pm.

### **7.3 Petitions/Deputations/Presentations/Submissions**

#### **7.3.1 Mr Gary Gray**

Mr Gray is a representative from Mineral Resources Limited and acknowledged traditional owners to which Mineral Resources assets are located on their land. Mr Gray's deputation is in relation to item 12.1.4 'Spot rating of transient workforce accommodation camps located on Mining Tenements'.

He stated that the proposal that Council is considering imposes significant costs on companies like his. There are two particular assets; Wodgina and Poondano. Wodgina is an asset which acquired a 500 person camp which currently has a usage of 38% occupancy and Poondano which currently has a usage of 19% occupancy.

Mr Gray advised that these camps were built in order to accommodate people to take the strain away from Port Hedland. His organisation provides services for their workers so that there is no costs to the community in the North or anywhere else. These camps are run in order to create a safe and healthy living environment.

Wodgina provides for a lithium environment and the inspiration is expediently vigorous and is progressing well along with two other potential lithium places but in Iron Ore they face cost constraints that will remain for the foreseeable future.

Mr Gray strongly argued that these particular measures are wrong in principle and wrong in the process that brings it to their attention. Mr Gray understood that it needs to go through several more processes and he fully acknowledged the transparency in which the Council has provided information to affected organisations and enabled them to come and present their case and to be taken seriously to which he outlined his appreciation.

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## **Item 8 Questions from Members without Notice**

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### **8.1 Councillor Troy Melville**

*Will there be an update on the North West Festival 2017 anytime soon?*

The Chief Executive Officer advised that an update will be provided.

*Is the electronic scoreboard implementation at Kevin Scott Oval and Colin Matheson Oval completed and has training commenced to teach clubs how to use them?*

The Chief Executive Officer advised that they have been installed and took the second part of the question on notice.

*What preparations have been made for Anzac Day?*

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

*Has the costing for the Port Hedland Observation Tower been supplied?*

The Mayor advised that the costings have not been provided yet but is going to be investigated.

## **8.2 Councillor Jan Gillingham**

*In relation to Mr Higgins' statement about a proposed new highway, will the Mayor be able to add this for discussion in the pending agenda to Canberra?*

The Mayor advised that he will check to see if he is meeting the appropriate Minister to discuss this topic.

## **8.3 Councillor Louise Newbery**

*The CCTV installation project in the capital works program, did part of the funding include the installation of CCTV at the Esplanade?*

The Chief Executive Officer advised in the affirmative.

*What is the update on the Finucane Island boat ramp?*

The Manager Infrastructure and Projects advised that the Town originally opted for the "do nothing" option. However since then, the Town has revisited all four options presented by the consultant and has directed the design consultant to develop (i.e. detail design) the "Groyne" option. Detailed design is expected to be completed by May 2017.

*Councillor Newbery thanked the Town employees for carrying out works from last month's questions raised regarding the fire break at the back the houses leading to the creek on Nichols Retreat in Pretty Pool.*

## **8.4 Councillor Lincoln Tavo**

*In relation to all of the Town's projects and their completion date, will the Town get projects finished as planned by the end of the financial year?*

The Chief Executive Officer advised that the Town will provide a status update.

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

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

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

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**Item 10 Confirmation of Minutes of Previous Meeting**

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**10.1 Confirmation of Minutes of the Ordinary Council Meeting held on Wednesday 22 February 2017****CM201617/159 OFFICER RECOMMENDATION/ COUNCIL DECISION****MOVED: CR ARIF****SECONDED: CR MELVILLE**

**That Council confirm that the Minutes of the Ordinary Council Meeting held on Wednesday 22 February 2017 are a true and correct record.**

***CARRIED 8/0***

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**Item 11 Announcements by Presiding Member without Discussion**

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The Mayor congratulated the incoming government on their victory at the State election. A number of commitments were made during the campaign about Port Hedland which the Mayor stated he intends to hold the new government accountable to.

The Town are currently arranging meetings with new members for the Pilbara being Kevin Mitchell and Stephen Dawson; MLC and the incoming Minister. He added that he hopes his fellow Councillors will join his commitment in working with the new government on delivering the Town's priorities around community safety and social issues as well as new infrastructure for the town.

The Mayor thanked the outgoing government for their support particularly Brendan and Sue Grylls for their advocacy on behalf of Port Hedland and also as Minister for Regional Development. The Mayor finished his announcement noting that Mr Grylls will truly be missed.

**Mayors Monthly Meetings – 1 February to 28 February 2017**

Date:	Meeting:
<b>1/02/2017</b>	Horizon Power
<b>1/02/2017</b>	Annual General Meeting
<b>2/02/2017</b>	Liberal Candidate March Alchin & Peter McDowell
<b>3/02/2017</b>	Regional Services Reform Unit
<b>6/02/2017</b>	Quadrant Energy
<b>7/02/2017</b>	Spirit Radio
<b>7/02/2017</b>	NWT Medial Catch up
<b>7/02/2017</b>	Pilbara Councils
<b>7/02/2017</b>	Confidential Briefing
<b>7/02/2017</b>	ARG Committee Meeting
<b>9/02/2017</b>	Landcorp, Perth
<b>9/02/2017</b>	FMG, Perth
<b>9/02/2017</b>	Coles, Perth
<b>10/02/2017</b>	Roy Hill, Perth
<b>10/02/2017</b>	WARCA, Perth
<b>10/02/2017</b>	Courthouse Gallery Opening
<b>13/02/2017</b>	Spirit Radio
<b>14/02/2017</b>	Business Breakfast
<b>14/02/2017</b>	Development Assessment Panel meeting (JDAP)
<b>14/02/2017</b>	Department of Housing
<b>14/02/2017</b>	Landcorp
<b>15/02/2017</b>	Charter Hall
<b>15/02/2017</b>	Public Agenda Briefing
<b>16/02/2017</b>	Aboriginal & Torres Strait Islander Consultation Forum
<b>17/02/2017</b>	Minderoo Foundation
<b>17/02/2017</b>	PRC Council Meeting
<b>20/02/2017</b>	Let's Connect – Hedland Well Women's Centre
<b>21/02/2017</b>	Minister for Agriculture & Melissa Price
<b>21/02/2017</b>	BHP
<b>21/02/2017</b>	Law & Order Forum
<b>21/02/2017</b>	PHCCI
<b>21/02/2017</b>	Nationals WA Campaign Launch
<b>22/02/2017</b>	Candidate Info Session – State Election
<b>22/02/2017</b>	Esplanade Hotel
<b>22/02/2017</b>	Ordinary Council Meeting
<b>23/02/2017</b>	Global Diagnostics
<b>23/02/2017</b>	ABC interview
<b>23/02/2017</b>	LEMC Meeting
<b>24/02/2017</b>	Police Commissioner
<b>24/02/2017</b>	Special Citizenship Ceremony
<b>25/02/2017</b>	Wanangkura Stadium Fitness Centre Launch
<b>26/02/2017</b>	Premier Site Visit
<b>27/02/2017</b>	Housing Authority
<b>27/02/2017</b>	Special Council Meeting
<b>28/02/2017</b>	Spirit Radio
<b>28/02/2017</b>	NWT Medial Catch up
<b>28/02/2017</b>	BHP

*Disclaimer*

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

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**Item 12 Reports of Officers**


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**12.1 Corporate Services****CM201617/160 COUNCIL DECISION****MOVED: CR TAVO****SECONDED: CR HOOPER**

**That Council bring item 12.1.4 'Spot rating of transient workforce accommodation camps located on Mining Tenements' forward for consideration.**

***CARRIED 8/0***

- 6:03pm The Mayor advised that item 12.1.4 'Spot rating of transient workforce accommodation camps located on Mining Tenements' has been brought forward for consideration.
- 6:05pm Councillor Hooper declared a financial interest in item 12.1.4 'Spot rating of transient workforce accommodation camps located on Mining Tenements' as he has Atlas shares above the threshold and left the room.
- 6:05pm Councillor Arif declared a financial interest in item 12.1.4 'Spot rating of transient workforce accommodation camps located on Mining Tenements' as she has BHP shares above the threshold and left the room.
- 6:05pm Councillor Melville declared a financial interest in item 12.1.4 'Spot rating of transient workforce accommodation camps located on Mining Tenements' as he is a BHP employee and left the room.
- 6:05pm Councillor Tavo declared a financial interest in item 12.1.4 'Spot rating of transient workforce accommodation camps located on Mining Tenements' as he has shares and left the room.

The Mayor advised that due to a lack of quorum the item would be deferred.

- 6:07pm Councillors Hooper, Arif, Melville and Tavo re-entered the room and resumed their chairs. The Mayor advised that the item was deferred due to a lack of quorum.

### **12.1.4 Spot Rating of Transient Workforce Accommodation Camps located on Mining Tenements**

File No:	24/02/0001
Applicant/ Proponent:	N/A
Subject Land/ Locality:	N/A
Date:	22 March 2017
Author:	Carmen Walsh, Senior Rates Officer
Authorising Officer:	Kathryn Crothers, 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:

1. Statement of Objects and Reasons (under separate cover)
2. Valuation of Land: Mining Policy (under separate cover)
3. Area maps of Transient Workforce Accommodation camps (under separate cover)
4. Landgate Estimate Gross Rental Valuations for TWAs
5. Consultation – Letter to TWA Holders requesting feedback
6. Consultation – Response Letters from TWA holders (under separate cover)

## OFFICER RECOMMENDATION

That with respect to this report, Council:

1. Request the Chief Executive Office to apply to the Minister for Local Government for a determination to spot rate the following TWA camps using a Gross Rental Valuation under the Department's Rating Policy: "Valuation of Land – Mining" commencing 1 July 2017 or the date of Ministerial gazettal (if after 1 July 2017).
  - a) Poondano Village (Process Minerals International)
  - b) *Pardoo Accommodation Village (Atlas Iron Limited) – care & maintenance*
  - c) Mooka Village (BHP Billiton Minerals)
  - d) Wodgina (Global Advanced Metals)
  - e) *Pippingarra Quarry Camp (North West Quarries) – care & maintenance*
  - f) Camp Qube (Qube Bulk Pty Ltd)
  - g) Mount Dove Camp (Atlas Iron Limited)
2. Resolves that as per the Statement of Objects and Reasons, the TWA camps will be rated via the GRV Mass Accommodation rating category from the 17/18 financial year, pending Ministerial approval to spot rate.
3. Note that there are Transient Workforce Accommodation (TWA) camps located on Mining or Miscellaneous tenements within the Town's municipal boundary, which are currently not rated via Gross Rental Valuation.4. Note that under the Department of Local Government's Rating Policy: "Valuation of Land – Mining" Council can resolve to make an application to the Minister to spot rate TWA camps, located on Mining and Miscellaneous tenement leases using a Gross Rental Valuation.
5. Note that the objective of the proposed rating of these TWAs is to provide additional income for the net funding requirements of the Town's services, activities, financing costs and the current and future capital requirements of the Town.
6. Notes that two of the above mentioned TWAs (Pardoo Accommodation Village Pippingarra Quarry Camp) are currently in care and maintenance status and non-operational. An application to rate those camps may be rejected by the Minister for this reason.

7. Notes that a rate in the dollar and rates payable by each TWA holder for the 17/18 financial year will be determined for the GRV Mass Accommodation category and all other rating categories during Council's budget adoption process and presented to the Minister along with their application to raise differential rates.

***ABSOLUTE MAJORITY VOTE REQUIRED***

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**EXECUTIVE SUMMARY**

This report and Council decision forms part of legislative requirements for an application to spot rate structures and other improvements, such as Transient Workforce Accommodation (TWA) located on Mining Leases approved by the Department of Mines and Petroleum, using a Gross Rental Valuation. Seven TWAs were identified outside of the Town's boundaries but within the Town of Port Hedland's municipality, that are currently not rated or rated via an Unimproved Valuation (UV).

**BACKGROUND**

Along with the 2016-17 budget adoption, Council approved a rating strategy and Statement of Objects and Reasons to ensure consistency and fairness in the allocation of rates for all approved rating categories therein.

One of the rating categories is the Mass Accommodation Category, which currently includes six TWA's, located inside the Town's boundaries and therefore rated via GRV. The average rates paid by owners of properties within this category in the 2016/17 financial year was \$628,524.

An additional seven TWA facilities have been identified on land within the Town's municipal boundary, located on Mining or Miscellaneous Tenements. Two TWAs are located on Mining Leases and are rated via their UV and the rating category UV Mining. The other five TWAs are located within Miscellaneous Lease areas and are not rateable as per the Local Government Act Section 6.26 (2)(I).

The UV for the above mentioned TWAs located on Mining tenements does not take in consideration individual improvements and structures built on the land and the average rates paid for TWAs on Mining Leases is \$55,564.

Although some of the TWAs are located less than 100km from the Town's boundaries and it is known that their residents would be making use of the Town's facilities such as roads, airport, libraries or entertainment area, it is to be noted that rates are not a reflection of service levels and the Town contends that it provides infrastructure, programs and services for use by all residents, whether they are permanent or transient and whether they wish to make use of those facilities or not.

It is unfair that the TWA operators who have chosen to build their structures within the town site boundary should be penalized over other operators that have built their TWAs outside of the town site boundaries.

The Town believes that operators of the above mentioned TWAs are not providing an equal and fair contribution to the Town's rates income compared to other camp and business operators of Port Hedland.

Patrons and employees of these premises are consumers of municipal services but unless they are also property owners within the Town, are not contributing to the costs of services used by them in the Town of Port Hedland.

The Town's differential rating system includes rating categories UV Pastoral and UV Other, which contain a total of 30 properties, located outside of the Town's boundaries and therefore rated via UV. Pastoralists are required to contribute to the Town's rates income to support the large investment that the Town of Port Hedland makes in road and road drainage infrastructure to service remote mining activities on rural roads throughout the municipality.

Therefore it is recommended that an application is lodged to the Department of Local Government under the Rating Policy: Valuation of Land to request GRVs for the TWAs to ensure the Town's rates revenue is equally and fairly distributed between all rateable properties and so that a reasonable contribution is made for each TWA irrespective of its location within the Town's municipality.

There is the opportunity to include the additional TWAs within Council's 2017/18 rating strategy and to distribute the rates income received from the existing TWAs within the GRV Mass Accommodation category more equally and additionally reduce the rate in the dollar to a more comparative rate with neighboring local governments.

The application to the Minister will be based upon a GRV rating ability from 1 July 2017 for the 17/18 financial year or the date of Ministerial gazettal (if after 1 July 2017).

An application for a determination under this policy must be made by satisfying the Minister of Local Government of the following matters, as per the Department of Local Government's Policy "Valuation of Land: Mining".

1. The land to which the application relates (the subject land) is the subject of a relevant interest or resource interest.

All of the identified TWAs are located on either current Mining or current Miscellaneous tenement within the Town of Port Hedland's municipality.

2. The holder of the relevant interest or resource interest (the holder) has been accurately identified.

The holders of each TWA/ tenement have been accurately identified using the Mineral Titles Online program on the Department of Mines and Petroleum's website.

3. The subject land contains capital improvements consisting of any one or more of accommodation, recreation or administration facilities or associated buildings, or maintenance workshops existing within 100 meters of these facilities (or other capital improvements if the holder and the local government have agreed to their inclusion in the subject land) (the relevant capital improvements).

Building plans and aerial maps have been sourced via the tenement holders directly and the Town of Port Hedland's Building department. Those documents were provided to Landgate for the provision of estimated GRVs and were satisfactory for this purpose.

4. The relevant capital improvements have been in place for at least 12 months (or such lesser period as the holder and the local government have agreed).

All seven of the identified TWA structures have been in place for more than 12 months as confirmed by the TWA holder via reply correspondence or building approval documentation on the Town's records.

5. No other estate in the subject land is rateable on the basis of the GRV of the land.

All of the identified TWAs are located on either current Mining or current Miscellaneous tenements with no other GRV rated structures or estates.

6. The subject land has been clearly defined to include only the relevant capital improvements.

Technical Land descriptions have been requested and will be undertaken by Landgate. These will be submitted along with the application to the Minister.

7. The Valuer General's Office has provided notional values for use in modelling the effect of the changes on the rates that would be payable if a determination was made in accordance with the application (the notional values).

The Town contacted Landgate to obtain estimated GRVs for the identified TWAs to calculate estimated rates (based on 2016/17 rate in the dollar) and advised the TWA operators of the intention to rate.

8. The holder was informed in writing by the local government of:
- the terms of this policy (through the provision of a copy of this document to the holder)
  - the local government's reasons for considering making the proposed application for a determination under s. 6.28 (the proposal)
  - an existing arrangement between the local government and the holder relevant to the proposal, such as an arrangement for a payment in lieu of rates or a similar contribution, the local government's reasons for wishing to depart from that arrangement (if there is one)
  - the overall likely impact of the changes on the rates that would be payable under the proposal based on the notional values and was given at least 28 days after receiving that information to make submissions to the local government on the proposal (the holder's submissions).

In November 2015 and June 2016 the Town contacted each TWA/ tenement owner regarding its intent to rate the improvements relating to the TWAs located within the mining or miscellaneous tenement area.

Reference was made to the Department's policy and a copy was provided as an attachment. The letter advised that the Town is seeking to make an application under the Rating policy so that all ratepayers contribute to assist the well-being of the community by paying a fair and equal amount of rates for similar structures and improvements, no matter where they are located within the municipality.

An estimated amount of rates payable, based on calculation using the proposed 2016/17 rate in the dollar at the time, was noted. A 30 day feedback period was provided, which was extended upon request.

9. The holder's submissions, if any, and the local government's response to the holder's submissions (as recorded in the minutes of the council meeting at which the response was adopted) have been provided to the Minister.

A copy of all submissions is attached to this report and will be provided to the Minister, along with the Council Meeting Minutes and the application under the Rating policy for each TWA.

Below listed is a summary of the identified TWA, the TWA/ tenement holder, the tenement description, completion date of TWA, short description and the estimated GRV provided by Landgate.

Tenement Holder	Name of TWA	Description of Land, Tenement ID	Completion Date of Camp	Maximum Occupancy	Other Improvements	Estimated GRV provided
Process Minerals International	<b>Poondano Village</b>	L45/219	March 2014	160 Single Person Quarters	Sprayfields, parking area, wet mess, Office	\$560,000
Atlas Iron Limited	<b>Pardoo Accommodation Village</b>	L45/202	March 2010	approved to 120, but only capacity built for 75	Gym, Kitchen & Wet mess, Laundry, Sport courts, Parking	\$200,000
BHP Billiton Minerals	<b>Mooka</b>	L45/190	2012	519 accommodation units	Beer garden, wet mess, Cricket nets, Gymnasium, Recreation room, Sports Court, Office	\$1,617,000
Global Advanced Metals	<b>Wodgina</b>	L45/58	1985	604 person camp	Gymnasium, Tennis Court, wet/dry mess, Swimming Pool, Store, Office	\$1,257,000
North West Quarries	<b>Pippingarra Quarry Camp</b>	M45/258	2015	23 Accommodation rooms	Office, dining hall	\$74,000
Oztran Qube Bulk Pty Ltd	<b>Camp Qube</b>	L45/355	December 2015	100 sole occupancy units	Kitchen/ Diner, Cool room, 3 laundries, 6 water tanks	\$210,000
Atlas Iron Limited	<b>Mount Dove Camp</b>	M47/1449-I	December 2012	approved to 133, but only capacity built for 101	Gym, Laundry, Office, Kitchen & Wetmess, Outdoor shaded area	\$332,000

It should be noted by Council that the Town has been advised that the above mentioned Pardoo Accommodation Camp and Pippingarra Quarry Camp are currently in care and maintenance status, however all structures and improvements for the accommodation camp are still intact on the land.

The Department's policy does not specify the requirement that a camp must be in operation to request a GRV for rating purposes and so those camps were included in the preparation processes for an application, however Council may wish to reconsider an application process for the two camps as both an application to the Minister and rates collection may be unsuccessful.

## CONSULTATION

In November 2015 the Rates department commenced correspondence with all of the above mentioned TWA holders, which were identified under the criteria for an application under the Valuation of Land: Mining policy.

A letter was sent advising the parties of the intent to review all TWAs within the Town's municipality for the purpose of equally raising rates income. The policy was referenced and attached to the letter correspondence which asked for the following information:

- Exact location of the TWA camp (Latitude and Longitude);
- Date of construction and completion
- Name by which the TWA camp is known as;
- Area plan of improvements such as dwellings, leisure facilities
- Maximum Occupancy numbers
- Above mentioned information for other TWAs within the Town of Port Hedland municipality

All TWA holders replied except for BHP Billiton Minerals regarding their camp Mooka, who provided this information and building plans to Landgate directly upon request.

Using the above mentioned information, Landgate was then engaged to review the building plans and area maps for the TWAs so they were able to provide estimated GRVs for the accommodation and other improvements. These were received as listed above in May 2016.

In June 2016 the correspondence was continued by way of letter advising the TWA holders of the estimated GRV for their camp and an estimated amount of rates payable, based on the 15-16 rate in the dollar for the Mass Accommodation category. The Town also sought comment regarding the proposed rates and the application to the Department providing a 30 day feedback period to respond.

Below listed is a summary of the feedback received from the TWA holders. A copy of all responses can be viewed in full as an attachment to this report.

<b>TWA holder</b>	<b>Name of Camp</b>	<b>Feedback received</b>	<b>Officer comment</b>
Process Minerals International (PMI)	<b>Poondano Village</b>	<ul style="list-style-type: none"> <li>- PMI opposes the Town's proposed application</li> <li>- PMI accepts that Poondano Camp is 'accommodation' located on land that is subject of a 'relevant' interest as per the policy</li> <li>- Claims that the estimated GRV is incorrect and request to obtain correct GRV from Landgate prior to proceeding with the application</li> <li>- Consistency – do not agree with the rate in the dollar of 26.0000 as this is significantly higher than neighbouring local governments (Ashburton</li> </ul>	<ul style="list-style-type: none"> <li>- Landgate revised the GRV for this camp after being contacted by the TWA holder and proposed rates will be calculated based on the new GRV \$560,000 from \$1,290,000, pending Ministerial approval</li> <li>- Shire of East Pilbara are currently spot rating all 18 camps within their Transient Workforce rate category and are deriving approximately</li> </ul>

		<p>5.1060 and East Pilbara 4.3653)</p> <ul style="list-style-type: none"> <li>- Poondano Camp is isolated from the town site and self-sufficient and therefore does not fall within the Mass Accommodation category as per the Statement of Objects and Reasons</li> <li>- PMI make further comments regarding the back rating and proposed rates for 16/17 financial year, which are no longer relevant as it is proposed to rate the TWA from 1 July 2017 or date of Ministerial gazettal (if after 1 July 2017)</li> </ul>	<ul style="list-style-type: none"> <li>- 10% of their total rates revenue from TWAs</li> <li>- Shire of Ashburton has not gone through a spot rating process and rate all of their camps via a UV rate category as most of the camps within their Shire are located on land leased through the State rather than mining tenements</li> <li>- Karratha's rate in the dollar for the category GRV Transient Workforce is 32.1484</li> <li>- Feedback regarding GRV Mass Accommodation rate in the dollar used for rating the TWA will be sought from the community and ratepayers prior to making an application to the Minister for the 17/18 financial year budget</li> <li>- Comments regarding the back rating of TWAs have been taken in consideration and it is proposed to rate the TWA from 1 July 2017 or date of Ministerial gazettal (if after 1 July 2017)</li> </ul>
Atlas Iron Limited	<b>Pardoo Accommodation Village</b>	<ul style="list-style-type: none"> <li>- Atlas seeks that no rate to be imposed on the TWA</li> <li>- <u>The camp has been under Care &amp; maintenance since 2014</u></li> <li>- The proposed rate is more than 19 times the annual rent paid for the tenement</li> <li>- Some contribution is reasonable and expected but the amount proposed greatly exceeds any notion of reasonable contribution to the cost of services used by Atlas</li> </ul>	<ul style="list-style-type: none"> <li>- The policy does not specify the requirement for a camp to be in operation to request a GRV for rating purposes, however Council may wish to reconsider an application process for the two camps as both an application to the Minister and rates collection may be unsuccessful</li> </ul>

		<ul style="list-style-type: none"> <li>- The mining and exploration sectors have suffered significantly from plummeting commodity prices</li> <li>- Company has reduced staff numbers and implemented cost-cutting programs to maintain viability</li> <li>- Atlas make further comments regarding the back rating and proposed rates for 16/17 financial year, which are no longer relevant as it is proposed to rate the TWA from 1 July 2017 or date of Ministerial gazettal (if after 1 July 2017)</li> </ul>	<ul style="list-style-type: none"> <li>- Annual Rental paid to the Department of Mines and Petroleum for the lease hold of the tenement does not relate to Council rates</li> <li>- Feedback regarding GRV Mass Accommodation rate in the dollar used for rating the TWA will be sought from the community and ratepayers prior to making an application to the Minister for the 17/18 financial year budget</li> <li>- Comments regarding the back rating of TWAs have been taken in consideration and it is proposed to rate the TWA from 1 July 2017 or date of Ministerial gazettal (if after 1 July 2017)</li> </ul>
BHP Billiton Minerals	<b>Mooka</b>	<ul style="list-style-type: none"> <li>- BHP do not object to the proposal to pay rates for Mooka camp but believe the rate in the dollar is unreasonable and inconsistent with the Rating Policy</li> <li>- Believe that the rate in the dollar of 26.0000 is unreasonable in comparison with neighbouring local government as this is significantly higher than neighbouring local governments (Ashburton 5.1060 and East Pilbara 4.3653 and Meekathara 8.6281)</li> <li>- BHP is the largest owner of residential properties in the Town and make significant contributions towards community projects</li> <li>- BHP is the largest employer in Port Hedland and supports local suppliers and Hedland businesses</li> </ul>	<ul style="list-style-type: none"> <li>- Shire of East Pilbara are currently spot rating all 18 camps within their Transient Workforce rate category and are deriving approximately 10% of their total rates revenue from TWAs</li> <li>- Shire of Ashburton has not gone through a spot rating process and rate all of their camps via a UV rate category as most of the camps within their Shire are located on land leased through the State rather than mining tenements</li> <li>- Karratha's rate in the dollar for the category GRV Transient Workforce is 32.1484</li> <li>- Feedback regarding GRV Mass</li> </ul>



		<ul style="list-style-type: none"> <li>- The camp receives no services from the Town as most occupants are short-term contractors who work 12 hour shifts and do not leave the camp during their roster</li> </ul>	<p>Accommodation rate in the dollar used for rating the TWA will be sought from the community and ratepayers prior to making an application to the Minister for the 17/18 financial year budget</p> <ul style="list-style-type: none"> <li>- Although many other contributions are made towards the Town's projects, a specific arrangement regarding this camp is not in place and has not been discussed previously</li> <li>- Rates are a form of taxation rather than a charge for a specific service and the Town provides services and facilities for all residents (temporary or permanent) irrespective of the frequency of usage</li> </ul>
Global Advanced Metals (GAM)	<b>Wodgina</b>	<ul style="list-style-type: none"> <li>- GAM opposes the Town's proposed application</li> <li>- GAM accepts that Poodano Camp is 'accommodation' located on land that is subject of a 'relevant' interest as per the policy</li> <li>- Claims that the estimated GRV is incorrect and request to obtain correct GRV from Landgate prior to proceeding with the application</li> <li>- Consistency – do not agree with the rate in the dollar of 26.0000 as this is significantly higher than neighbouring local governments (Ashburton 5.1060 and East Pilbara 4.3653)</li> <li>- Poondano Camp is isolated from the town site and self-sufficient and therefore does not fall within the Mass Accommodation category as</li> </ul>	<ul style="list-style-type: none"> <li>- Landgate revised the GRV for this camp after being contacted by the TWA holder and proposed rates will be calculated based on the new GRV \$560,000 from \$1,290,000, pending Ministerial approval</li> <li>- Shire of East Pilbara are currently spot rating all 18 camps within their Transient Workforce rate category and are deriving approximately 10% of their total rates revenue from TWAs</li> <li>- Shire of Ashburton has not gone through a spot rating process and rate all of their camps via a UV rate category as most of the camps</li> </ul>

		<p>per the Statement of Objects and Reasons</p> <ul style="list-style-type: none"> <li>- GAM make further comments regarding the back rating and proposed rates for 16/17 financial year, which are no longer relevant as it is proposed to rate the TWA from 1 July 2017 or date of Ministerial gazettal (if after 1 July 2017)</li> </ul>	<p>within their Shire are located on land leased through the State rather than mining tenements</p> <ul style="list-style-type: none"> <li>- Karratha's rate in the dollar for the category GRV Transient Workforce is 32.1484</li> <li>- Feedback regarding GRV Mass Accommodation rate in the dollar used for rating the TWA will be sought from the community and ratepayers prior to making an application to the Minister for the 17/18 financial year budget</li> <li>- Comments regarding the back rating of TWAs have been taken in consideration and it is proposed to rate the TWA from 1 July 2017 or date of Ministerial gazettal (if after 1 July 2017)</li> </ul>
North West Quarries	<b>Pippingarra Quarry Camp</b>	<ul style="list-style-type: none"> <li>- Oppose the application of additional rates</li> <li>- <u>The Pippingarra Quarry mining operations are under formal suspension (since February 2016)</u></li> <li>- The company was forced to construct the camp in 2012 due to the housing shortage in Port Hedland</li> <li>- The imposition of additional rates will result in permanent closure</li> <li>- Permanent closure of the camp and quarry will impact local business eg landscaping business</li> </ul>	<ul style="list-style-type: none"> <li>- The policy does not specify the requirement for a camp to be in operation to request a GRV for rating purposes, however Council may wish to reconsider an application process for the two camps as both an application to the Minister and rates collection may be unsuccessful</li> </ul>
Qube Bulk Pty Ltd	<b>Camp Qube</b>	<ul style="list-style-type: none"> <li>- Imposition of rates may make the continued operations from the camp unviable</li> <li>- The rate in the dollar is inordinately high for a camp used by a services company</li> </ul>	<ul style="list-style-type: none"> <li>- Rates are imposed on the capital improvements on the land. The nature of the operation run from the</li> </ul>

		<p>(as opposed to a mining company)</p> <ul style="list-style-type: none"> <li>- Camp Qube is not a “mining camp” but rather a camp used by a services provider and should be excluded</li> <li>- Opposed to valuation provided from Landgate</li> <li>- Qube make further comments regarding the back rating and proposed rates for 16/17 financial year, which are no longer relevant as it is proposed to rate the TWA from 1 July 2017 or date of Ministerial gazettal (if after 1 July 2017)</li> </ul>	<ul style="list-style-type: none"> <li>- site does not influence the application of rates</li> <li>- Rates are a form of taxation rather than a charge for a specific service and the Town provides services and facilities for all residents (temporary or permanent) irrespective of the frequency of usage</li> <li>- Comments regarding the back rating of TWAs have been taken in consideration and it is proposed to rate the TWA from 1 July 2017 or date of Ministerial gazettal (if after 1 July 2017)</li> </ul>
Atlas Iron Limited	<b>Mount Dove Camp</b>	<ul style="list-style-type: none"> <li>- Acknowledge that some contribution is expected but proposed amount is unreasonable and does not relate to the cost of services used by patrons</li> <li>- The proposed rate is more than 19 times the annual rent paid for the tenement</li> <li>- Some contribution is reasonable and expected but the amount proposed greatly exceeds any notion of reasonable contribution to the cost of services used by Atlas</li> <li>- The mining and exploration sectors have suffered significantly suffered from plummeting commodity prices</li> <li>- Due to reduced viability of the sector, companies have implemented extensive cost-cutting measures and Atlas have reduced staff numbers and implemented cost-cutting programs to maintain viability</li> <li>- Atlas make further comments regarding the back rating and proposed rates for 16/17 financial year, which are no longer relevant as it is proposed</li> </ul>	<ul style="list-style-type: none"> <li>- Annual Rental paid to the Department of Mines and Petroleum for the lease hold of the tenement does not relate to Council rates</li> <li>- Feedback regarding GRV Mass Accommodation rate in the dollar used for rating the TWA will be sought from the community and ratepayers prior to making an application to the Minister for the 17/18 financial year budget</li> <li>- Rates are a form of taxation rather than a charge for a specific service and the Town provides services and facilities for all residents (temporary or permanent) irrespective of the frequency of usage</li> <li>- Comments regarding the back rating of TWAs have been taken</li> </ul>

		to rate the TWA from 1 July 2017 or date of Ministerial gazettal (if after 1 July 2017)	in consideration and it is proposed to rate the TWA from 1 July 2017 or date of Ministerial gazettal (if after 1 July 2017)
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In addition to the above correspondence, all TWA holders are invited to attend the Public Agenda Briefing on 15 March 2017, 5.30pm and the Council Meeting on 22 March 2017, 5.30pm where this report is being presented to Council.

A copy of this agenda report was provided to Steven Elliott, Senior Legislation Officer at the Department of Local Government for feedback and the Town was advised that there doesn't seem to be any significant issues at this stage.

### LEGISLATIVE IMPLICATIONS

*Local Government Act Section 6.26 (2)(a)(i)* under which the Town is able to rate unoccupied land, where a person (or company) is the owner of that land by way of Mining Tenement or similar.

*Local Government Act Section 6.28* which specifies that when determining the method of valuation of land, the Minister is to have regard to the general principle that the basis for a rate on any land is to be (a) where the land is used predominantly for rural purposes, the UV of the land; and (b) where the land is used predominantly for non-rural purposes, the GRV of the land.

*Department of Local Government Rating Policy: Valuation of Land – Mining* under which an application is to be made for spot rating TWAs and other structures located on Mining Tenements and other land outside of the Town's boundaries.

### POLICY IMPLICATIONS

Council Policy 2/004 – Rating" relates to this report.

### FINANCIAL IMPLICATIONS

Based on the rate in the dollar approved by the Minister for the 16/17 financial year for the GRV Mass Accommodation rate code, the revenue raised from the newly rateable TWAs would be \$1,105,000. The additional rating income would allow the rate burden to be spread across more rate payers to achieve the same yield. By not undertaking this process, Camps will continue to be rated at lower RID, depending on the land use the camp is located on, and contribute less to the total rate yield.

Tenement/ TWA Holder	Name of TWA	Estimated GRV provided	<i>Rates payable (based on 16/17 rate in the dollar of 26.0000)</i>
Process Minerals International	Poondano Village	\$560,000	\$145,600
<i>Atlas Iron Limited</i>	<i>Pardoo Accommodation Village</i>	<i>\$200,000</i>	<i>\$52,000</i>
BHP Billiton Minerals	Mooka	\$1,617,000	\$420,420
Global Advanced Metals	Wodgina	\$1,257,000	\$326,820
<i>North West Quarries</i>	<i>Pippingarra Quarry Camp</i>	<i>\$74,000</i>	<i>\$19,240</i>
Oztran Qube Bulk Pty Ltd	Camp Qube	\$210,000	\$54,600
Atlas Iron Limited	Mount Dove Camp	\$332,000	\$86,320
Total			<i>\$1,105,000</i>

That should the minister approve the application, the rates payable will not be included as income in the budget until such time as the rates are levied and paid.

## STRATEGIC IMPLICATIONS

Town of Port Hedland Strategic Community Plan

4.1 Strategic and best practice local government administration

## 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*

There is a risk rating of medium (6) assigned to the risk that the Minister does not approve Council's application to spot rate TWA camps, using GRV rate in the dollar, on UV rated land.

## OPTIONS

Option 1 - That Council adopt officers recommendation with part 1 being modified for the selection of camps based on a fair and equitable methodology, for example –minimum \$300,000 GRV, or exclusion of camps that are in “care and maintenance”.

Option 2 - That Council do not accept officer’s recommendation to request the Chief Executive Officer to apply to the Minister for Local Government for a determination to spot rate the following TWA camps using GRV.

## CONCLUSION

It is recommended that an application is lodged to the Department of Local Government under the Rating Policy: Valuation of Land to request GRVs for the TWAs for spot rating purposes and this report has taken in consideration each of the below key values:

- Objectivity

The proposed applications are provided to the Minister collectively and rating will commence from the same date for each of the camps, pending Ministerial approval.

- Fairness and Equity

It is proposed that a fair and equal amount of contribution is charged to the TWAs located outside of the town site as there currently is for similar properties within the town site. The objective of the proposed rating of the TWAs is to distribute the rates burden equally between all ratepayers for the net funding requirements of the Town’s services, activities, financing costs and the current and future capital requirements of the Town.

- Consistency

As the Town of Port Hedland has an established rate category GRV Mass Accommodation, which entails six similar TWA camps within the town site, it is proposed that consistency with the Town’s Statement of Objects and Reasons, the newly rateable TWAs will also be included in this category, pending approval from the Minister.

- Transparency and administrative efficiency

The town has followed due process and followed each of the steps listed within the Department’s policy “Valuation of Land: Mining”. All TWA holders were provided with sufficient timeframes to provide feedback regarding the proposed application and are invited to attend Council briefing and meeting for further comment and questions.

## ATTACHMENT 4 TO ITEM 12.1.4



## Property &amp; Valuations

Your Ref: Email dated 15 March 2015  
 Our Ref: Job#188282 AS  
 Enquiries: Andrew Smith Ph: 9273 9452  
 E-mail: Andrew.Smith@landgate.wa.gov.au

19 August 2016

Chief Executive Officer  
 Town of Port Hedland  
 15 McGregor Street  
 PORT HEDLAND WA 6721

ATTENTION: Mrs WALSH

#### ADJUSTMENT TO SPOT RATING GROSS RENTAL VALUES - ACCOMMODATION VILLAGES

It has become apparent there was an error in our initial indicative values with regard to Wodgina and Poondano Village were incorrectly entered. Mineral Resources has also just provided further information regarding Poondano Village that there were 160 accommodation units as opposed to our information of 115 units which has resulted in a reassessment.

The result is changes to Wodgina and Poondano village with the total GRV value for all camps increasing approximately \$250,000 value. The reviewed indicative GRV estimates as at 1 July 2015 (date of valuation 1 August 2014) are below

VILLAGE NAME	STATUS	Owner	1 JULY 2015 GRV ESTIMATE
POONDANO VILLAGE	OPERATIONAL	Process Minerals Australia	\$ 560,000
PARDOO CAMP	OPERATIONAL	Atlas Iron Limited	\$ 200,000
MOOKA	OPERATIONAL	BHP Billiton Minerals	\$ 1,617,000
WODGINA	OPERATIONAL	Global Advanced Metals	\$ 1,257,000
HOLCIM	CARE & MAINTAINCE	HOLCIM	\$ 8000
CAMP QUBE	OPERATIONAL	Oztran Assets	\$ 210,000
BHP MINERALS	NO INFORMATION	State lease	No info
MT DOVE CAMP	OPERATIONAL	Atlas Iron	\$ 332,000
PIPPINGARRA QUARRY CAMP	OPERATIONAL	North West Quarries	\$ 74,000
TURNER VILLAGE	CLOSED	Colin Brierley	\$ 20
CAMP 195	CLOSED	FMG Pilbara	\$ 20

Western Australian Land Information Authority ABN 86 574 793 858  
 1 Midland Square, Midland Western Australia 6056  
 Postal Address: PO Box 2222, Midland Western Australia 6936  
 Tel (08) 9273 7373 TTY (08) 9273 7945271 Email: [vs@landgate.wa.gov.au](mailto:vs@landgate.wa.gov.au)  
 Web [www.landgate.wa.gov.au](http://www.landgate.wa.gov.au)



Indicative GRVs  
Town of Port Hedland

I apologise for the incorrect values for the two camps which was discovered via a query from Mineral Resources who were comparing indicative assessments. It was from this query that the larger camp at Poondano was realised

As noted in the previous report, the supplied values are indicative and are intended for modelling only. The information is not to be used for rating purposes. We reserve the right to review and amend the indicative figures based on further investigation and physical/field inspection of improvements should these properties be gazetted.

Should you require any further information please do not hesitate to contact me.

Yours sincerely

A handwritten signature in black ink, appearing to read "Andrew Smith".

**ANDREW SMITH – LICENCED VALUER**  
DISTRICT VALUER  
LANDGATE – PROPERTY & VALUATIONS





## Property &amp; Valuations

Your Ref: Email dated 15 March 2015  
 Our Ref: Job#188292 AS  
 Enquiries: Andrew Smith Ph: 9273 9452  
 E-mail: Andrew.Smith@landgate.wa.gov.au

13 May 2016

Chief Executive Officer  
 Town of Port Hedland  
 15 McGregor Street  
 PORT HEDLAND WA 6721

**ATTENTION: Mrs WALSH**

**SPOT RATING TO GROSS RENTAL VALUES - ACCOMMODATION VILLAGES**

In reply to your e-mail dated 15 March 2015 regarding the spot rating of mining accommodation villages to gross rental value (GRV), the requested indicative GRV estimates as at 1 July 2015 (date of valuation 1 August 2014) are below. As the gazettal process typically takes some considerable months to conclude, there may be physical changes or a change in use of these camps by the time a full GRV is requested and so all provided figures are subject to change.

VILLAGE NAME	STATUS	Owner	1 JULY 2015 GRV ESTIMATE
POONDANO VILLAGE	OPERATIONAL	Process Minerals Australia	\$ 1,290,000
PARDOO CAMP	OPERATIONAL	Atlas Iron Limited	\$ 200,000
MOOKA	OPERATIONAL	BHP Billiton Minerals	\$ 1,617,000
WODGINA	OPERATIONAL	Global Advanced Metals	\$ 279,864
PIPPINGARRA QUARRY CAMP	OPERATIONAL	North West Quarries	\$ 74,000
CAMP 195	CLOSED	FMG Pilbara	\$ 20
TURNER VILLAGE (INDEE STATION)	CLOSED	Colin Brierley	\$ 20
HOLCIM	CARE & MAINTAINCE	HOLCIM	\$ 8000
CAMP QUBE	OPERATIONAL	Oztran Assets	\$210,000
BHP MINERALS	NO INFORMATION	State lease	No info
MT DOVE CAMP	OPERATIONAL	Atlas Iron	\$ 332,000

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 Web [www.landgate.wa.gov.au](http://www.landgate.wa.gov.au)



Indicative GRVs  
Town of Port Hedland

Please note that the supplied values are indicative and are intended for modelling only. The information is not to be used for rating purposes. We reserve the right to review and amend the indicative figures based on further investigation and physical/field inspection of improvements should these properties be gazetted.

The invoice pertaining to this advice will follow.

Should you require any further information please do not hesitate to contact me.

Yours sincerely

A handwritten signature in black ink, appearing to read "Andrew Smith", written over a horizontal line.

**ANDREW SMITH – LICENCED VALUER**  
DISTRICT VALUER  
LANDGATE – PROPERTY & VALUATIONS



Indicative GRVs  
Town of Port Hedland

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Please note that the supplied values are indicative and are intended for modelling only. The information is not to be used for rating purposes. We reserve the right to review and amend the indicative figures based on further investigation and physical/field inspection of improvements should these properties be gazetted.

The invoice pertaining to this advice will follow.

Should you require any further information please do not hesitate to contact me.

Yours sincerely

A handwritten signature in black ink, appearing to read "Andrew Smith", written over a horizontal line.

**ANDREW SMITH – LICENCED VALUER**  
DISTRICT VALUER  
LANDGATE – PROPERTY & VALUATIONS

## ATTACHMENT 5 TO ITEM 12.1.4

Civic Centre  
McGregor Street

P (08) 9158 9300  
F (08) 9158 9399

PO Box 41  
Port Hedland, WA 6721

council@porthedland.wa.gov.au  
[www.porthedland.wa.gov.au](http://www.porthedland.wa.gov.au)

Our Ref: TWA Spot Rating Policy  
Your Ref: Mooka Village  
Enquiries: Carmen Walsh, Senior Rates Officer  
Direct Line: 9158 9334

BHP Billiton Land Tenure  
Attn: Bree Keith  
PO Box 7474, Cloisters Square  
Perth WA 6850



Dear Ms Keith,

**RE: Transient Workforce Accommodation Rating enquiry**

As per previous correspondence, the Town of Port Hedland is currently reviewing all Transient Workforce Accommodation Camps (TWAs) within the municipality of Port Hedland for the purpose of determining a position on the level of Council Rates that you should contribute to assist the well-being of the community. Thank you for providing information regarding your TWA "Mooka Village".

With the information you have provided, the Valuer General Office determined an estimated Gross Rental Valuation (GRV) of \$1,617,000 for your TWA, with a valuation date of 1 August 2014.

The State Government Department of Local Government's Policy "Valuation of Land- Mining" gives Council the ability to rate improvements on mining land by allowing the use of the GRV to calculate the basis for rating a TWA camp and providing a comparable basis between mining operators and ratepayers within the Town's municipality.

It is proposed that the Town make an application to the Minister for Local Government to impose rates, calculated using the "Mass Accommodation" Rate Code, from 1 July 2015. This will result in a back rate amount of \$420,420 for the 15/16 financial year and \$420,420 for the upcoming 16/17 financial year using the proposed Rate in the Dollar of 26.0000 cents.

The Town is now respectfully seeking your comment and feedback regarding this application process. As per the attached "Valuation of Land- Mining" Policy it is suggested that the holder of a TWA, consult cooperatively with the local government considering to make an application under this policy, even if the holder is opposed to the application being made.

It is important that your response is provided in a timely manner, in order to allow the Minister to make an informed decision regarding the imposition of rates. Please provide documentation via post to Town of Port Hedland, PO Box 41, Port Hedland or email [cwalsh@porthedland.wa.gov.au](mailto:cwalsh@porthedland.wa.gov.au) by 30 June 2016.

Should you have difficulty meeting this timeframe or wish to discuss this further, please contact the Town's Senior Rates Officer Carmen Walsh on (08) 9158 9334.

Yours sincerely

A handwritten signature in blue ink, appearing to read 'Kathryn Crothers'.

Kathryn Crothers  
Manager Financial Services  
8 June 2016

**12.1.1 Proposed Town of Port Hedland Bush Fire Brigades Local Law 2017**

File No: 09/04/0002  
Applicant/ Proponent: N/A  
Subject Land/ Locality: N/A  
Date: 21 February 2017  
Author: Louise O'Donnell, Governance Officer, and Michael Cuvalo, Manager Environmental Health and Community Safety  
Authorising Officer: Kathryn Crothers, Director Corporate Services  
Disclosure of Interest from Author: Nil  
Authority/Discretion: ☒ Legislative – includes adopting local laws, town planning schemes and policies. Review when Council reviews decision made by Officers.

## Attachments:

1. Gazette read copy of the final version of the Town of Port Hedland Bush Fire Brigades Local Law 2017 (under separate cover)

**CM201617/161 OFFICER RECOMMENDATION/ COUNCIL DECISION****MOVED: CR TAVO****SECONDED: CR GILLINGHAM**

**That with respect to the proposed *Town of Port Hedland Bush Fire Brigades Local Law 2017*, Council:**

1. **Note the public consultation undertaken and comments from the Department of Local Government and Communities in relation to the proposed *Town of Port Hedland Bush Fire Brigades Local Law 2017*.**
2. **Resolve to make the Town of *Port Hedland Bush Fire Brigades Local Law 2017*, as per Attachment 1, in accordance with section 3.12 of the *Local Government Act 1995*;**
  - a) **The purpose is to provide a statutory framework for the establishment, management and administration of volunteer bush fire brigades within the Town of Port Hedland;**
  - b) **The effect being to stipulate the requirements for establishing a bush fire brigade, the area of operations and management structure; simplify current governance and administrative requirements; provide continuity in the absence of volunteers; ensure current volunteer memberships are maintained, allowing for appeals against termination of membership; and ensuring Department of Fire Emergency Services is informed of bush fire brigade status and actions.**
3. **Publish the *Town of Port Hedland Bush Fire Brigades Local Law 2017* in the *Government Gazette* and provide copies of the local law to the Minister for Local Government and Communities, and the Minister for Emergency Services.**
4. **Give local notice after gazettal of the local law advising the title and summary of purpose and effect of gazette local law.**

5. **Submit a copy of the gazette local law, explanatory memoranda and associated documentation to the Joint Standing Committee on Delegated Legislation for review.**
6. **Authorise the affixing of the Common Seal to the *Town of Port Hedland Bush Fire Brigades Local Law 2017*.**

**CARRIED 8/0**

## EXECUTIVE SUMMARY

Council approved the establishment of a Bush Fire Brigade at its Ordinary Meeting on 23 November 2016 and also adopted the proposed Town of Port Hedland Bush Fire Brigades Local Law 2017 for advertising purposes on 14 December 2016.

A Bush Fire Brigade Local Law is required to provide a statutory framework for the establishment, management and administration of the Bush Fire Brigade within Port Hedland. The proposed Bush Fire Brigades Local Law 2017 is based on similar contemporary local laws adopted by other local governments. The local law is presented for adoption by Council as it is a legislative requirement to having a bush fire brigade.

## 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. To support the formation of the BFB the Town is required to have a local law.

The procedure for making local laws requires Council to advertise local and state-wide, advising of its intention to make a local law, and invite submissions to be made on the proposed local law for a six-week period (42 days). At the closure of the submission period, Council is to consider all submissions before making a local law. This procedure has been done in line with legislative requirements.

In addition, copies of the proposed Local Law, (public comment copy), was sent to the relevant Minister(s) for comment. In this case the relevant Ministers are the Minister for Emergency Services and the Minister for Local Government and Communities.

The Minister for Emergency Services responded to the Town with no further recommendations or amendments.

The Legislation Officer for the Department of Local Government and Communities responded with the following changes:

Item No.	Clause No.	Heading	Proposed Amendment/ Comment	Town's Position/ Comment
1.		Minister for Emergency Services	The local government must ensure that it provides a copy of the proposed local law to the Minister for Emergency	The Town have already carried out this action on 21 December 2016.

			<p>Services as soon as possible, if it has not done so already.</p> <p>In addition, the <i>Local Government Act 1995</i> should be referred to in both the enactment clause and the title of the local law. For example:</p> <p style="text-align: center;"><b>BUSH FIRES ACT 1954</b>  <b>LOCAL GOVERNMENT ACT 1995</b>  <b>BUSH FIRES BRIGADE LOCAL LAW 2017</b></p>	<p>Agreed, the Town has amended the Local Law to 2017 and has referred to it in both the enactment clause and the title of the local law.</p>
2.		Use of “bush fire” and “fire fighter”	<p>It is suggested to replace all instances of “bushfire” with “bush fire” and “firefighter” with “fire fighter”. This will ensure consistency with the terminology in the <i>Bush Fires Act 1954</i>.</p>	<p>Agreed, all instances of “bushfire” with “bush fire” and “firefighter” with “fire fighter”.</p>
3.		Abbreviation of Chief Bush Fire Control Officer and Deputy Chief Bush Fire Control Officer	<p>The Town has chosen to abbreviate the term “Chief Bush Fire Control Officer” as “CBFCO” and “Deputy Chief Bush Fire Control Officer” as “DCBFCO”; however, the unabbreviated terms are still used in some parts of the local law. The Town should choose one approach and use it consistently.</p>	<p>Agreed, abbreviated term CBFCO and DCBFCO is used consistently throughout the local law.</p>
4		Italicise Acts, Regulations and other legislation	<p>Titles of Acts, Regulations and other legislation should be italicised to reflect good drafting principles. For example:</p> <p><i>Bush Fires Act 1954;</i>  <i>Town of Port Hedland Bush Fire Brigades Local Law 2017;</i> and  <i>Government Gazette.</i></p>	<p>Agreed, all titles of Acts, Regulations and other legislation have been italicised.</p>

5	1.5	Formatting of paragraphs and subparagraphs	The formatting of paragraphs and subparagraphs should be in lowercase, with the exception of terms defined in clause 1.5 and titles of Acts, Regulations and other legislation, which contain capital letters. In line with best drafting principles, it is suggested that the Town amend, where appropriate, the capital letters in paragraphs and subparagraphs to reflect this.	Agreed, formatting of paragraphs and subparagraphs have been amended to be in lowercase. Titles of Acts, Regulations and other legislation remain capitalised.
6	1.1  1.5	Minor Edits	<p>The following minor edits are suggested:</p> <p>Change “2016” to “2017” to reflect the year in which the local law is being made.</p> <p>In the first line of the clause, insert “Act means the Bush Fires Act 1954” on a separate line and replace the word “Act” with “<b>Act</b>”.</p> <p>Defined terms should be italicised, bolded and reflect the way they appear throughout the local law. Several defined terms in clause 1.5 contain the first letter capitalised. If the term is not capitalised throughout the local law, the defined term should be amended to reflect this. This also applies to terms that are capitalised throughout the local law. For example, “<b><i>Bush fire control officer</i></b>” should be “<b><i>Bush Fire Control Officer</i></b>”.</p>	<p>Clause 1.1 has been amended to “2017” in the local law title.</p> <p>Clause 1.5 amended to reflect all suggested changes.</p>



			<p>In the definition of <b><i>Normal brigade activities</i></b>, replace the full stop with a semicolon.</p> <p>In the definition of <b><i>CEO</i></b>, capitalise the first letters of “chief executive officer”.</p> <p>In each of the definitions for terms appearing in the Act, it is suggested that the words “is defined in” are replaced with “has the meaning given in”.</p>	
	2.4(1)(b)		<p>Insert the word “and” after the semicolon.</p>	<p>Clause 2.4(1)(b) the word “and” has been inserted.</p>
	3.2		<p>Replace all instances of “bush fire control officers” with “Bush Fire Control Officers” throughout the local law.</p> <p>In subclause (3), insert the word “Bush” before “fire control officer”.</p>	<p>Clause 3.2, Bush Fire Control Officers terminology has been capitalised throughout the local law and the word</p> <p>“Bush” has been inserted in subclause (3).</p>
	3.3(3)		<p>In line with best drafting principles, it is suggested to substitute numbers expressed in words with digits, for example “five” with “5”. The word “a” should also be inserted before the word “refresher”.</p>	<p>Clause 3.3(3) number words has been replaced with digits and the word “a” has been inserted before the word “refresher”.</p>
	3.5		<p>In paragraph (a), delete “volunteer” to maintain consistency with the terminology of other clauses.</p> <p>In paragraph (c), replace “fire prevention/suppression matters generally” with “fire prevention or fire suppression matters generally” and insert a comma after “(including</p>	<p>Clause 3.5, the word volunteer has been deleted.</p> <p>“fire prevention/suppression matters generally” has been replaced with “fire prevention or fire suppression matters generally”.</p>

		those who issue permits to burn)". In paragraph (d), insert the word "and" after the semicolon.	In part (d) the word "and" has been inserted.
	4.3	In subclause (2), replace designations (i) and (ii) with (a) and (b). In subclause (3)(c)(ii), insert the word "or" after the semicolon.	Clause 4.3, in subclause (2) (i) and (ii) was replaced with (a) and (b). In subclause (3)(c)(ii) the word "or" has been inserted.
	4.6	The Town uses the terms "subclause" and "sub-clause" interchangeably throughout the local law. It is suggested for all instances of "sub-clause" to be replaced with "subclause".	Clause 4.6, the word sub-clause is replaced with subclause throughout the local law.
	5.3(1)	Replace "the a fire brigade" with "a bush fire brigade".	Clause 5.3(1) the wording "the fire brigade" has been changed to bush fire brigade throughout the local law.
	5.3(4)(b)	Replace the word "am" with "a".	Clause 5.3(4)(b) the word "am has been replaced with "a".
	5.5	In subclause (1)(a), delete the second instance of "in" and remove the space between "5.1" and "(1)". In subclause (1)(a)(iii), insert the word "and" after the semicolon.	Clause 5.5, the word "in" was deleted, the extra space was deleted and the word "and" was inserted.
	5.6(a)	Replace the comma with a semicolon.	Clause 5.6(a) the comma has been replaced with a semicolon.

To comply with the provisions of section 3.12 of the Act, when making a local law, the Presiding Person is required to give notice of the purpose and effect of the proposed local law at the Council meeting where the local law is being considered. This is achieved by:

- a. ensuring that the purpose and effect of the local law is included in the agenda for that meeting; and
- b. by ensuring that the minutes of the meeting of the council include the purpose and effect of the proposed local law.

The purpose and effect of the proposed Town of Port Hedland Bush Fire Brigades Local Law 2017 is –

**Purpose –** is to provide a statutory framework for the establishment, management and administration of volunteer bush fire brigades within the Town of Port Hedland;

**Effect –** being to stipulate the requirements for establishing a bush fire brigade, the area of operations and management structure; simplify current governance and administrative requirements; provide continuity in the absence of volunteers; ensure current volunteer memberships are maintained, allowing for appeals against termination of membership; and ensuring Department of Fire Emergency Services is informed of bush fire brigade status and actions.

The proposed local law has been written to accommodate more than one brigade should it be required in the future. However this is not expected to be required in the short or medium term and it is anticipated that only one brigade should suffice the needs of the gazette area.

## CONSULTATION

Public consultation was undertaken through the placement of an advertisement in the West Australian and the North West Telegraph and a notice was also placed on local notice boards.

The Town also consulted with the Minister for Emergency Services and the Minister for Local Government and Communities.

## LEGISLATIVE IMPLICATIONS

Section 3.12 of the *Local Government Act 1995* outlines the procedure for making local laws.

Section 3.16 of the *Local Government Act 1995* states that Local Laws must be reviewed every eight years.

In accordance with section 41 'Bush fire brigades' of the *Bush Fire Act 1954* a local law may include information on the establishment and maintenance of one or more bush fire brigades and the appliances, equipment and apparatus required for each BFB.

A local law for bush fire brigades must provide for the appointment or election of a captain, first lieutenant, second lieutenant and such additional lieutenants as may be required as officers of the BFB in accordance with section 43 'Election and duties of officers of bush fire brigades' of the *Bush Fires Act 1954*.

## POLICY IMPLICATIONS

There are no policy implications for this item.

## FINANCIAL IMPLICATIONS

Gazettal costs are currently \$100.35 per page. An allowance for gazettal costs is covered in the 2016/17 operational budget.

## STRATEGIC IMPLICATIONS

Section 4.1 'Strategic and best practice local government administration' under 'Leading our community' of the Strategic Community Plan applies as it outlines that governance processes and associated policies and procedures align with leading practice and are up to date with legislative requirements.

## 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*

There is a risk rating of low (4) assigned to the risk that if the proposed local law is not adopted there will be no required statutory framework for establishment, management and administration of any Bush Fire Brigades.

## OPTIONS

Option 1 – That Council not adopt the proposed Town of Port Hedland Bush Fire Brigade Local Law.

## CONCLUSION

Council is recommended to adopt the proposed *Town of Port Hedland Bush Fire Brigades Local Law 2017* to enable the creation of the required statutory framework for establishment, management and administration of the Bush Fire Brigade.

6:09pm Councillor Gillingham declared an impartiality interest in item 12.1.2 Proposed 'Complaints' Policy, rescinding of Policy 1/002 'Complaints Against Third Parties' and rescinding of Policy 7/001 Matt Dann Cultural Centre' as she has an association with the Pilbara Music Festival.

### 12.1.2 Proposed 'Complaints' Policy, rescinding of Policy 1/002 'Complaints Against Third Parties' and rescinding of Policy 7/001 Matt Dann Cultural Centre'

File No: 04/03/0001  
Applicant/ Proponent: N/A  
Subject Land/ Locality: N/A  
Date: 9 February 2017  
Author: Louise O'Donnell, Governance Officer  
Authorising Officer: Kathryn Crothers, Director Corporate Services  
Disclosure of Interest from Author: Nil  
Authority/Discretion: ☒ Legislative – includes adopting local laws, town planning schemes and policies. Review when Council reviews decision made by Officers.

Attachments:

1. Proposed 'Complaints' Policy
2. 1/002 'Complaints Against Third Parties'
3. 7/001 'Matt Dann Cultural Centre'

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#### CM201617/162 OFFICER RECOMMENDATION/ COUNCIL DECISION

**MOVED: CR TAVO**

**SECONDED: CR HOOPER**

**That with respect to the policy manual, Council:**

1. **Adopt policy 1/026 'Complaints';**
2. **Rescind policy 1/002 'Complaints Against Third Parties'; and**
3. **Rescind policy 7/001 'Matt Dann Cultural Centre'**

***CARRIED 8/0***

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#### EXECUTIVE SUMMARY

This report proposes that Council adopt a new policy 1/026 'Complaints', rescind the current policies 1/002 'Complaints Against Third Parties' and 7/001 'Matt Dann Cultural Centre' as part of a review of the Town of Port Hedland Policy Manual.

Policy 1/026 is proposed in order to lead a community-oriented organisation that delivers responsive and helpful services to our customers.

Policy 1/002 is proposed to be rescinded as Town employees already have the responsibility to address any breaches of legislation or policies that is within the Town's jurisdiction and therefore this policy is not required.

Policy 7/001 is proposed to be rescinded as it is an operating procedure and a policy is not warranted.

## **BACKGROUND**

The Town is committed to ensuring that complaints received are handled in a manner which is fair, courteous and respects the privacy of the person making the complaint. Quality customer service relies on doing the job correctly the first time.

However, if oversights occur, or the customer is not happy with a decision or the level of service, an effective complaint handling system creates a second chance to meet the expectations of the customer and, where possible, exceed them.

In doing this the Town has also created an Internal Operating Procedure for handling complaints which will sit under the policy. This procedure is set out in 5 stages specifically guiding officers how to best resolve a complaint.

In the Town's Customer Service Charter, the Town commits to providing quality services which provides the community with standards to measure the Town's performance by and provides staff with clear standards to aim for.

It is recommended that Council adopt this policy to ensure customers are being heard and with the combination of the Customer Service Charter and the complaints policy, it will ensure there are no gaps in the system.

The customer complaints policy, procedure and complaints form will be published on the Town's website to enable the community with easy access and will also be available in paper form from the Civic Centre reception.

## **CONSULTATION**

The Town has consulted with various local governments in Western Australia to discuss what their current processes are in relation to complaints and how efficient they are. Relevant business units within the Town have also been consulted in the development of this policy.

## **LEGISLATIVE IMPLICATIONS**

There are no known legislative implications associated with the attached complaints policy.

## **POLICY IMPLICATIONS**

Council policies are developed if they will further the achievement of the Town of Port Hedland's strategic goals or contribute to the fulfilment of mandatory obligations.

No other Town of Port Hedland policies are affected by the adoption of the attached policy.

Policy 7/001 is superseded by the Funding and Donations Policy. No other policy in the policy manual should have reference to any concessions provided by the Town of Port Hedland.

## FINANCIAL IMPLICATIONS

There are no known financial implications relating to the adoption of the attached policy.

## STRATEGIC IMPLICATIONS

Section 4.2 of the Town's Strategic Community Plan, Engage our Community and Stakeholders, applies. The core objectives of the proposed Policy is to establish strong governance principles and thereby mitigate risks for the Town of Port Hedland, whether they be financial, reputational or other. In addition the Town aims to ensure community members know how to access the Towns services and facilities.

## 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*

There is a risk rating of medium (9) assigned to the risk that the community will be unsatisfied with the existing process without the adoption of the 'Complaints' policy.

## OPTIONS

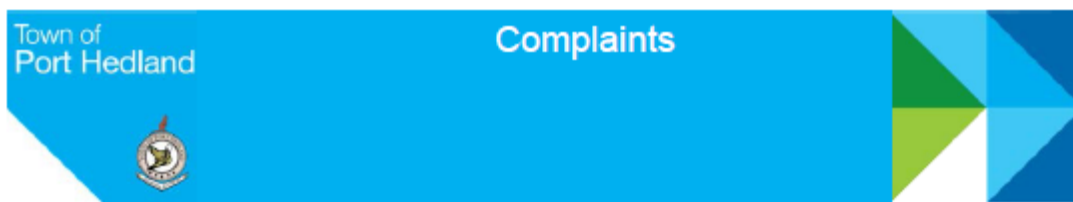
Option 1 – That Council adopt officer's recommendation with amendments to the 'Complaints' policy.

Option 2 - That Council do not adopt the officer's recommendation to adopt the 'Complaints' policy and rescind policies 'complaints against third parties and 'Matt Dann Cultural Centre'.

## CONCLUSION

It is recommended that the Council adopt policy 1/026 'Complaints', rescind policies 1/002 'Complaints Against Third Parties' and 7/001 'Matt Dann Cultural Centre' in order to lead a community-oriented organisation that delivers responsive and helpful services to our customers and ensure adopted policies are current and relevant.

## ATTACHMENT 1 TO ITEM 12.1.2

**1/026 COMPLAINTS****Policy Objective**

This Policy is to provide procedures and guidelines for the processing of complaints as a means of improving customer service and enhancing the public image of the Town of Port Hedland. In addition to adopting the above, the Town will continue to adhere to the Customer Service Charter which will ensure that all internal and external requests and enquiries are acknowledged promptly and courteously as well as investigated efficiently, effectively and comprehensively.

**What is a complaint?**

"A complaint is an expression of dissatisfaction, however made, about the standard of service, actions or lack of action by the Town of Port Hedland or its employees, affecting an individual customer or group of customers."

**Implementation**

The Town is committed to providing quality customer service, ensuring that should any customer be dissatisfied with the provision of services or products by the Town and/or its contractors or with the actions of employees, there is a process and intention to resolve the complaint at the first point of contact.

The Town has adopted a process for complaints handling, which provides clear information to guide customers about how and where to complain should the need arise, including information on how feedback will be recorded and that a copy will be received by the person making the complaint.

All complaints that are formally lodged in line with this Policy will be acknowledged and responded to in a timely manner with objectivity and fairness ensuring that, where required, an authorised representative provides an appropriate response to the complaint on the Town's behalf.

Complaints will be managed in line with the Town's policies and procedures with the process being driven by the Town, not the complainant.

**The Customer Complaint Handling Procedure:**

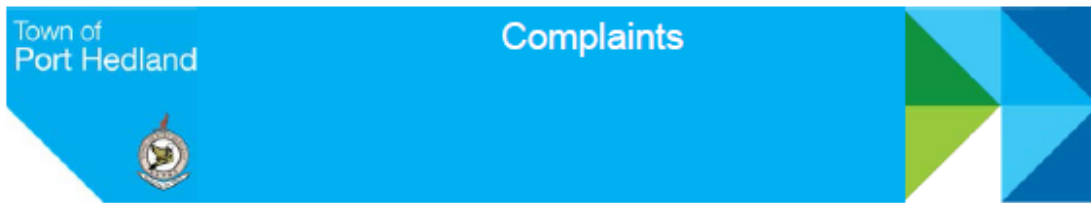
There are five stages to the Town's complaints handling procedure:

Stage 1 promotes the instant resolution of a complaint/issue by a responsible Manager and the customer will receive a follow-up call to acknowledge complaint within 48 hours.

Stage 2 provides opportunity for a customer to lodge an official complaint and a review is carried out within 10 working days.

Stage 3 consists of the Chief Executive Officer undertaking a complete review of the complaint and providing the customer with a final decision on the matter within 15 working days.





Stage 4 and 5 refers to external agencies that the customer may seek advice from in the event they are unsatisfied with the Town's advice.

Please refer to the Town's Complaints Procedures for the full details of the above steps.

#### **Elected Member complaints**

Elected Member complaints should be referred to the Executive Assistant to the Chief Executive Officer in the first instance.

The Town is committed to investigating and where appropriate addressing any complaints made against Elected Members including compliance with any statutory requirements of the *Local Government Act 1995*, *Local Government (Rules of Conduct) Regulations 2007* or any other relevant Act or Regulation applicable to Elected Members in the performance of their role and responsibilities.

Whether complaints be of minor or serious misconduct, the Town will refer these complaints to the relevant agencies; for example, allegations of corruption will be referred to the Corruption and Crime Commission; allegations of other illegal behaviour may be referred to Western Australian Police or to the Department of Local Government.

Council adoption date and resolution no.	
Date of adoption of amendment and resolution number <b>do not delete the previous dates</b>	
Relevant legislation	N/A
Delegated authority	N/A
Business unit	Governance
Directorate	Corporate Services
Review frequency	Bi-annually

**ATTACHMENT 2 TO ITEM 12.1.2****1/002 COMPLAINTS AGAINST THIRD PARTIES**

Any member of the public wishing to make a complaint against a third party is required to lodge the complaint in writing. The complainant is to be advised that Council may only take action on the complaint when he/she agrees to his or her name being made known to the third party. This policy is designed to eliminate frivolous complaints and complaints that are sometimes lodged because of ulterior motives. Council's staff is authorised and expected to use discretion in the implementation of this policy.

*(Amended at the 25 January 2006 Council Meeting – 200506/261)*

**ATTACHMENT 3 TO ITEM 12.1.2****7/001 MATT DANN CULTURAL CENTRE****Approved Use of Facility**

The Cultural Centre shall be utilised for cultural performances/live shows, movie screenings, conferences/seminars in that order with deviations being assessed by the Venue Co-ordinator as appropriate.

**Theatre Arts and Music Studies**

Good public relations shall be observed between the Venue Co-ordinator, music and theatre teaching staff and students and that assistance with productions and workshops including student access shall be actively encouraged.

**Expected Behavioural Standards by Patrons at the Theatre**

The Venue Co-ordinator shall have the authority to control patron behaviour at the theatre including power to expel patrons if necessary.

NOTE: If the Venue Co-ordinator is not present, the Duty Manager assumes this responsibility.

**Type of Sponsorship/Advertising to be discouraged by Venue Co-ordinator**



Discretion shall be observed when seeking advertising and sponsorship, inclusive of advertising signs not to be placed in the foyer during school hours.

**Donations of Tickets**

All donations of tickets shall be at the Venue Co-ordinator's discretion, in liaison with the Manager Community Services.

**Community Music**

Event	Organising Agency	Council Support
Choir Festival Concert	Pilbara Festival Music	Use of Matt Dann Centre at no cost
Pilbara Music Festival	Pilbara Festival Music	Event Patron Use of Gratwick Hall, Training Room, Council Chamber and Matt Dann Centre at no cost. For use of the MDCC during

Town of Port Hedland  <b>7/001 MATT DANN CULTURAL CENTRE</b> 		
		school hours, written request to Principal of HSHS seeking permission for usage during school hours is required. Access to council photocopier and fax machine at no cost Rehearsal access to grand pianos at no cost 2 Gold Award Prizes
Family Variety and Christmas and Easter Concerts	Pilbara Music Festival	Use of Gratwick Hall, the Courthouse and Matt Dann at no cost Access to council photocopier and fax machine at no cost
StarSearch	Cystic Fibrosis Western Australia	Use of Matt Dann Cultural Centre, staffing and equipment at no cost.

*(Amended at the 23 April 2008 Council Meeting)*

### 12.1.3 Proposed 'Severance Payment' Policy

File No: 04/03/0001  
Applicant/ Proponent: N/A  
Subject Land/ Locality: N/A  
Date: 20 February 2017  
Author: Louise O'Donnell, Governance Officer  
Authorising Officer: Kathryn Crothers, Director Corporate Services  
Disclosure of Interest from Author: Nil  
Authority/Discretion: ☒ Legislative – includes adopting local laws, town planning schemes and policies. Review when Council reviews decision made by Officers.

Attachments:

1. 'Severance Payment' Policy

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#### CM201617/163 OFFICER RECOMMENDATION/ COUNCIL DECISION

**MOVED: CR TAVO**

**SECONDED: CR ARIF**

**That with respect to the Town of Port Hedland Policy Manual, Council adopt policy 1/027 'Severance Payment'.**

***CARRIED 8/0***

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#### EXECUTIVE SUMMARY

This report proposes that Council adopt a new policy 1/027 'Severance Payment' as part of an external Auditor's recommendations and also as part of a review of the Town of Port Hedland (Town) Policy Manual.

#### BACKGROUND

An external audit has been carried out by Paxon as requested last year by Council and a draft report has been provided for comment. Preliminary results from the audit conclude that there is a legislative requirement for a policy to be adopted to outline what payments can be made to an employee in addition to any amount to which they are entitled to under a contract of employment or award.

The Town may pay a severance payment in circumstances whereby an employee is made redundant or accepts voluntary severance by resigning from the organisation.

The Policy outlines the criteria and manner of assessment upon which the Town may make a severance payment which is at the discretion of the Chief Executive Officer (CEO) and is done in line with applicable legislation.

The Town has received draft reports from Paxon in relation to the audit requested by Council. Once these reports are finalised an item will be presented to Council for consideration.

## CONSULTATION

Town officers have looked at a number of policies adopted by Local Governments throughout Western Australia which included:

- City of Joondalup
- City of Melville
- City of Vincent
- City of Perth
- City of Wanneroo

Relevant business units including all executive employees within the Town have been consulted in the development of this policy.

## LEGISLATIVE IMPLICATIONS

Section 5.50 of the *Local Government Act 1995* sets out the requirement for a policy to state the circumstances and manner in which the local government will pay an employee an amount in addition to any amount to which the employee is entitled under a contract of employment or award.

Section 5.36(2) and (3) and 5.41(g) of the *Local Government Act 1995* outlines the CEO function to ensure its employees are best suited for their position and the CEO is also responsible for the employment, management and dismissal of all employees.

Regulation 19A of the *Local Government (Administration) Regulations 1996* sets out the limitation on the value of payment to be made to an employee.

## POLICY IMPLICATIONS

Policy 'Severance payment' is proposed. Council Policies are developed if they will further the achievement of the Town of Port Hedland's strategic goals or contribute to the fulfilment of mandatory obligations. They guide the discretionary part of Council's decision making and form an essential step in the delegation of Council's powers.

## FINANCIAL IMPLICATIONS

There are financial implications in circumstances where the CEO authorises a severance payment.

## STRATEGIC IMPLICATIONS

Strategy 4.1 of the Town's Strategic Community Plan, Strategic and Best Practice Local Government Administration applies. The core objectives of the proposed Policy is to establish strong governance principles and thereby mitigate risks for the Town, whether they be financial, reputational or other.

## 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*

There is a risk rating of medium (8) assigned to the risk that Council choose not to adopt the policy which could result in the Town breaching legislation.

**OPTIONS**

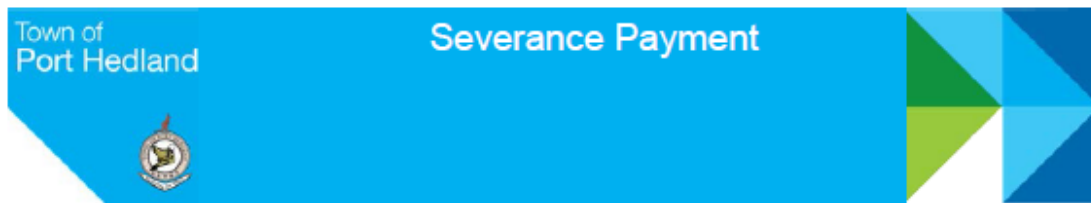
Option 1 - That Council adopt officer's recommendation with amendments to the policy.

Option 2 - That Council not adopt policy 1/027 'Severance Payment'

**CONCLUSION**

The adoption of the 'Severance payment' policy is required to meet legislative requirements and to establish strong probity controls around severance payments at the end of an employee's employment with the Town. It is important for Council to adopt this policy to ensure guidelines are documented that guide good governance.

## ATTACHMENT 1 TO ITEM 12.1.3

**1/027 SEVERANCE PAYMENT****1. Policy Objective**

This Severance Policy outlines the circumstances and manner of assessment upon which the Town of Port Hedland (Town) at the discretion of the Chief Executive Officer (CEO) may pay an employee an amount (**severance payment**) in addition to any amount to which they are entitled under a contract of employment or award relating to the employee. This policy shall not be considered as a contractual entitlement under the employment relationship.

**2. Policy Content**

This policy relates to all Town employees and should be read in conjunction with section 5.50 of the *Local Government Act 1995* and regulation 19A of the *Local Government (Administration) Regulations 1996* as to the maximum value of payment that can be approved for an employee whose employment is finishing with the Town.

**3. Circumstances for Severance Payment**

Subject to the CEO's approval, the Town may pay a severance payment in circumstances whereby an employee is made redundant or accepts voluntary severance by resigning from the organisation.

The Town may pay severance payment under one the following criteria:

- **Settlement of a claim**  
In settlement of a claim or dispute where the employee has or proposes to take action under industrial relations legislation, up to a maximum of 52 week's pay.
- **Illness or impairment**  
To facilitate a situation where an employee is unable to perform their role due to illness or impairment and there has been mutual agreement that the employment must end, up to a maximum of 26 week's pay.
- **Outstanding Service**  
An employee who has provided outstanding service or contribution to the Town, up to maximum of 12 week's pay.
- **Reimbursement of relocation expenses**  
An employee on contract may receive a reimbursement of relocation expenses and this amount is at the discretion of the CEO.

Under section 5.50 (2) of the *Local Government Act 1995*, the Town may pay an additional amount to what is set out under section 3 of this policy, however a public notice must be given in relation to the payment made.

Severance payments to the CEO must be approved by the Council.



Town of  
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## Severance Payment

The legislation for determining the above criteria is set out under the *Local Government (Administration) Regulations 1996 19A* as follows:

- (1) *The value of a payment or payments made under section 5.50(1) and (2) to an employee whose employment with a local government finishes after 1 January 2010 is not to exceed in total —*
- (a) *the value of the person's final annual remuneration, if the person —*
- (i) *accepts voluntary severance by resigning as an employee; and*
- (ii) *is not a CEO or a senior employee whose employment is governed by a written contract in accordance with section 5.39;*
- or*
- (b) *in all other cases, \$5 000.*

## Exclusions:

A severance payment will not be made to an employee who-

- (a) is redeployed within the Town;
- (b) is dismissed for serious misconduct;
- (c) is employed on either a temporary or casual basis;
- (d) has less than one year's service with the Town; or
- (e) is classified as a trainee or apprentice or is under probation.

**4. Manner of Assessment of the Severance Payment**

Where the severance payment is based on the weekly pay, this is the normal ordinary pay (excluding overtime, vehicle allowance or superannuation). In assessing the severance payment, the following will be considered:-

- The amount recommended by a Court or Tribunal to settle a matter;
- The exposure to litigation and the strength of the respective cases;
- The cost of legal services;
- Disruption to operations;
- Length of service and personal circumstances of the employee;
- Position held by the employee.

**5. Definitions**

**Senior Employee** means employees holding the position of Chief Executive Officer or Director in accordance with Section 5.37 of the Local Government Act 1995.

Council adoption date and resolution no.	
Date of adoption of amendment and resolution number <b>do not delete the previous dates</b>	
Relevant legislation/policies	Local Government Act 1995 Local Government (Administration) Regulations 1996

Town of  
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## Severance Payment



	3/007 Senior Employees and Appointing Chief Executive Officer
Delegated authority	N/A
Business unit	Corporate Services
Directorate	
Review frequency	Bi-annual

## 12.2 Works and Services

### 12.2.1 Award of Tender 2016-06 Kingsford Smith Business Park Landscaping

File No: 28/16/0032  
Applicant/ Proponent: NA  
Subject Land/ Locality: NA  
Date: 24 February 2017  
Author: Naomi Phillips, Project Officer  
Authorising Officer: Peter Keane, Acting Director Works & 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:

1. Evaluation of Qualitative Criteria including Price Submission (confidential – under separate cover)
2. Landscape Design

#### CM201617/164 OFFICER RECOMMENDATION/ COUNCIL DECISION

**MOVED: CR WHITWELL**

**SECONDED: CR GILLINGHAM**

**That with respect to Request for Tender 2016-06 Kingsford Smith Business Park Landscaping, Council award the Tender to Yurra Pty Ltd for the lump sum price of \$206,238.00 (ex. GST).**

***CARRIED 8/0***

## EXECUTIVE SUMMARY

The purpose of this report is to provide a summary of the assessment of alternative submissions received for Request for Tender (RFT) 2016-06 Kingsford Smith Business Park Landscaping and to award the contract.

## BACKGROUND

BHP Billiton (BHPB) entered into a private treaty with the Town of Port Hedland (ToPH) in 2012 to subdivide and develop 33 industrial bulky goods lots and four (4) Temporary Workers Accommodation (TWA) lots, within Precinct 3 of the Port Hedland International Airport Land Use Master Plan (PHIALUMP).

Landscaping is a requirement of the planning approvals for new developments. Works for the first stage of the subdivision were completed by the developer's Contractors in June 2014 with the agreed maintenance and defects liability period expiring as of June 2015.

The roads, footpaths, drainage, street lighting and other ToPH assets created as part of the subdivision, are now the responsibility for the Town to manage and maintain.

*Request for Tender*

The documentation for RFT 2016-06 was released on Friday 3 December 2016. The tender submissions closed on Friday 27 January 2017. The Town received two (2) alternative submissions. Submissions were received from the companies listed below:

Company name:	Registered Address:
Degrey Civil Pty Ltd	32 Redcliffe Road Redcliffe WA 6104
Yurra Pty Ltd	PO Box 111 Roebourne WA 6718

*Tender Assessment*

Both submissions were 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	30%
Relevant Experience	30%
Tenderers Resources, Key Personnel, Skills and Experience	25%
Demonstrated Understanding	15%

The following table provides a summary of the assessment results of submissions received for RFT 16-06:

Tenderer / Assessment Criteria	Price (30%)	Relevant Experience (30%)	Resources/Skills (25%)	Demonstrated Understanding (15%)	Total Score (100%)
Tenderer 1	23.0	19.8	19.0	8.0	69.8
Tenderer 2	30.0	25.0	19.0	10.0	84.0

*Price Assessment*

The Regional Price Preference (RPP) was applied to the submitted tenders, as they both were eligible.

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

*Relevant Experience Assessment*

Both tenderers provided and completed the project reference sheet as requested with sufficient details regarding previous projects completed, outcomes and details relating to projects completed in the Pilbara. Tenderer 2 has comprehensive local project reference to the Pilbara.

#### *Resources Assessment*

Both tenderers provided plant and equipment schedules, CV's of key staff and organisational charts for the proposed construction dedicated for this project.

#### *Demonstrated Understanding Assessment*

Both tenderers provided a program in reference to the project milestone and critical path of this project. Both Landscape programs submitted from each tenderer detailed an in-depth understanding of this project.

#### *Assessment Conclusion*

Overall we received quality and competitive alternative submissions from 2 (two) well-known landscape contractors. Each submission was adequately assessed for both qualitative and quantitative criteria's. Each submission was from landscaping contractors with a working history in the Pilbara region and the Town of Port Hedland.

However, after further analysis, only Tenderer 2 submitted a tender offer price that was compliant and within the allocated budget. In addition, Tenderer 2 has displayed overall, that they are competent and satisfies the other qualitative criteria's required such as; demonstrated understanding of the project scope, local experience with deliveries of projects in the Pilbara, resources availability and a competent project methodology for execution of works.

### **CONSULTATION**

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

- Coordinator Parks and Gardens
- Project Officer
- 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)*.

### **FINANCIAL IMPLICATIONS**

The 2016/17 original budget for this project is \$206,238 and is contained within the budget allocated for Kingsford Smith Business Park Landscaping. The scope will be assessed and amended to ensure that the project will be delivered within the budget.

As per the Tender Scope, irrigation infrastructure is included. The landscaping and species selection is planned to be waterwise and require minimum watering and maintenance.

Maintenance and water costs are estimated to be approx. \$10-15,000 per annum. Policy Implications

RFT 2016-06 was conducted in accordance with these regulations, the Towns Procurement Policy 2/007, Tender Policy 2/011 and Regional Price Preference Policy 2/016.

### **STRATEGIC IMPLICATIONS**

As part of the Strategic Community Plan 2014-2024 section 3.1 states the need for Port Hedland to facilitate the delivery of high quality and enduring built and natural environment.

### **SUSTAINABILITY IMPLICATIONS**

#### *Environmental*

The landscaping of the drains and verges of Kingsford Smith Business Park will assist in stabilising the drains and reduce the amount of dust created.

#### *Economic*

Increasing the aesthetics of Kingsford Smith Business Park may increase interest in the sale of the remaining blocks in the industrial estate.

#### *Social*

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

#### *Risk*

There is a risk rating of high (10- 16) assigned to the risk that in the event of a rejection of this tender there will be a non-compliance to development planning requirements.

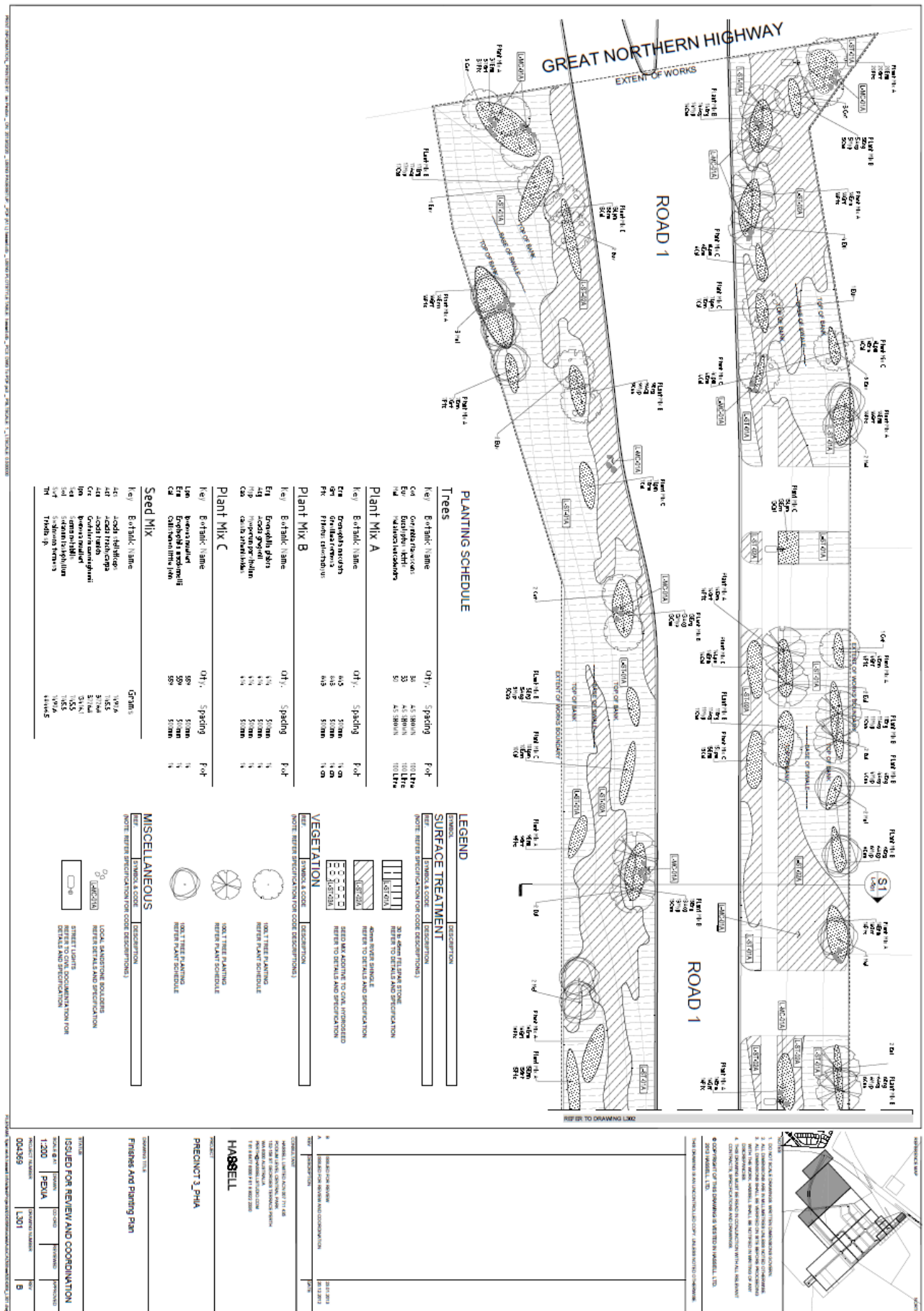
### **OPTIONS**

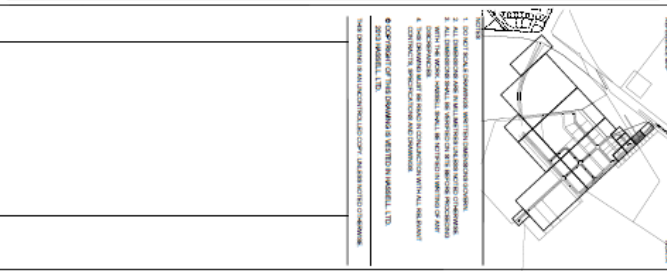
Option 1 - That Council reject all tender submissions for tender 2016-06 Kingsford Smith Business Park Landscaping.

### **CONCLUSION**

Town officers recommend RFT 2016-06 be awarded to Yurra Pty Ltd.

ATTACHMENT 2 TO ITEM 12.2.1





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## 12.2.2 Award of Tender 2017-01 Kevin Scott Oval Irrigation Tanks Replacement

File No: 21/07/0022  
 Applicant/ Proponent: NA  
 Subject Land/ Locality: NA  
 Date: 1 March 2017  
 Author: Nathan White, Project Officer  
 Authorising Officer: Peter Keane, Acting Director Works & 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:

1. Price Submission Schedule (Confidential – under separate cover)
2. Evaluation of Qualitative Criteria (Confidential – under separate cover)

### CM201617/165 OFFICER RECOMMENDATION 1/ COUNCIL DECISION

**MOVED: CR TAVO**

**SECONDED: CR ARIF**

**That with respect to Request for Tender 2017-01 Kevin Scott Oval Irrigation Tanks Replacement, Council award the tender to Industrial Automation Group Pty Ltd for the lump sum price of \$584,549.00 (ex. GST).**

***CARRIED 8/0***

### CM201617/166 OFFICER RECOMMENDATION 2/ COUNCIL DECISION

**MOVED: CR TAVO**

**SECONDED: CR ARIF**

**That Council adopt to amend the 2016/17 Budget as per the below schedule, resulting in a nil impact to the projected municipal surplus of \$144,579 as at 30 June 2017:**

Account Description	Budget Transfer
Upgrade of Kevin Scott Oval / High School Reuse Tanks – Contractors (CAPEX)	\$84,549
Upgrade of Kevin Scott Oval / High School Reuse Tanks Revenue – Transfer from PHIA Lease Proceeds Reserve	(\$84,549)
Drainage Construction Wanangkura Stadium & Faye Gladstone Netball Courts – Contractors (CAPEX)	(\$84,549)
Drainage Construction Wanangkura Stadium & Faye Gladstone Netball Courts Revenue – Transfer from PHIA Lease Proceeds Reserve	\$84,549

<b><i>CARRIED BY ABSOLUTE MAJORITY 8/0</i></b>
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## EXECUTIVE SUMMARY

The purpose of this report is to provide a summary of the assessment of submissions received for the Request for Tender (RFT) 2017-01 Replacement Kevin Scott Oval Irrigation Tanks, and associated equipment, and to award the contract to the tenderer whose tender is considered most advantageous to the Town.

This report also seeks to amend the budget to accommodate the tender contract recommended.

## BACKGROUND

In early 2000's, the ToPH took over the management and operation of the Kevin Scott Oval (KSO) re-use storage and supply infrastructure from Water Corporation.

This irrigation storage and supply infrastructure provides re-use water for the Town of Port of Hedland (TOPH) parks and sporting reserves irrigation system within the Kevin Scott Oval and Marie Marland precinct. The water storage infrastructure comprises of four (4) tanks – three (3) effluent water and one (1) potable water, with the associated pipe-work, pumps, valves and telemetry.

In 2012/13 Department of Health (DoH) issued a notice of improvement to the TOPH, which stated that the KSO irrigation tank farm required upgrade to ensure compliance to regulations. In 2015 the incumbent Director Works and Services issued an intent to the DoH to undertake these upgrades as soon as practical, based upon the availability of municipal funding within budget.

As a component of this project's investigation, the re-use water supply infrastructure was reviewed and assessed against overall precinct Master planning. It was found that the current proximity of this water infrastructure was in the most appropriate location to fulfill current and future requirements for the precinct against the current Master Plan.

### *Request for Tender*

The documentation for RFT 2017-01 was released on Saturday 14 January 2017. Four (4) submissions were received by the closing date of Thursday 9 February 2017.

The scope of works included:

1. The delivery of the design of the two (2) tanks for the storage of non-potable water within the Kevin Scott Oval irrigation tank compound;
2. The demolition of three (3) redundant tanks and non-potable water pipework including the temporary isolation of all existing services/telemetry;
3. The construction of two (2) replacement non potable water storage tanks and associated infrastructure;
4. The installation of new pipelines and a control cabinet;
5. Retro-fitting all the Waterman control units, flow-meter receivers, weather station master unit and pump units (where applicable); and

## 6. All reinstatement works.

Of the four (4) submissions, only three (3) were compliant. The submissions were received from the companies listed below:

Company name:	Registered Address:
Andrew Brown Co Pty Ltd	17 Brant Road, Kelmscott WA 6111
Agronaut Engineering and Construction Pty Ltd	4/990 Croydon Road, Karratha WA 6714
DeGrey Civil Pty Ltd	7A Yanana Street, Wedgefield WA 6721
Industrial Automation Group Pty Ltd	39 Winton Road, Joondalup WA 6027

*Tender Assessment*

All three (3) submissions were 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	30%
Relevant Experience	25%
Tenderers Resources, Key Personnel, Skills and Experience	20%
Demonstrated Understanding	25%

The following table provides a summary of the assessment results of submissions received for RFT 2017-01:

Tenderer / Assessment Criteria	Price (30%)	Relevant Experience (25%)	Resources/Skills (20%)	Demonstrated Understanding (25%)	Total Score (100%)
Tenderer 1	30.0	16.8	13.9	15.3	76.0
Tenderer 2	Non-Compliant Submission				
Tenderer 3	29.1	14.5	13.6	17.5	74.7
Tenderer 4	30.0	17.2	14.8	17.0	79.0

*Price Assessment*

The Regional Price Preference (RPP) discount was applied to all of the eligible submitted tenders for assessment purposes only. Tenderer 1, 3 and 4 provided submissions that were compliant but only Tenderer 1 and 4 were within the revised budget for this project.

Tenderer 2 did not provide a tender submission compliant with the brief RFT 2017-01 and has been removed from the subsequent commentary.

*Relevant Experience Assessment*

All tenderers provided and completed the project reference sheet as requested with sufficient details regarding previous projects completed, outcomes and details relating to projects completed in remote areas and the Pilbara. All tenderers demonstrated experience in remote areas, particularly Port Hedland and the Pilbara.

#### *Resources Assessment*

All tenderers provided CV's of key staff for the project. Some tenderers included plant and equipment schedules and details of subcontractors.

#### *Demonstrated Understanding Assessment*

All tenderers provided a construction program demonstrating the overall duration of the project. Only tenderer 1 and 3 provided construction methodologies.

#### *Assessment Conclusion*

The Town was provided with three (3) compliant submissions from the tendering process which were all competitively priced but only Tenderer 1 and 4 were within the proposed budget. All the tenderers had remote experience but Tenderer 4 was preferred as:

1. It was the most competitively priced once the RPP discount was applied; and
2. Tenderer 1's submission did not include the removal and replacement of the concrete pad foundations for the existing tanks.

In addition, Tenderer 4 has displayed overall, that it is competent and satisfies the other qualitative criteria's required including the delivery of projects within remote areas including Port Hedland.

### **CONSULTATION**

A project management consultant from Opus developed the Scope of Works for the project. The review of project documentation and tender assessment also involved internal staff including:

- Project Officers
- Manager Infrastructure & Projects
- Manager Engineering Operations
- Acting Director Works & Services
- Acting Manager Financial 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)*.

### **FINANCIAL IMPLICATIONS**

The Project Officer requests that additional funding be allocated to this project as per recommendation, as the price submission of the endorsed tender is greater than the current approved capital funding (excl. GST).

This project is currently 100% funded from the PHIA Lease Proceeds Reserve. It is requested that the increase of \$84,549 in the Capital Expenditure to cover the contract variance is funded by transferring expense and corresponding transfer from the Wanangkura Stadium Drainage capital project. This will have no material impact on achieving the outcomes of the Drainage project for the 16/17 financial year.

### **POLICY IMPLICATIONS**

RFT 2017-01 was conducted in accordance with these regulations, the Towns Purchasing Policy 2/007, Tender Evaluation Policy 2/011 and Regional Price Preference Policy 2/016.

### **STRATEGIC IMPLICATIONS**

This project will have limited strategic implications, however, if this project does not proceed we risk the potential for the DoH to close down the KSO reuse system.

### **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*

There is a risk rating of high (12) assigned to the risk that should the Council not award the tender as per the Officer's recommendation, it would result in a breach of the Department of Health compliance requirements.

### **OPTIONS**

Option 1 - That Council reject all tender submissions for tender 2017-01 Kevin Scott Oval Irrigation Tank Replacement.

### **CONCLUSION**

The Project Officer recommends to award RFT 2017-01 Kevin Scott Oval Irrigation Tanks Replacement to Industrial Automation Group Pty Ltd.

**12.2.3 Award of Tender 2017-02 Port Hedland Civic Centre HVAC Upgrade**

File No: 05/09/0050  
Applicant/ Proponent: NA  
Subject Land/ Locality: NA  
Date: 27 February 2017  
Author: Anthony Williams, Engineering Technical Officer  
Authorising Officer: Peter Keane, Acting Director Works & 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:

1. Price Submission Schedule (Confidential – under separate cover)
2. Evaluation of Qualitative Criteria (Confidential – under separate cover)

**CM201617/167 OFFICER RECOMMENDATION/ COUNCIL DECISION****MOVED: ARIF****SECONDED: MELVILLE**

**That with respect to Request for Tender 2017-02 Port Hedland Civic Centre HVAC Upgrade, Council award the Tender to Mechanical Project Services Pty Ltd for the lump sum price of \$281,003.40 (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) 2017-02 Port Hedland Civic Centre HVAC Upgrade and to award the contract.

**BACKGROUND**

During the asset lifecycle review of the Civic Centre, conducted in 2015/16, the Town assessed both operational and compliance matters associated with the building to support the full operability for the next 5-8 years (depending upon the South Hedland Hub Strategy implementation). As a component of the serviceability of the building infrastructure, we identified a number of operational and compliance issues to address, one of which was the air-conditioning capability to support the provision of a safe working environment for Town's employees.

As such, In March 2016 the Town was advised that the 2 (two) commercial chiller units will be required to be replaced, in order for the system to maintain adequate temperature control. No budget was available at the time to complete the works and was dependent on the overall scope of the Civic Centre redevelopment project.

In the approved 16/17 budget, Council allocated funds to replace both chiller units and install an access walkway in the civic centre ceiling to facilitate access to internal air handling units and ductwork. The walkway installation scope was completed in November 2016.

The design works for the Chiller replacement and other identified works was been awarded to Norman Disney & Young Consulting (NDY). NDY provided a recommendation for the replacement chiller and all applicable design documentation that accompanied our RFT.

#### *Request for Tender*

The documentation for RFT 2017-02 was released on Saturday 14 January 2017. When the Tender submissions closed on Thursday 2 February 2017, three (3) submissions were received. All submissions were from Pilbara based contracting companies who had attended the mandatory site inspection and briefing on Friday 20 January 2017. Submissions were received from the companies listed below:

Company name:	Registered Address:
BSA Maintain (BSA)	10 Moorambine St, Wedgefield WA 6722
Mechanical Project Services (MPS)	1/4 Munda Way, Wedgefield WA 6722
KBSS Engineering (KBSS)	Lot 501 Croydon Rd, Karratha WA 6714

#### *Tender Assessment*

All three (3) 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	40%
Relevant Experience	25%
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 2017-02. KBSS Engineering provided an alternative tender in addition to their compliant tender submission. Both submissions have been assessed in the below table

BSA Maintain	Price (40%)	Relevant Experience (25%)	Resources/Skills (10%)	Demonstrated Understanding (25%)	Total Score (100%)
BSA Maintain	26.7	11.5	5.8	17.0	61.0
KBSS Engineering	22.7	11.0	5.2	17.5	56.4
KBSS Engineering - alternative	30.4	11.0	5.2	17.5	64.1
Mechanical Project Services	40.0	19.0	6.2	13.5	78.7

*Price Assessment*

The Regional Price Preference (RPP) was applied in part for all tender submissions as they had all demonstrated a level of financial investment into the Town or Pilbara Region 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*

All tenderers completed the project reference sheet and provided evidence of project delivery in the Pilbara. KBSS and BSA did not provide sufficient detail of project outcomes, including issues that arose during construction and lessons learned at the conclusion of the project. MPS did provide a good level of information regarding the details, issues and outcomes of previously completed projects.

*Resources Assessment*

All tenderers provided CV's of key staff and organisational charts in their submissions. BSA have a number of staff who have demonstrated experience in Port Hedland, though mostly with previous employers. KBSS identified the roles and skills of each of their proposed resources, though the submission doesn't demonstrate evidence the team had delivered any previous projects in the Pilbara. MPS addressed resource availability, resource capacity and staff skill levels in their submission along with details of proposed suppliers and subcontractors.

*Demonstrated Understanding Assessment*

All tenderers provided a good project work schedule with similar sequence of events and completion time frames. Both BSA and KBSS provided methodologies that addressed the main project concerns. KBSS provided additional documentation regarding the installation of the chillers however, they did not include some of the critical scope items in their submission. MPS provided a good understanding of the scope but failed to provide an adequate methodology in addition to their work schedule.

*Assessment Conclusion*

Overall we received quality and competitive submissions from 3 (three) reputable mechanical services contractors. The weighting applied to the previous experience and demonstrated understanding criteria of the project scope, ensured the selected tenderer will understand the complexities of this project and be in a good position to complete the works. The submission provided by MPS demonstrated a good understanding of the project scope, the site and the impact the works will have on Civic Centre operations whilst also providing a good quality product at a good price.

**CONSULTATION**

Detailed designs and cost estimates for the project were prepared in consultation with Norman Disney & Young Consulting.

The scope of works was reviewed by Town of Port Hedland key staff members prior to releasing for tender and the tender assessment also involved internal staff, in accordance with the requirements of the tender policy.



The following staff have provided their professional assistance during the formulation of the project scope and assessment of the tender submissions:

- Engineering Technical Officer
- Property Administration Officer
- Coordinator Building Maintenance
- Manager Infrastructure & Projects
- Manager Technology
- Acting Director Works & 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 2017-02 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

The 2016/17 budget for this project is \$420,000 and is contained within the budget allocated for the Civic Centre HVAC System and Ducting Renewal. The contract price is within this budgeted amount.

The proposed works have included measures to increase the life of the chiller units. As a lesson learned from the current units installed the condenser coils will be treated with an anti-corrosion coating, which will increase the lifespan and help them run more efficiently in this environment.

### STRATEGIC IMPLICATIONS

As part of the Strategic Community Plan 2014-2024, section 3.1 Sustainable services and infrastructure 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*

There is a risk rating of low (4) assigned to the risk that Council choose not to award the Tender, which could result in a breach to the Town's OH&S duty of care.

**OPTIONS**

Option 1 - That Council reject all tender submissions for tender 2017-02 Port Hedland Civic Centre HVAC Upgrade.

**CONCLUSION**

Town officers recommend RFT 2017-02 be awarded to Mechanical Project Services Pty Ltd.

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**Item 13 Reports of Committees**

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

**13.1 Audit, Risk and Governance Committee Minutes – 7 March 2017****CM201617/168 OFFICER RECOMMENDATION/ OFFICER DECISION****MOVED: CR WHITWELL****SECONDED: CR MELVILLE**

**That Council receive the Minutes of the Ordinary Meeting of the Audit, Risk and Governance Committee held on 7 March 2017 at 5:30pm inclusive of the following decisions:**

**12.1.1 Monthly Audit, Risk and Governance Committee Reports****12.1.2 Compliance Audit Return 2016****12.1.3 Funding and Donations for the period of 1 October to 31 December 2016****12.2.1 Observation Tower, Wedge Street, Port Hedland****CARRIED 8/0**

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**13.2 Compliance Audit Return 2016**

File No: 14/06/0001

Applicant/ Proponent: N/A

Subject Land/ Locality: N/A

Date: 13 January 2017

Author: Grace Waugh, Coordinator Governance

Authorising Officer: Kathryn Crothers, Acting Director Corporate Services

Disclosure of Interest from Author: Nil

Authority/Discretion: ☒ Legislative – includes adopting local laws, town planning schemes and policies. Review when Council reviews decision made by Officers.

Attachments:

1. 2016 Compliance Audit Return

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**CM201617/169 AUDIT, RISK AND GOVERNANCE COMMITTEE RECOMMENDATION/ COUNCIL DECISION****MOVED: CR TAVO****SECONDED: CR ARIF**

**That Council adopt the 2016 Compliance Audit Return.**

**CARRIED 8/0**

## EXECUTIVE SUMMARY

The statutory Compliance Audit Return (CAR) for the 2016 calendar year is presented to the Audit, Risk & Governance (ARG) Committee for review and for Council to then adopt the CAR.

### BACKGROUND

Each year all Western Australian Local Government Authorities are required to undertake a compliance audit and forward the results to the Department of Local Government and Communities (the Department) by 30 March. The CAR is a self-assessment of a local government referring to its levels of compliance with the Local Government Act and associated regulations.

A local government's Audit Committee is required to review the CAR and report the results of that review to the Council prior to adoption by Council and the March submission to the Department. At the ARG Committee Meeting on 8 March 2017 the ARG Committee adopted the officer's recommendation and recommend that Council adopt the 2016 CAR (committee decision ARG201617/027).

The Compliance Audit is one of the tools utilised by the Department to monitor how the local government functioned throughout the previous calendar year from a compliance perspective. It identifies areas of non-compliance that provide guidance to officers as to where processes may be reviewed to ensure improved compliance.

The Town engaged an external auditing firm, Butler Settineri (Butlers), to undertake the 2016 CAR to provide an independent review and to assist the Town in setting a benchmark for future CARs.

A total of 87 items were audited by Butlers in the 2016 CAR process with seven areas of non-compliance being identified.

These being:

Number	Legislation	Question	Response	Improvement
1	s5.46(3) Admin Reg 19	Did all persons exercising a delegated power or duty under the Act keep, on all occasions, a written record as required.	No. A contract variation for the tyre tender was approved by officers who did not have authorisation. The first Faye Gladstone tender was not initially rejected in writing or authorised by the CEO.	The tender process is being reviewed to streamline the process through a central team. This will ensure that all legislative requirements are met and delegations are adhered to.
2	s5.67	If a member disclosed an interest, did he/she ensure that they	No. At the 14 December 2016 Ordinary Council	Town officers cannot control the actions of Elected Members. If they remain in the room after

		did not remain present to participate in any discussion or decision-making procedure relating to the matter in which the interest was disclosed (not including participation approvals granted under s5.68).	Meeting an Elected Member declared a proximity interest but did not leave the room.	declaring a financial or proximity interest the Town can only report the behavior to the Department of Local Government and Communities through a serious breach.
3	s5.75(1) Admin Reg 22 Form 2	Was a primary return lodged by all newly designated employees within three months of their start day.	No. One designated employee failed to lodge a primary return within three months.	The Town has a register that monitors when primary returns are due. The designated employee notification also advises the employee when their return is due.
4	s5.76(1) Admin Reg 23 Form 3	Was an annual return lodged by all designated employees by 31 August 2016.	No. Two designated employees failed to lodge an annual return by 31 August.	The Town sends correspondence to relevant officers of the upcoming deadline two months in advance to give appropriate notice.
5	s7.12A (4)	Where the local government determined that matters raised in the auditor's report (prepared under s7.9 (1) of the Act) required action to be taken by the local government, was a report prepared on any actions undertaken.	No. A report was not prepared on the actions taken.	A report on the actions taken on the auditor's report is currently being prepared for the 2014/15 and 2015/16 financial years and will be report to Council. This will ensure we will be compliant with this section of the Act for future years.
6	s7.12A (4)	Where the local government determined that matters raised in the auditor's report (prepared under s7.9 (1) of the Act) required action to be taken by the local government, was a copy of the report forwarded to the	No. A report was not prepared on the actions taken.	A report on the actions taken on the auditor's report is currently being prepared for the 2014/15 and 2015/16 financial years and will be report to Council. This will ensure we will be compliant with this section of the Act for future years.

		Minister by the end of the financial year or 6 months after the last report prepared under s7.9 was received by the local government whichever was the latest in time.		
7	s3.57 F&G Reg 11	Did the local government invite tenders on all occasions (before entering into contracts for the supply of goods or services) where the consideration under the contract was, or was expected to be, worth more than the consideration stated in Regulation 11 (1) of the Local Government (Functions & General) Regulations (Subject to Functions and General Regulation 11 (2)).	No. One instance found of a consultancy that exceeded the statutory threshold.	The Town is introducing a new training process in relation to all delegations to ensure officers are aware of their requirements. The training will include reference to tendering and the relevant threshold and process.  The tender process is currently being reviewed and will change to ensure there are compliance checks throughout the process.

The Town will be undergoing an extensive external legislative audit which will also include investigating the above non-compliance issues. The audit will highlight the key areas within the organisation that require review and will assist with the review of internal service levels.

Any non-compliance issues identified will be incorporated into a 'legacy' register which will be reported to the Audit, Risk and Governance Committee on a quarterly basis.

## CONSULTATION

Butler Settineri completed an external audit for the 2016 CAR and consulted the required business units when needed.

The Executive Leadership Team and Managers are aware of the Town's requirement to complete the CAR on an annual basis and provide the necessary documentation.

## LEGISLATIVE IMPLICATIONS

Section 7.13(1)(i) of the *Local Government Act 1995* require local governments to carry out an audit of compliance with such statutory requirements. Regulation 14 of the *Local Government (Audit) Regulations 1996* outlines the period of time, the form and the process on the compliance audit. The compliance audit is required to be reviewed by the Audit Committee and report to Council.

### **POLICY IMPLICATIONS**

There are no policy implications in relation to this agenda item.

### **FINANCIAL IMPLICATIONS**

The engagement of Butler Settineri is incorporated in the current 2016/17 Budget. The provision for the extensive external legislative audit was approved as part of the half yearly budget review adopted at the Ordinary Council Meeting on Wednesday 22 February 2017.

### **STRATEGIC IMPLICATIONS**

Sections 4.1 'Strategic and best practice local government administration' of the Town's Strategic Plan applies as completing the CAR ensures the Town is regularly assessing our compliance with legislation.

### **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*

There is a risk rating of medium (9) assigned to the risk that the Compliance Audit Return is not adopted by Council or submitted to the Department by 31 March. There is also a risk rating of medium (6) assigned to the risk that there are repeat non-compliance issues that are not being addressed.

### **OPTIONS**

Option 1 – That Council not adopt the 2016 CAR.

### **CONCLUSION**

It is recommended that the Council adopt the 2016 CAR.

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**Item 14 Motions of Which Previous Notice Has Been Given**

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**14.1 Notice of Motion – Consumption of Alcohol at Council Related Meetings**

File No: 13/01/0026  
Applicant/ Proponent: N/A  
Subject Land/ Locality: Nil  
Date: 7 March 2017  
Author: Tammy Wombwell, Administration Officer Governance  
Authorising Officer: Kathryn Crothers, 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

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**NOTICE OF MOTION FROM COUNCILLOR LINCOLN TAVO/MOTION****MOVED: CR TAVO****SECONDED: CR GILLINGHAM**

That Council no longer allow the consumption of alcoholic beverages before, during or after any Council related meeting including, but not limited to:

- Council Meetings
- Committee Meetings
- Confidential Briefings
- Minister Meetings
- Council Workshops
- Agenda Briefings

**LOST 3/5**

For: Mayor Blanco, Councillor Tavo, Councillor Gillingham

Against: Councillor Arif, Councillor Newberry, Councillor Hooper, Councillor Whitwell, Councillor Melville

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**EXECUTIVE SUMMARY**

A notice of motion has been received from Councillor Lincoln Tavo for consideration by Council. The intent of the notice of motion is to no longer allow any consumption of alcohol by Elected Members, and Town Officers at any Council related meeting.

**BACKGROUND**

On 8 March 2017, Councillor Lincoln Tavo raised a notice of motion to the Chief Executive Officer regarding ceasing the consumption of alcohol at Council related meetings.



In accordance with section 7.1 '*Behavioural Principles*' subsection (h) of the Town of Port Hedland Code of Conduct, which states that Council Members and Employees must not be impaired by mind altering substances, the Town does not allow the consumption of alcohol during any Council related meeting while Council Members and Employees are performing their role.

The Civic Centre has a bar located with access to Council Chambers. Alcohol that is available in the bar is not supplied for any meetings that involve only Town Officers.

Presently, after Council Meetings have concluded, Elected Members and the Executive team are invited to stay for a meal where often alcohol is consumed as it is available in the Civic Centre bar. Other meetings generally do not allow the opportunity for Elected Members and Officers to consume alcohol before, during or after the meeting.

Below is a table outlining the Towns alcohol purchases over the last three financial years:

Financial Year	Total Purchases
2014/15	\$ 11,795
2015/16	\$ 4,517
2016/17 (to date)	\$ 2,381

This table shows that the overall spend on alcohol has declined significantly since 2014/15. Within these totals, the last time a purchase was made solely for the purpose of re-stocking the Civic Centre bar, was June 2016, at a cost of \$820.50. All other purchases from this date have been exclusively for particular events, and any left over from these events have re-stocked the bar.

Since 2016, the Town has also discontinued the supply of alcohol at all Citizenship Ceremonies.

Alcohol would still be purchased, as required, for exclusive events on an individual basis. Exclusive events include but are not limited to:

- Councillor or Mayor Farewells
- Special occasions involving dignitaries
- Formal staff sundowners or events
- End of year functions

## CONSULTATION

### *Internal*

- Chief Executive Officer
- Coordinator Governance
- Executive Assistant, CEO

## LEGISLATIVE IMPLICATIONS

There are no known legislative implications associated with adoption of any of options listed below.

The Town of Port Hedland Code of Conduct states that Council Members, Committee Members, Employees, Consultants and Contractors must not be impaired by mind altering substances whilst performing their role.

Notice of motions from Elected Members are dealt with in the Standing Orders Local Law and must be given to the CEO in writing seven clear working days prior to the Council Meeting.

### **POLICY IMPLICATIONS**

There are no implications to any Town of Port Hedland policies in relation to this item.

### **FINANCIAL IMPLICATIONS**

If Council were to no longer allow the consumption of alcohol at Council related meetings, the need to purchase alcohol to stock the Civic Centre bar would be eradicated, therefore creating a positive financial impact.

### **STRATEGIC IMPLICATIONS**

Section 4.1 'Strategic and best practice local government administration' of the Town's Strategic Community Plan outlines the requirement to maintain a strong and sustainable financial position. By reducing costs associated with the purchase of alcohol for Council related meetings, this strategy is being met.

Section 4.2 'Engage our community and stakeholder' of the plan describes promotion of a positive representation of our community and Towns services. By eliminating the consumption of alcohol at Council related meetings, this is sending a positive representation by Council to the community in light of recent antisocial behaviour due to excessive alcohol consumption.

### **SUSTAINABILITY IMPLICATIONS**

#### *Environmental*

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

#### *Economic*

By not purchasing alcohol from local business to re-stock the Civic Centre bar, there would be a very minimal negative impact on the local economy.

#### *Social*

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

#### *Risk*

There is a risk rating of medium (6) assigned to the risk that if Council does not agree with the notice of motion, there may be a perception that the Town is not leading by example in reducing the consumption of alcohol in the community, where it is well publicised that our community has had many alcohol related issues with antisocial behaviour.

**OPTIONS**

*Option 1 – Agree with Notice of Motion, but specify which meetings are excluded*

That Council do not allow the consumption of alcoholic beverages before, during or after any Council related meeting, excluding the following:

- \_\_\_\_\_
- \_\_\_\_\_

This option specifies which meetings are to be excluded from the original notice of motion.

*Option 2 – Disagree with the Notice of Motion*

That Council continue to allow the consumption of alcohol at Council related meetings.

*Option 3 – Request review of policy 6/006 ‘Consumption of Alcohol at Town of Port Hedland Owned and Managed Property’ in view of the notice of motion*

That Council request the Chief Executive Officer to review policy 6/006 ‘Consumption of Alcohol at Town of Port Hedland Owned and Managed Property’ with the view of not allowing the consumption of alcohol at Council related meetings.

**CONCLUSION**

It is recommended that Council approve the notice of motion put forward by Councillor Tavo, by removing the consumption of alcohol at Council related meetings. This will ensure a positive perception of the public that the Town supports the responsible consumption of alcohol.

**14.2 Notice of Motion – Councillor Lincoln Tavo – Revocation of Council Decision at the Special Meeting on Monday 27 February 2017**

*This item has been withdrawn.*

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**Item 15 New Business of an Urgent Nature**

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**15.1 Statement of Financial Activity for the period ended 28 February 2017**

File No:	12/14/0003
Applicant/ Proponent:	N/A
Subject Land/ Locality:	N/A
Date:	14/03/2017
Author:	Jodi Marchant, Management Accountant
Authorising Officer:	Kathryn Crothers, Director Corporate Services
Disclosure of Interest from Author:	Nil
Authority/Discretion:	<input checked="" type="checkbox"/> 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 28 February 2017
2. Statement of Financial Activity for the period ended 28 February 2017 (under separate cover)
3. Material Variance Report for period ended 28 February 2017
4. Accounts paid under delegated authority for period ended 28 February 2017 (under separate cover)
5. Credit Card Statements for period ended 28 February 2017
6. Bank Account Summary for period ended 28 February 2017

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**CM201617/170 OFFICER RECOMMENDATION/ COUNCIL DECISION****MOVED: CR WHITWELL****SECONDED: CR ARIF****That with respect to the Statement of Financial Activity for the period ended 28 February 2017, 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***

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**EXECUTIVE SUMMARY**

This report presents the Statement of Financial Activity for the period ended 28 February 2017. 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 adopted at February OCM following the mid-year budget review.

Operating expenditure is generally on track YTD, however overall tracking 33% under budget, mainly due to the \$14.8m airport works yet to be spent due to scoping and project delivery timeline.

Operating income is overall on target YTD with grant payments under budget due to timing of payments and interest income ahead of schedule due timing of maturities.

Capital expenditure is 61% below YTD budget with majority of large spend projects in scoping or tendering phase with majority of project delivery expected after the cyclone season.

## BACKGROUND

The attachments detail the Town's financial performance for the period ending 28 February 2017.

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 thresholds detailed under the Policy Implications section of this report

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

The net current asset position as at 28 February 2017 is \$15.413M. The unrestricted cash position as at 28 February 2017 is a \$4.401M. 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	245,032M
Restricted Cash – Reserves	240,637M
Unrestricted Cash Position as at 28 February 2017	4,401M

## CONSULTATION

Internal consultation with the Acting Manager of Financial Services, the Director of Corporate Services, and the Manager Technical 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. The adopted 2016/17 budget estimated municipal surplus of \$1,589.

The mid-year budget review was undertaken throughout January and a budget variation was adopted on 22 February 2017 Council Resolution CM201617/149, resulting in a municipal surplus position as at 30 June 2017 of \$144,579. This amendment has been reflected in the February 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*

There is a risk rating of medium (6) assigned to the risk that 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. The risk action plan is to manage by building reserve balance to required level to mitigate financial loss.

There is a risk rating of medium (6) assigned to the risk that the Town 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. The risk action plan is to manage by creating provision for doubtful debt in the case that the amount is unrecoverable

There is a risk rating of medium (6) assigned to the risk that 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. The risk action plan is to manage by monitoring progress towards project completion.

## **OPTIONS**

Option 1 – That Council do not note or receive the Statement of Financial Activity for the period ended 28 February 2017.

## **CONCLUSION**

As at 28 February 2017, the net current asset position is \$15.413M with operating expenditure overall 33% under budget, operating income overall on track with only 22% remaining to collect for the year and the capital expenditure is 61% below budget due to project delivery timelines. Over the remainder of the financial year the net current asset position will decrease as operating and capital budgets are expended. The budgeted closing municipal surplus position as at 30 June 2017 is \$145K.

# MONTHLY FINANCIAL HEALTH CHECK



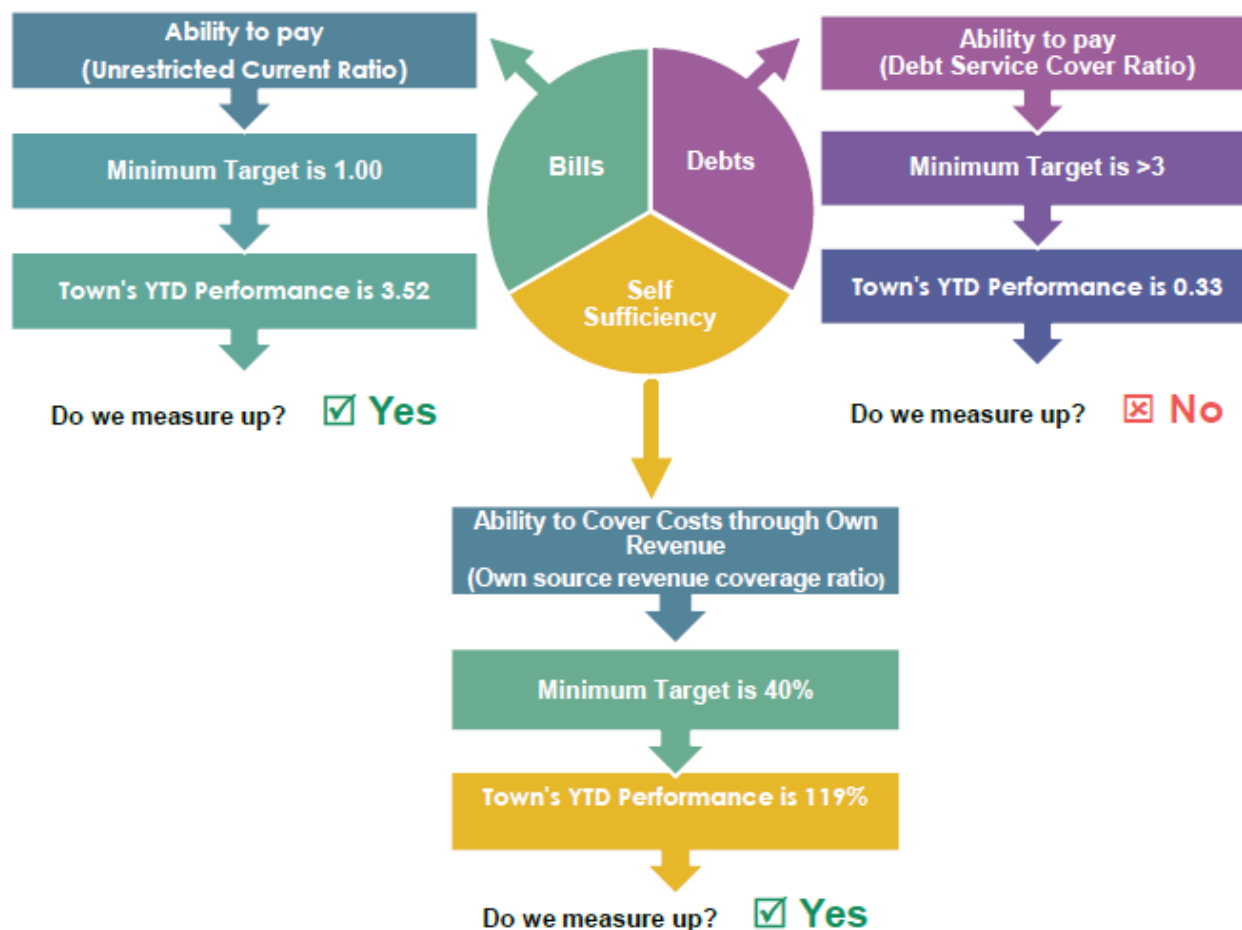
As at 28 February 2017

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



Financial Snapshot (Year to Date)	Actual (000's)
Operating Revenue	\$41,778
Operating Expenditure (Including Non-Cash Items)	(\$33,135)
Non-Cash Items	\$7,227
Capital Revenue	\$586
Capital Expenditure	(\$4,784)
Loan Repayments	(\$867)
Transfers to/from Reserves	(\$1,040)
Surplus Brought Forward 1 July 2016	\$5,650
Current Municipal Surplus Position at 31 December 2016	\$15,413
Current Budget Municipal Surplus Position at 30 June 2017	\$145

## 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 one 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.

Minimum Target is 1%

Town's YTD Performance is 22%

Do we meet the target? ☒ Yes

### Asset Sustainability Ratio

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

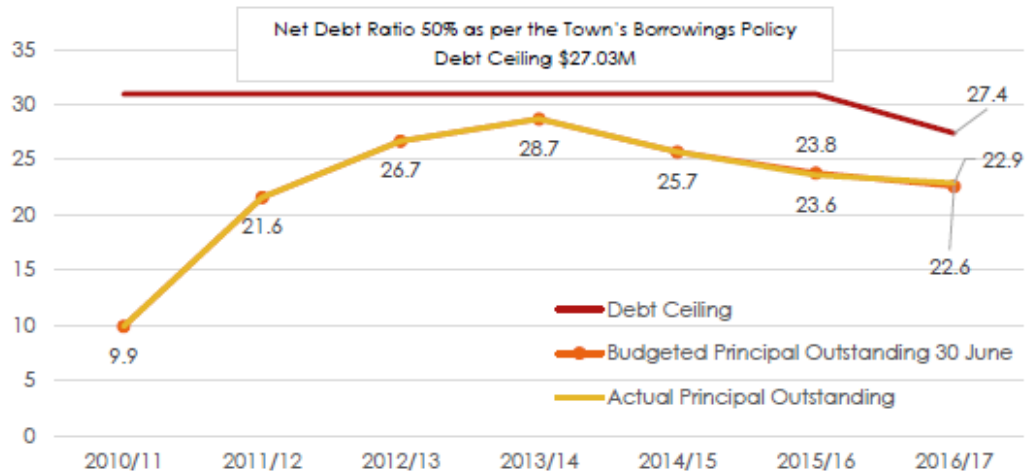
- A reduced Capital Works Program (including renewals) and an increase in the budgeted depreciation as a result of revaluations has had a two-fold effect on the asset sustainability ratio resulting in the ratio coming in just below the target.
- With a history of high levels of capital expenditure in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

Minimum Target is 90%

Town's YTD Performance is 59%

Do we meet the target? ☐ No

## Debt levels



Original Budget Principal Outstanding Forecast at 30 June 2017 = \$22.6M

Original Budget Operating Revenue = \$54.8M

Budgeted Net Debt Ratio = 41%

Actual Net Debt Ratio = 55%

Total Actual Principal Amount Outstanding 28 FEBRUARY 2017 = \$22.9M

Debt Ceiling 50% pursuant to Policy ( $\$54.8\text{M} \times 50\%$ ) = \$27.4M

### Intergenerational Loans

Loan Purpose	Principal Amount Outstanding	Remaining Term
1. Marquee Park	\$4.40M	14/15 years
2. JD Hardie Upgrade	\$2.57M	14/16 years
3. Wanangkura Stadium	\$8.76M	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](mailto:council@porthedland.wa.gov.au)

## ATTACHMENT 3 TO ITEM 15.1



**TOWN OF PORT HEDLAND  
MATERIAL VARIANCE REPORT  
FOR THE PERIOD ENDED 28 FEBRUARY 2017**

Nature & Type	Variance	Under/Over Budget	Comment	
	%	\$000's		
<b>INCOME (Based on the 12 month Budget by Nature &amp; Type)</b>				
Operating grants, subsidies & contributions	-69%	(5,516)	under	Payments from grant providers are received quarterly or upon completion/ full acquittal of the related project. The large contributions from Water Corporation and Mia Mia are yet to be received.
Fees & Charges	-45%	(5,536)	under	Fees & charges are received throughout the year as services are provided. The patronage for the Matt Dann, Library and JD Hardie facilities increase during school holidays therefore more income is anticipated in April 2017 GP Housing Lease income less than expected - currently being investigated. Landfill Revenue expected to received an additional \$3.7mil this FY, with a large portion made up by the hospital demolition income, general tipping fees and liquid waste fees. PHIA Long Term Lease Income under budget by \$924k - this is an end of year adjustment to reflect the current years portion of income received in advance.
Interest earnings	-6%	(438)	under	In accordance with accrual accounting, all known interest earnings have been recognised for the FY to date. As more Term Deposits mature throughout the year, funds will be reinvested resulting in interest income not yet accrued being received.
Other revenue	-50%	(1,078)	under	Variance due mainly to the timing in raising invoices related to reimbursement income from utilities for Staff Housing, Wanangkura Stadium, Len Taplin, GP Housing, Gratwick and SHAC Aquatic Centres.
Non-operating grants, subsidies and contributions	-96%	(4,616)	under	Payments from grant providers are received quarterly or upon completion/ full acquittal of the related project. The majority of capital projects are still work-in-progress
Proceeds from disposal	-12%	(46)	under	There is an auction for surplus vehicles that will conducted before the end of the FY.
Proceeds from self supporting loans	-29%	(26)	under	Proceeds are received throughout the FY. Proceeds are outstanding for SES Shed and Yacht Club self supporting loans, expected to be received by June.
<b>OPERATING EXPENDITURE (Based on the YTD Budget by Program)</b>				
Law, Order & Public Safety	21%	350	under	Inclusion of new projects through Budget Review process yet to be expended: Community Safety & Crime Prevention \$145k; Dust Monitoring contribution to DER LIDAR program \$40k. Overhead allocations \$116k less than predicted YTD due to timing of overhead expenditure incurred across the organisation. Depreciation on Furniture & Equipment \$17k less than expected YTD. SES over budget in Other Expenditure by \$79k - to be investigated.
Health	18%	150	under	Employee costs \$15k under budget due to vacancies. Materials & Contracts \$31k less than expected mainly in contractors trade and plant overhead cost recovery due to the timing of works. Depreciation \$15k under across all categories. Overhead allocations \$52k less than predicted YTD due to timing of overhead expenditure incurred across the organisation. Utilities (water & electricity) \$21k less than expected due to timing of invoicing.
Education & Welfare	23%	552	under	Employee Costs \$64k under budget - mainly in JD Hardie Centre. Materials & Contracts \$112k less than expected YTD mainly at JD Hardie Centre contract cleaning and workshop programs. Depreciation \$67k under across all categories. Interest on Loans for JD Hardie \$19k less than expected due to timing of loan payments Overhead allocations \$116k less than predicted YTD due to timing of overhead expenditure incurred across the organisation. Community Donations currently \$67k under budget due to timing of grant applications varying throughout the year.
Housing	27%	102	under	Employee Costs higher than expected due to labour overheads yet to be allocated. Materials & Contracts \$27k less than expected due to the timing of work in Staff Housing Operations. Depreciation on Buildings \$30k less than expected YTD. Overhead allocations \$80k less than predicted YTD due to timing of overhead expenditure incurred across the organisation.



**TOWN OF PORT HEDLAND  
MATERIAL VARIANCE REPORT  
FOR THE PERIOD ENDED 28 FEBRUARY 2017**

Nature & Type	Variance		Under/Over Budget	Comment
	%	\$000's		
Community Amenities	34%	2,177	under	Employee Costs \$130k under budget across works such as pre-cyclone cleanup, beach & foreshore maintenance and cemetery maintenance due to the allocation of staff completing works across the organisation and the use of contractors where deemed more efficient. Materials & Contracts under in the following areas: - Landfill Management \$996k due to large tenders such as Tyre Shredding not yet entered into. - Plant overhead cost recovery across all areas \$651k less than expected to be investigated. Depreciation \$26k under across all categories. Overhead allocations \$275k less than predicted YTD due to timing of overhead expenditure incurred across the organisation.
Recreation & Culture	23%	3,397	under	Employee Costs \$1.2mil under budget, with \$962k related to labour overhead costs in sportsgrounds and irrigation maintenance to be amended over the coming months. \$350k less than expected for YMCA contract payments due to timing of invoices. Sportsgrounds and irrigation maintenance \$895k less than expected due to the timing of work with weed & pest control based on weather; and South Hedland School Oval Mowing Initiative expenses to align with budget by the end of FY. Depreciation \$383k under across all categories. Landfill internal charges of \$54k not yet allocated. Overhead allocations \$214k less than predicted YTD due to timing of overhead expenditure incurred across the organisation. Utilities \$256k higher than expected in water charges to be investigated.
Transport	62%	11,485	under	Airport major works \$9.6mil under budget which include Water Infrastructure Works, Apron Strengthening, CCTV Controls and Electrical Upgrades; all these projects are still work-in-progress. Depreciation \$970k under mainly in roads - to be investigated. Plant overhead cost recovery across all areas \$429k less than expected - to be investigated.
Other Property & Services	-152%	(1,594)	over	Employee Costs \$333k due to Labour Overhead incorrect costed from this program - to be amended over coming months. Depreciation on Plant & Equipment \$64k less than expected YTD. Overhead allocations \$942k under allocated showing an overspend YTD due to timing of overhead expenditure incurred across the organisation. Plant overhead cost recovery not fully allocated across programs - to be investigated.
<b>OTHER (Based on the 12 month Budget by Nature &amp; Type)</b>				
Transfer from Reserves	-99%	(31,063)	under	All Reserve transfers excluding Waste Management & Airport Projects, are done as the projects are completed. The bulk of the funds relate to the provision made for Airport Projects works (Water Infrastructure, Apron Strengthening, CCTV Controls and Electrical Upgrades). The Waste Management transfers are done at the EOFY.
Transfer to Reserves	-91%	12,052	under	The interest from the PHIA lease proceeds is transferred upon receipt of the funds from the various Financial Institutions. The Waste Management transfers are done at the EOFY. All other transfers to reserve are done at EOFY.
Loan principal repayments	-26%	312	under	Loan repayments are staggered throughout the FY as per the schedule from Western Australian Treasury Corporation, with most of the payments being processed by EOFY.





**TOWN OF PORT HEDLAND  
MATERIAL VARIANCE REPORT  
FOR THE PERIOD ENDED 28 FEBRUARY 2017**

Nature & Type	Variance	Under/Over Budget	Comment	
	%	\$'000's		
<b>CAPITAL EXPENDITURE (Based on the 12 month Budget by Capital Project)</b>				
<b>General Capital Projects</b>				
Marina Waterfront Development	-91%	(1,827)	under	Preliminary design work proceeding. Agenda to be tabled at March OCM.
South Hedland Aquatic Centre Works: Replace filters, sink wastewater tank, replace pipework, replace pumps and install UV filters for leisure pool	-94%	(1,220)	under	Scope of works to be reviewed.
Faye Gladstone Netball Courts Clubroom Upgrade	-100%	(641)	under	Contract awarded. Construction proposed to commence by end of March.
Diesel Generators for Civic Centre, Depot, Landfill and Evacuation Centre	-100%	(180)	under	Scope of works finalised. Currently in peer review phase.
Phase 2 Digital - Complete installation of ToPH digital radio system in vehicles and heavy equipment.	-67%	(48)	under	Digital radio's fitted. I.T. to complete minor details.
South Hedland Aquatic Centre: Install accessibility toilets and change room	-100%	(73)	under	Request for Quote evaluated and forwarded to stakeholder for approval. Project to be awarded once design has been approved.
Marapikurrinya Park	-93%	(486)	under	Project in Execution phase. Site works have commenced.
Civic Centre HVAC System and Ducting Renewal; Install Road Space Access Walkway	-74%	(260)	under	Tender evaluation completed. Agenda to be tabled at March OCM.
Minor Plant Replacement	-55%	(11)	under	Project in close out phase.
SAM Speed Alert Sign Board	-100%	(40)	under	Trailer ordered. To expect delivery by early April.
Civic Centre: Asset Management Plan Critical Obligations and OHS	-95%	(236)	under	Directive on final project scope provided. Works to be packaged up for Request for Quote.
Building Renewal and Upgrade program	-84%	(335)	under	Ongoing. Review of all assets at a condition 4 rating or lower for capital upgrades to bring their overall rating to a condition 3.
Staff Housing Renewal and Upgrade Program	-87%	(105)	under	90% of works to be undertaken in-house. Project at 65% completion.
Matt Dann Theatre & Cinema: Venue Improvement	-72%	(385)	under	Preferred contractor selected for Matt Dann Signage. Awaiting school approval. To commence a week after award. Preferred supplier for speaker suspension system identified. Works to commence Term 1 school holiday.
GIS Graffiti Module	-100%	(22)	under	Project in execution stage and on track.
South Hedland Cemetery Upgrade	-93%	(33)	under	Scope of works currently being developed.
Colin Matheson and Kevin Scott Oval Scoreboard Replacement	-28%	(76)	under	Scoreboard tested and commissioning. Training sessions scheduled for clubs mid-late March.
The Hub Business Case: Combine Multiple Facilities to Single Location	-100%	(265)	under	In negotiation with stakeholders.
Kingsford Smith Business Park Landscaping	-98%	(202)	under	Tender evaluation completed. Agenda to be tabled at March OCM.
Finucane Island Boat Ramp Study	-99%	(144)	under	Project reactivated. To opt for Option 2 - Rock Groyne and go to detail design.
Caravan Route and Boundary Signage	-96%	(48)	under	Consultation with traditional owners required for location of signage.
ICT Hardware Renewal & Upgrades	-80%	(90)	under	Project in execution stage and on track.
Stage 2 Telecommunications Renewal & Upgrade Project	-92%	(277)	under	Project in execution stage and on track.
ICT Implementation Plan Projects	-63%	(63)	under	Project in execution stage and on track.
Upgrade of Kevin Scott Oval / High School Reuse Tanks	-100%	(399)	under	Tender evaluation completed. Agenda to be tabled at March OCM.
Upgrade CCTV Camera Network to Include Night Vision	-50%	(159)	under	Project in execution stage and on track.
Wanangkura Stadium Protective film on Glazing	-61%	(52)	under	Works to commence early April. To be completed by mid to late April.
Catamore Court Construction Contract Finalisation	-52%	(150)	under	Project in close out phase.
Plant Replacement Program	-5%	(12)	under	Project in close out phase.
Community Chest Fund 2016: Tourism Signage	-100%	(82)	under	Project in execution phase and on track.
Spin Bikes - Wanangkura Stadium	-100%	(20)	under	Purchase of spin bikes has been completed with costs to be finalised in March.
Cemetery Masterplan	-100%	(30)	under	Contract awarded. Masterplan underway.
Lighting Repairs / Upgrade to Fleet Workshop	-100%	(10)	under	Procurement of products underway.
Project Preliminary works, RSA and Compliance Improvement	-100%	(100)	under	Works being prioritised and scoped.
South Hedland Aquatic Centre Minor Works	-100%	(350)	under	Minor works to be scoped and procured.
Shade Structures	-100%	(100)	under	Scope of works being developed.
<b>Road Program</b>				
Pinga Street - Rehabilitation of Existing Pavement	-86%	(2,125)	under	Construction works have been delayed. Crossover works currently
Road Reseal Program	-57%	(710)	under	Round 2 road reseals list finalised. Works proposed for April.
McGregor, Athol, Cooke Point Roundabout Rehabilitation	-57%	(287)	under	Contractor preparing reinstatement design deliverables. Anticipate submission of 2D design by mid March.
Wise Terrace	-18%	(24)	under	Original scope of work completed. Additional works requested by stakeholder determined subject to taxi rank discussions.





TOWN OF PORT HEDLAND  
MATERIAL VARIANCE REPORT  
FOR THE PERIOD ENDED 28 FEBRUARY 2017

Nature & Type	Variance		Under/Over Budget	Comment
	%	\$000's		
Yandeyarra Road	-82%	(161)	under	Original scope of work completed. Additional works to be carried out in 2017.
South Hedland Town Centre Stage 2 Landscaping	-18%	(219)	under	Project closed out and in defects liability phase.
Drainage Construction Wanangkura Stadium & Faye Gladstone Netball Courts	-96%	(420)	under	Consultant to design additional scope. Request for quotes sent for survey and service location. Estimate design completed mid April.
Rebuild Flood Pumps Stage 1	-100%	(10)	under	Scope of works being developed.
Unsealed Road Resheeting Program	-100%	(250)	under	Program is currently being finalised.
Kennedy St / Parker St Intersection	-50%	(140)	under	Works in finalisation stage. Remaining funds to be used on next ponding location.
Footpath Construction	-208%	(123)	under	Scope of works being developed.
Styles Road Roundabout (Design)	-53%	(34)	under	Designs completed.
<b>Waste Projects</b>				
Transfer Station Capital Works and 20kl Landfill Fuel Tank; Drainage for Minor Capital Works, Tip Shop and Transfer Station	-89%	(634)	under	Detail design to be finalised by mid to late March.
Septage Pond Remedial Works	-100%	(71)	under	Due to weather conditions, commencement of works proposed for mid March.
South Hedland Water Treatment Plant	-43%	(453)	under	Finalisation of Department of Health requirements underway.
Windblown Litter Solution	-15%	(23)	under	Tarp installed. Project in close out phase.
ICT Hardware Landfill	-99%	(59)	under	Software purchase in progress.
Central Control Irrigation Waste Water System	-24%	(104)	under	Project in close out phase. Final invoice to be processed.

**ATTACHMENT 5 TO ITEM 15.1****NAB Connect****Account Balance History Report**Details

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**Date range:** 28-Feb-2017 to 28-Feb-2017  
**Account name:** TOPH MUNICIPAL  
**Account number:** XXX-XXX-XXX-4446  
**Currency:** AUD

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Date	No. of debits	Debit amount	No. of credits	Credit amount	EOD balance
28/02/2017	2	330.49	46	5,321,277.57	5,781,207.91 CR

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**End of report**



NAB Connect

## Account Balance History Report

Details

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Date range: 28-Feb-2017 to 28-Feb-2017  
Account name: TOPH TRUST  
Account number: XXX-XXX-XXX-4489  
Currency: AUD

---

Date	No. of debits	Debit amount	No. of credits	Credit amount	EOD balance
28/02/2017	1	26.50	0	0.00	19,594.51 CR

---

End of report



NAB Connect

## Account Balance History Report

Details

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Date range: 28-Feb-2017 to 28-Feb-2017  
Account name: TOWN OF PORT  
Account number: XXX-XXX-XXX-9096  
Currency: AUD

---

Date	No. of debits	Debit amount	No. of credits	Credit amount	EOD balance
28/02/2017	0	0.00	0	0.00	3,500,000.00 CR

---

End of report



NAB Connect

## Account Balance History Report

Details

---

Date range: 28-Feb-2017 to 28-Feb-2017  
Account name: TOPH RES FND  
Account number: XXX-XXX-XXX-4462  
Currency: AUD

---

Date	No. of debits	Debit amount	No. of credits	Credit amount	EOD balance
28/02/2017	0	0.00	0	0.00	1,000.00 CR

---

End of report

**ATTACHMENT 6 TO ITEM 15.1****TOWN OF PORT HEDLAND****Summary of Credit Card Statements for the Month of February 2017****Attachment 6**

Account Name	Account Number	Card Holder	Debit Balance (\$)
Town of Port Hedland	██████-3621	David Pentz	\$ 2,208.63
Town of Port Hedland	██████-8364	Jessica Dodd	\$ 9,089.10
Town of Port Hedland	██████-8868	Jessica Rankin	\$ 5,267.00
Town of Port Hedland	██████-4948	Megan Cocciardi	\$ 4,871.74
Total			\$ 21,436.47

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**  
XXX-XXX-XXX-6321  
**Currency**  
AUD

Account balance summary

**Opening balance:** 0.00 CR  
**Total credits:** 0.00 CR  
**Total debits:** 2,208.63 DR  
**Closing balance:** 0.00 CR  
  
**Date from:** 01 February 2017  
**Date to:** 28 February 2017

Transaction details

Date	Narrative	Reference	Debit amount	Credit amount	EOD balance
17/02/2017	CREDIT CARD PURCHASE PORT HEDLAND AIRPORT		34.00 DR		
17/02/2017	CREDIT CARD PURCHASE QANTAS AIRWAYS		760.80 DR		794.80 DR
22/02/2017	CREDIT CARD PURCHASE QANTAS AIRWAYS		344.50 DR		344.50 DR
23/02/2017	CREDIT CARD PURCHASE VIRGIN AUST 7958225217786		5.04 DR		
23/02/2017	CREDIT CARD PURCHASE VIRGIN AUST 7958225216801		8.29 DR		
23/02/2017	CREDIT CARD PURCHASE VIRGIN AUST 7952136781497		388.00 DR		
23/02/2017	CREDIT CARD PURCHASE VIRGIN AUST 7952136780331		638.00 DR		1,039.33 DR
28/02/2017	FEE ANNUAL FEE		30.00 DR		30.00 DR

**End of report**



NAB Connect

## Transaction History Report

Account details

**Account name**  
TOWN OF PORT HEDLAND  
**Account number**  
XXX-XXX-XXX -8364  
**Currency**  
AUD

Account balance summary

**Opening balance:** 0.00 CR  
**Total credits:** 0.00 CR  
**Total debits:** 9,089.10 DR  
**Closing balance:** 0.00 CR  
  
**Date from:** 01 February 2017  
**Date to:** 28 February 2017

Transaction details

Date	Narrative	Reference	Debit amount	Credit amount	EOD balance
01/02/2017	CREDIT CARD PURCHASE VIRGIN AUST 7958224941553		9.19 DR		
01/02/2017	CREDIT CARD PURCHASE FACEBK *RM6Z7B25Y2		17.61 DR		
01/02/2017	CREDIT CARD PURCHASE FACEBK *N9HP6BS4Y2		206.11 DR		
01/02/2017	CREDIT CARD PURCHASE VIRGIN AUST 7952136255427		707.00 DR		939.91 DR
03/02/2017	CREDIT CARD PURCHASE PAYPAL *JUSTJERKYPT		135.00 DR		
03/02/2017	CREDIT CARD PURCHASE VIRGIN AUST 7952136312385		707.00 DR		842.00 DR
06/02/2017	CREDIT CARD PURCHASE DROPBOX*Q1RZN9YRN4XR		85.00 DR		85.00 DR
09/02/2017	CREDIT CARD PURCHASE MAILCHIMP		66.43 DR		
09/02/2017	CREDIT CARD PURCHASE PAYPAL *TOURISMOUN		220.00 DR		286.43 DR
10/02/2017	CREDIT CARD PURCHASE VIRGIN AUST 7952136476229		107.00 DR		
10/02/2017	CREDIT CARD PURCHASE QANTAS AIRWAYS		1,063.00 DR		1,170.00 DR
13/02/2017	CREDIT CARD PURCHASE Midwest Aero Medical		366.75 DR		366.75 DR
14/02/2017	CREDIT CARD PURCHASE VIRGIN AUST 7958225084441		19.86 DR		
14/02/2017	CREDIT CARD PURCHASE VIRGIN AUST 7958225084909		22.00 DR		
14/02/2017	CREDIT CARD PURCHASE OFWKS ONLINE BENTLEIGH		278.95 DR		
14/02/2017	CREDIT CARD PURCHASE Hotel Ibis Perth FD Int		314.03 DR		
14/02/2017	CREDIT CARD PURCHASE VIRGIN AUST 7952136526068		1,528.02 DR		

2 of 5



**Transaction History Report (Continued)**

Date	Narrative	Reference	Debit amount	Credit amount	EOD balance
14/02/2017	CREDIT CARD PURCHASE VIRGIN AUST 7952136527092		1,806.00 DR		3,968.86 DR
15/02/2017	CREDIT CARD PURCHASE DR LIONEL J CROMPTON		498.00 DR		498.00 DR
16/02/2017	CREDIT CARD PURCHASE SALLY ALICE EARL		176.00 DR		176.00 DR
17/02/2017	CREDIT CARD PURCHASE HOSPITALITY INN POR		261.10 DR		261.10 DR
20/02/2017	CREDIT CARD PURCHASE KUNUNURRA MEDICAL		495.05 DR		495.05 DR

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**End of report**



NAB Connect

## Transaction History Report

## Account details

Account name  
TOWN OF PORT HEDLAND  
Account number  
XXX-XXX-XXX-8868  
Currency  
AUD

## Account balance summary

Opening balance: 0.00 CR  
Total credits: 0.46 CR  
Total debits: 5,267.00 DR  
Closing balance: 0.00 CR  
Date from: 01 February 2017  
Date to: 28 February 2017

## Transaction details

Date	Narrative	Reference	Debit amount	Credit amount	EOD balance
09/02/2017	CREDIT CARD PURCHASE JUPPS FLOOR COVERING A		46.00 DR		
09/02/2017	CREDIT CARD PURCHASE 1042 OPSM		469.00 DR		515.00 DR
10/02/2017	CREDIT CARD PURCHASE PORT HEDLAND GLASS		52.80 DR		52.80 DR
14/02/2017	CREDIT CARD PURCHASE VIRGIN AUST 7958225088592		32.53 DR		
14/02/2017	CREDIT CARD PURCHASE PNEUMATIC SOLUTIONS		366.31 DR		
14/02/2017	CREDIT CARD PURCHASE VIRGIN AUST 7952136534482		2,502.00 DR		2,900.84 DR
15/02/2017	CREDIT CARD PURCHASE QANTAS AIRWAYS		151.99 DR		151.99 DR
16/02/2017	CREDIT CARD PURCHASE VIRGIN AUST 7958225128805		8.29 DR		
16/02/2017	CREDIT CARD PURCHASE VIRGIN AUST 7952136608499		638.00 DR		646.29 DR
20/02/2017	CREDIT CARD REFUND WOOLWORTHS ON LINE			0.46 CR	
20/02/2017	CREDIT CARD PURCHASE WOOLWORTHS ON LINE		212.15 DR		211.69 DR
21/02/2017	CREDIT CARD PURCHASE SALLY ALICE EARL		176.00 DR		176.00 DR
22/02/2017	CREDIT CARD PURCHASE WA HINO		32.98 DR		
22/02/2017	CREDIT CARD PURCHASE KUNUNURRA MEDICAL		496.05 DR		529.03 DR
24/02/2017	CREDIT CARD PURCHASE LANDGATE		82.90 DR		82.90 DR

4 of 5



NAB Connect

## Transaction History Report

Account details

**Account name**  
 TOWN OF PORT HEDLAND  
**Account number**  
 XXX-XXX-XXX-4948  
**Currency**  
 AUD

Account balance summary

**Opening balance:** 0.00 CR  
**Total credits:** 0.00 CR  
**Total debits:** 4,871.74 DR  
**Closing balance:** 0.00 CR  
  
**Date from:** 01 February 2017  
**Date to:** 28 February 2017

Transaction details

Date	Narrative	Reference	Debit amount	Credit amount	EOD balance
01/02/2017	CREDIT CARD PURCHASE IP AUSTRALIA		2,400.00 DR		2,400.00 DR
06/02/2017	CREDIT CARD PURCHASE ASIC		9.00 DR		
06/02/2017	CREDIT CARD PURCHASE VENDHQ.COM		1,323.05 DR		1,332.05 DR
08/02/2017	CREDIT CARD PURCHASE QANTAS AIRWAYS		423.50 DR		423.50 DR
09/02/2017	CREDIT CARD PURCHASE VIRGIN AUST 7958225043802		9.19 DR		
09/02/2017	CREDIT CARD PURCHASE VIRGIN AUST 7952136448648		707.00 DR		716.19 DR

**End of report**

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

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**CM201617/171 COUNCIL DECISION****MOVED: CR TAVO****SECONDED: CR MELVILLE**

**That with respect to item 16.1 ‘Chief Executive Officer Performance Criteria’ and 16.2 ‘Spoilbank Marina – Budget Update and Funding Arrangements’ , Council close the meeting to members of the public as prescribed in section 5.23(2) of the Local Government Act 1995.**

**CARRIED 8/0**

The Mayor advised that the meeting is now closed to members of the public.

6:36pm Chief Executive Officer declared a financial interest in item 16.1 ‘Chief Executive Officer Performance Criteria’ as the item relates directly to his employment and left the room.

All employees except for the Manager Human Resources were asked to leave the room.

**16.1 Chief Executive Officer Performance Criteria**

File No:	PER-9216
Applicant/ Proponent:	N/A
Subject Land/ Locality:	N/A
Date:	14 March 2017
Author:	Christine Biesgen, Organisational Development Officer
Authorising Officer:	Kathryn Crothers, 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.

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**CM201617/172 OFFICER RECOMMENDATION/ COUNCIL DECISION****MOVED: CR WHITWELL****SECONDED: CR TAVO**

**That with respect to the Key Performance Indicators of the Chief Executive Officer, Council approves the initial Key Performance Indicators for David Pentz, CEO, to be used as an initial criteria to assess his performance during the Probation Period and ensure compliance with the Local Government Act 1995 Section 5.39 and his employment contract.**

**CARRIED 8/0**

- 6:39pm Chief Executive Officer re-entered the room and resumed his chair.
- 6:41pm Councillor Whitwell declared a financial interest in item 16.2 'Spoilbank Marina – Budget Update and Funding Arrangements' as he owns property near the Spoilbank Marina area and left the room.
- 6:42pm Councillor Gillingham declared an impartiality interest in item 16.2 'Spoilbank Marina – Budget Update and Funding Arrangements' because of her private teaching on the premises of St Cecilia's Primary School.

## 16.2 Spoilbank Marina – Budget Update and Funding Arrangements

File No: 01/04/0006  
Applicant/ Proponent: Internal  
Subject Land/ Locality: Crown Land Titles 3060/410,414,422 Port Hedland  
Date: 13/03/2017  
Author: Ray Davy, Acting Director Community and Development Services  
Authorising Officer: David Pentz, Chief Executive Officer  
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.

### CM201617/173 OFFICER RECOMMENDATION/ COUNCIL DECISION

**MOVED: CR TAVO**

**SECONDED: CR ARIF**

**That Council:**

1. Approves an increase in funding for design and technical studies to the stage of final concept phase for the Spoilbank Marina Precinct project to a maximum of \$3.0 million pending receipt of a formal funding undertaking by the State Government;
2. Notes that the Town has not yet received formal written confirmation of the State commitment to provide \$112 million towards the total cost of the project;
3. Authorises the Mayor and the CEO to execute the *Agreement for the Funding and Development of the Spoilbank Marina Precinct Port Hedland* attached to this report; and
4. Directs Administration to advise LandCorp that unless the Town has received formal written confirmation of the State funding by 30 June 2017, the Town will suspend reimbursement of costs incurred beyond that date in accordance with Clause 3.2 of the Agreement until such confirmation is received.

**CARRIED 7/0**

**CM201617/174 COUNCIL DECISION****MOVED: CR TAVO****SECONDED: CR MELVILLE****That Council open the meeting to members of the public.*****CARRIED 7/0***

6:46pm      The Mayor advised the meeting is now open to members of the public. Councillor Whitwell re-entered the room and resumed his chair.

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**Item 17   Closure**

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**17.1 Date of Next Meeting**

The next Ordinary Meeting of Council will be held on Wednesday 26 April 2017, commencing at 5:30pm, with the Public Agenda Briefing being held on Wednesday 19 April 2017, commencing at 5:30pm.

**17.2 Closure**

There being no further business, the Mayor declared the meeting closed at 6:46pm.