



TOWN OF PORT HEDLAND

ORDINARY COUNCIL MEETING MINUTES

WEDNESDAY 24 MAY 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: 7 June 2017

Item 1	Opening of Meeting.....	5
Item 2	Acknowledgement of Traditional Owners.....	5
Item 3	Recording of Attendance.....	5
	3.1 Attendance.....	5
	3.2 Apologies.....	5
	3.3 Approved Leave of Absence.....	5
	3.4 Disclosure of Interests	5
Item 4	Response to Previous Questions	6
	4.1 Response to Questions taken on notice from Public at the Ordinary Council Meeting held on Wednesday 26 April 2017	6
	4.2 Response to Questions taken on notice from Elected Members at the Ordinary Council Meeting held on Wednesday 26 April 2017	6
Item 5	Applications for Leave of Absence.....	6
Item 6	Attendance by Telephone/Instantaneous Communications.....	7
Item 7	Public Time	7
	7.1 Public Question Time.....	7
	7.1.1 Mr John Peters.....	7
	7.1.2 Mr Dave McGowan	9
	7.1.3 Mr Scott Gerhardt.....	9
	7.1.4 Mr Arnold Carter.....	10
	7.1.5 Mr Jim Henneberry.....	11
	7.1.6 Ms Jan Ford	11
	7.1.7 Mr George Daccache	11
	7.1.8 Mr Ron Attwood	12
	7.1.8 Mr Frank Edwards.....	12
	7.1.9 Ms Nina Pangahas.....	13
	7.2 Public Statement Time.....	14
	7.2.1 Mr Chris Gillingham.....	14
	7.2.2 Miss Charlie Schmich.....	14
	7.2.3 Mr Dave McGowan	14
	7.2.4 Mr Arnold Carter.....	15
	7.2.5 Mr Jim Henneberry.....	15
	7.2.6 Ms Mary Attwood	15
	7.2.7 Mr John Peters.....	16
	7.2.8 Ms Briohny Evans	16
	7.2.9 Ms Kate Osborne	17

	7.2.10 Mr Ron Attwood	17
	7.2.11 Mr George Daccache	18
	7.3 Petitions/Deputations/Presentations/Submissions	18
	7.3.1 Ms Claire Wellbeloved	18
Item 8	Questions from Members without Notice	20
	8.1 Councillor Richard Whitwell.....	20
Item 9	Declarations of All Members to Have Given Due Consideration to All Matters Contained in the Business Paper before the Meeting.....	20
Item 10	Confirmation of Minutes of Previous Meeting	20
	10.1 Confirmation of Minutes of the Ordinary Council Meeting held on Wednesday 26 April 2017	20
Item 11	Announcements by Presiding Member without Discussion	21
Item 12	Reports of Officers.....	23
	15.1 Consideration of the proposed Change of Use to Club Premises on Lot 5854, (8) Harwell Way Wedgefield, constituting a Use Not Listed in Town of Port Hedland Town Planning Scheme No. 5.....	23
	12.1 Corporate and Performance	31
	12.1.1 Amendment to Policy 4/006 'Elections – Caretakers Period'.....	31
	12.1.2 Salaries and Allowances Tribunal Determination and Elected Members Fees, Allowance and Reimbursements for 2017/18.....	43
	12.1.3 Audit, Risk and Governance Committee Membership.....	61
	12.1.4 2017 WA Local Government Convention and Trade Exhibition	74
	12.1.5 Sponsorship of the 2017 Pilbara Economic Development Conference.....	85
	12.1.6 Community Partnership Grants	89
	12.1.5 Sponsorship of the 2017 Pilbara Economic Development Conference.....	99
	12.1.7 Spot Rating of Transient Workforce Accommodation Camps located on Mining Tenements	100
	12.1.8 Write off of Bad Debts	127
	12.1.9 Report of Audit Findings.....	137
	12.1.10 Statement of Financial Activity for the period ended 30 April 2017	148
	12.2 Development, Sustainability and Lifestyle.....	165
	12.2.1 Hedland Aquatic Facility Operation and Master Planning	165
	12.2.2 Scheme Amendment No.67 – Rezoning various lots in Bell Street to 'Transport Development'	172
	12.2.3 Memorandum of Understanding – Disaster Events.....	183

Item 13	Reports of Committees.....	190
	13.1 Audit, Risk and Governance Committee Minutes – 2 May 2017.....	190
Item 14	Motions of Which Previous Notice Has Been Given	190
Item 15	New Business of an Urgent Nature.....	191
	15.2 Port Haven TWA Village – Lease Renewal.....	191
Item 16	Matters for Which Meeting May Be Closed (Confidential Matters)	207
	16.2 Appointment of Director Development, Sustainability and Lifestyle ..	208
	16.1 Chief Executive Officer Probation Review (Late Item)	209
Item 17	Closure.....	210
	17.1 Date of Next Meeting	210
	17.2 Closure	211

Item 1 Opening of Meeting

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

Item 2 Acknowledgement of Traditional Owners

The Mayor acknowledges the traditional custodians, the Kariyarra people, and recognises the contribution of Kariyarra elders past, present and future, in working together for the future of Port Hedland.

Item 3 Recording of Attendance

3.1 Attendance

Mayor Camilo Blanco
 Deputy Mayor 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 and Performance
Gerard Sherlock	Director Infrastructure and Town Services
Ray Davy	Acting Director Development, Sustainability and Lifestyle
Robert Leeds	Chief Advisor to the Chief Executive Officer
Louise O'Donnell	Governance Officer
Tammy Wombwell	Administration Officer Governance / Minute Taker

Public	70+
Media	1
Officers	4

3.2 Apologies

Nil

3.3 Approved Leave of Absence

Nil

3.4 Disclosure of Interests

Name	Item no.	Interest	Nature
Councillor Melville	15.2 Port Haven TWA Village – Lease Renewal	Financial	Councillor Melville is an employee of BHP and owns shares over the threshold

Councillor Gillingham	12.1.6 Community Partnership Grants	Impartiality	Councillor Gillingham is a social member of the Yacht Club and a committee member of the Pilbara Music Festival.
Councillor Hooper	12.1.6 Community Partnership Grants	Financial	Councillor Hooper is a sponsor of the Hedland Playgroup
Councillor Arif	12.1.6 Community Partnership Grants	Impartiality	Councillor Arif is a social member of the Yacht Club.
Councillor Arif	15.2 Port Haven TWA Village – Lease Renewal	Financial	Councillor Arif owns shares over the threshold.
Councillor Whitwell	12.1.3 Audit, Risk and Governance Committee Membership	Impartiality	Councillor Whitwell's Wife is a community member of the committee.
Councillor Whitwell	12.1.6 Community Partnership Grants	Impartiality	Councillor Whitwell is a sponsor of the Pilbara Music Festival and a committee member of the Yacht Club.
Councillor Tavo	12.2.2 Scheme Amendment No.67 – Rezoning various lots in Bell Street to 'Transport Development'	Impartiality	Councillor Tavo's Wife has a cousin who owns property near the rezoning area.
Mayor Blanco	12.1.6 Community Partnership Grants	Impartiality	Mayor Blanco's daughter is a Committee Member of the Pilbara Music Festival

Item 4 Response to Previous Questions

4.1 Response to Questions taken on notice from Public at the Ordinary Council Meeting held on Wednesday 26 April 2017

Nil

4.2 Response to Questions taken on notice from Elected Members at the Ordinary Council Meeting held on Wednesday 26 April 2017

Nil

Item 5 Applications for Leave of Absence

CM201617/198 COUNCIL DECISION

MOVED: CR HOOPER

SECONDED: CR TAVO

That Council approve Councillor Gillingham's application for leave of absence from 26 to 31 May 2017.

CARRIED 8/0

Item 6 Attendance by Telephone/Instantaneous Communications

CM201617/199 COUNCIL DECISION**MOVED: CR MELVILLE****SECONDED: CR HOOPER**

That Council approve the following applications to attend the Special Council Meeting scheduled for 5:30pm on 6 June 2017 by telephone:

- **Councillor Whitwell**
- **Councillor Tavo**

CARRIED 8/0

Item 7 Public Time

Important note:

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

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

The Mayor opened Public Question Time at 5:37pm.

7.1 Public Question Time**7.1.1 Mr John Peters**

In regards to the Marina development, can the Town advise what their position is with their present contract with Landcorp? Is the Town still financing the preliminary design, and to what expense? If so, has it been allocated to the Marina development budget? Following the Minister of Regional Development's statement, has the Town commenced the Business Plan for this alternative development? If not, when do you propose to supply this to the Minister?

The Chief Executive Officer advised that Landcorp have finished their work on the original Marina project and that Landcorp is currently preparing a scope of works for alternative options for locations for an improved slipway amenity.

How much have these works cost to date?

The Acting Director Development, Sustainability and Lifestyle advised that the cost to date is approximately \$2.4m.

The Chief Executive Officer advised that the \$2.4m was for the planning work for the original proposal.

Does the Town have a Business Plan for the alternative development?

The Chief Executive Officer advised in the negative.

When will the Business Plan for the alternative development be available?

The Chief Executive Officer advised that the Business Plan will be complete in a few months. The Town will be providing the Minister with a letter outlining the key projects that the Town is contemplating for use in the Ministers forward planning.

Can the Town advise how many employees are employed by the Town in comparison to the employment status as notified in the Audit Report 2016?

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

Has the Chief Executive Officer employed an advisor to assist him in the capacity of the role, and is this role permanent?

The Mayor advised in the affirmative and that the advisor assists the Chief Executive Officer and the Mayor. The Mayor advised that the position will probably be concluded tonight.

Has the Mayor prepared a report for Council in regards to his recent trip to Canberra, and what was the cost?

The Mayor advised in the affirmative and that Councillors have received the report.

Will the report be made available to the community?

The Mayor advised in the affirmative and that a copy would be provided to Mr Peters.

In regards to the proposed rating strategy, the Town advertised that submissions are to be received by 12pm on 2 June 2017, is this correct?

The Mayor advised in the affirmative.

Why does it say on page 17 of the statement of objects and reasons 2017/18 that the closing date for submissions is 24 May 2017?

The Chief Executive Officer advised that the submission closing date has been revised to 2 June 2017.

The Mayor advised that the date was extended to 2 June 2017, and will be considered by Council after this date.

7.1.2 Mr Dave McGowan

With the Town continuing with the redesign of a boating facility without financial sponsorship, are the key stakeholders going to be invited to participate so a suitable solution is found for all?

The Mayor advised that there will be public consultation once the Town has an indication of Landcorp's plan.

How will the plan get put together without Landcorp getting input from the community first?

The Mayor advised that plans were designed many years ago and were shelved, and that these plans are being reconsidered.

With the announcement of the Marina Precinct project being shelved and money being dispersed to other unknown projects in the town, how much of the initial \$152m is quarantined for a boating facility?

The Mayor advised that the Town does not know, and that the Town is preparing a plan to present to the State Government.

Are all efforts in building a boating facility being directed at the location on the west side of the Spoilbank and are commercial maritime interests being considered?

The Mayor advised in the affirmative.

7.1.3 Mr Scott Gerhardt

Can the Town guarantee that there will be a venue for Hedland Water Polo to run a summer competition until the new proposed facility is operational?

The Mayor advised in the negative and that the Town has received information which may make it possible, but will not know for a few weeks.

Can the Town guarantee that the Hedland Water Polo Association will be considered and consulted throughout the planning, design and build phase of the project?

The Mayor advised in the affirmative.

What assurance can the Town provide that the new facility will be of sufficient size for Water Polo to continue in Port Hedland into the future? Of concern, is the transient elected nature of Councillors positions, and the potential that no development may occur due to the substantial grant funding required.

The Mayor advised that the Town is currently planning the Strategic Community Plan, which will be available for community consultation in the coming months and that negotiation will occur with all sporting groups and community members.

The Mayor encouraged everyone to attend the consultations, as over the years the attendance has been very poor with around 5 or 6 members of public attending and that these meetings are significant for the town and need to be well occupied by community members.

The Mayor advised that the Strategic Community Plan is proposed to be complete before the November 2017 Elections and that the Town is not closing any facilities until new facilities are built.

7.1.4 Mr Arnold Carter

Why hasn't anyone been invited to view the Towns proposed 2017/18 budget? Last year, the statement of rating objects and reasons for 2016/17 was distributed to the Chamber of Commerce and other members for consultation and there were 3 meetings with the Town to explain and describe the forthcoming 2016/17 budget.

The Mayor advised that the rating strategy is currently out for public comment and that the period for submitting public comments has not closed.

How can the public make comments when there are no figures provided with the statement of rating objects and reasons 2017/18?

The Mayor advised that the Town is following the *Local Government Act 1995* and the *Financial Management Regulations 1996* by the book and that the public has every opportunity to comment on the rate in the dollar strategy, which closes on 2 June 2017. The Mayor advised that Council have not seen the 2017/18 budget and that when the budget is available, the public will have an opportunity to view it.

We don't know why the Town wants to increase the rates because we haven't seen the 2017/18 budget.

The Mayor advised that when the presentations to the public were made last year, there was a draft budget and that currently the budget is still being developed. The Mayor advised that once it is developed it will be made available.

Why is the Town asking for public comments on the budget then?

The Mayor advised that the Town is asking for public comments on the rating strategy and that during the Mayors 10 years of involvement with the Town, and during the time Mr Carter was a Councillor, it had always been the same process.

In reference to the interest earned in the Towns financial statements dated 30 April 2017, which was \$7.639m, against the budget of \$7.379m. In the Towns investment fund, the Town anticipates a further \$3.795m payable to 30 June 2017. What amount of the interest earned of \$7.639m is from the lease of the Port Hedland International Airport?

The Mayor advised members of the public that the figures are projected figures, as the Town uses the accrual accounting method. When the financial year ends, the true figures are realised.

To clarify, the figures I stated were from the Towns actual statements, they are not presumptuous.

The Chief Executive Officer asked the Director Corporate and Performance to comment.

The Director Corporate and Performance advised that the Mayor was correct in the treatment of the interest. In the financial statements, the accrued interest up until the period of 30 June 2017 is included in the actual figures, in accordance with the accrual method of accounting.

In regards to the proportion of interest earned which relates to the lease of the Port Hedland International Airport, the Town will take the question on notice.

In the Towns financial statements for the period ending 30 April 2017, the Town indicates an income of \$49.083m, but on the monthly statement of financial activity for the period ended 30 April 2017 by nature and type, the Town indicates a current budget of \$48.703m. The same applies for the year to date figures. Why are these different?

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

7.1.5 Mr Jim Henneberry

In regards to item 12.1.5 'Sponsorship of the 2017 Pilbara Economic Forum', I ask that Councillors do not accept the officer's recommendation not to support this event, but to do the opposite and vote to approve the \$15,000 to support this worthy event in order to promote, grow and diversify our employment base numbers and residents in our town.

The Mayor advised that he would take Mr Henneberry's question as a statement.

7.1.6 Ms Jan Ford

Can Council bring forward item 15.1 'Consideration of the proposed Change of Use to Club Premises on Lot 5854, (8) Harwell Way Wedgefield, constituting a Use Not Listed in Town of Port Hedland Town Planning Scheme No. 5', so the attending children can get home early?

The Mayor advised in the affirmative.

In regards to item 15.2 'Port Haven TWA Village – Lease Renewal', I ask Council not to vote on this item for the following reasons; the lease is for a set 10 year term; there are no options or extensions offered; the community has not been consulted to see if they agree in principle; TWA's are a contentious issue; other Pilbara and mining towns have refused to extend FIFO camps; there is no business plan to support the need and TWA's can be discussed as part of the Towns plan 6 strategic plan. Can I ask Council to raise a motion for the matter to go to public comment before agreeing to 'in principle' support?

The Mayor advised that the recommendation is not to approve the TWA village. It is a decision to start the negotiation on what the future of the TWA village looks like.

I have read the documentation, I think it is a case of legal interpretation and the community is nervous about it. I appeal to Council to get public consultation prior to voting on this matter.

7.1.7 Mr George Daccache

When did the town of Port Hedland become a city?

The Mayor advised that Port Hedland is not a city.

Why is it on the front page of the agenda quoted as "A nationally significant, friendly city that people are proud to call home" signed by David Pentz, CEO?

The Mayor advised that it is a phrase used and a vision for the Town.

Can it be changed to Town?

The Mayor advised in the negative and that it is a good future vision for the Town.

Did the Mayor tell the Hedland Gymnasium club that it would not be a problem to move their club to a Wedgefield facility and to go ahead with the movement prior to a Council decision?

The Mayor advised in the negative.

7.1.8 Mr Ron Attwood

Did the Town obtain legal advice from the Local Government regarding the removal of the community members of the Audit, Risk and Governance (ARG) Committee?

The Mayor advised in the negative.

Why did the Town progress this recommendation to remove the community members from the ARG Committee without consultation or giving the community members a right to respond?

The Mayor advised that the Department of Local Government (the Department) has reviewed the audio recordings of the ARG Committee meetings and that the Department has concluded that the ARG Committee is dysfunctional and that the Town needs to do something about it before the Department steps in. The Mayor advised that this is why the item is up for consideration.

Why is the Town continuing to raise our rates, which is forcing businesses out of town, without reducing the Towns costs and staffing levels?

The Mayor advised that when the CEO commenced in January 2017, the reduction of costs was his aim and that staff levels have dropped from approximately 225 to 150, with possible further reductions. The Mayor advised that the Towns budget, moving forward, is in deficit between \$6m and \$7m and that the Town is looking at every option to reduce the expenditure that has been inherited because of previous Council decisions.

7.1.8 Mr Frank Edwards

I have 5 documents in front of me, one of which is a vesting order from the State Government which states reserves with a rodeo built on it is for 'recreation only'. I have a management order which states the same, and I have a letter from the Town of Port Hedland stating that the reserve is classed as 'rural residential', which it cannot be, as I have approached the Department of Lands and they say that housing cannot be built on it.

The Mayor asked Mr Edwards to clarify his comment and that he recalled an occasion where Mr Edwards stated that a house could be built on the land.

The Town had given me a letter which stated that housing could be built on the land. The State Government have flatly refused. Now, I have received a letter from the Town saying that it is proposed to be made 'commercial/ industrial' when the land is owned by the State. How can the Town do this?

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

7.1.9 Ms Nina Pangahas

In regards to item 12.1.3 'Audit, Risk and Governance Committee Membership', did the Town verify the accuracy of the statements before the agenda's publication in the public domain?

The Mayor advised that all information in the officer's report would have been verified by the officer.

In the report, on page 43, it states that "by appointing the whole Council to the ARG Committee and removing the community members will increase the participation of the committee and will in turn increase the effectiveness of the committee which will result in better decision making. What is the basis of this conclusion?

The Chief Executive Officer advised that the verbal recommendation from the Department of Local Government recognising the dysfunction of the ARG Committee, was to remove the community members, not singling them out, and make the whole of Council the Committee.

Was this item created before or after consultation with the Department of Local Government (the Department)?

The Mayor advised that community members are aware of what happens at the meetings and that community members should be educated in the Standing Orders Local Law, the financial requirements of the *Local Government Act 1995* and meeting procedures. The Mayor advised that community members should understand the dysfunction that has been occurring.

What aspect of the proceedings are dysfunctional? Was it due to the community members, or was it due to the Presiding Member? Was it due to the quality of the documents that are being presented to us? I want to be provided with the basis of the Town's conclusion.

The Mayor advised that the ARG Committee is an oversight committee that reviews the finances of the Town and that most of the information that is presented to the ARG Committee is for information purposes and to read and understand how the Town's finances are conducted.

The Mayor advised that when the committee cannot get a mover and a seconder to 'receive' information, it means democracy is not working at its best. The Mayor advised that if a member does not like a report or information that has been provided, committee members are required to move and second the item so that it can be debated and that in doing so, creates open accountability. The Mayor advised that this has not been happening in the ARG Committee and that it is part of the reason why the Department has been reviewing the matter and has given the Town this advice.

I think that statement was very misleading that there is no mover or seconder. I have been appointed to this committee twice by the Council. I would like to know the basis of this decision.

The Mayor advised that open accountability is achieved by the Town because the Town records the meetings and that the recordings are on the Town's website. The Mayor advised that it can be heard quite well that the Presiding Member is asking for a mover and seconder, and does not receive it and that it is just a matter of listening to the audio recordings of the ARG Committee meetings.

Can the Town please confirm if the discussion with the Department regarding the dysfunction of the ARG Committee occurred before or after this agenda was released?

The Mayor advised that the discussion took place before the agenda was released.

Can the Town provide the community members a copy of the minutes of that discussion?

The Mayor advised in the negative, and that the meeting has taken place in Perth between the Department, the Chief Executive Officer (CEO) and the Chief Advisor to the CEO.

What documentation did the Town provide to them?

The Mayor advised that he had full faith in the CEO, and does not question that the meeting had happened.

I am not questioning the integrity of the CEO, I want to understand how the Town made this conclusion without consultation or giving the community members the opportunity to say something. Publishing this in the public domain is totally unacceptable. The risk rating on this item says 'Low', and officers say that the risk is acceptable. Can the Town provide a copy of the risk assessment?

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

The Mayor closed Public Question Time at 6:16pm.

The Mayor opened Public Statement Time at 6:16pm.

7.2 Public Statement Time

7.2.1 Mr Chris Gillingham

I represent the Hedland Riders Association, we are a local not-for-profit organisation which has supported the community over the last 25 years. We are here tonight to show our support for the Hedland Gymnastics Club, in their quest to secure premises in Wedgefield. As Council have supported us with securing our land in Wedgefield, I ask Council to please consider supporting the Gymnastics Club.

7.2.2 Miss Charlie Schmich

My name is Charlie Schmich and I am 8 years old. My sisters have been doing Gymnastics in Port Hedland for all my life. I have done gymnastics for 4 years and I am at level 3. Emma is a level 6 and Jordy is a level 2. Next to Soccer, gymnastics is my favourite sport.

Thank you for your time.

7.2.3 Mr Dave McGowan

In regards to the Audit, Risk and Governance Committee, by removing the community members, it removes the 'outside' review of what is going on. Council need to keep community members in the committee.

7.2.4 Mr Arnold Carter

In regards to the Pilbara Economic Development Conference, last year the delegates from the Town of Port Hedland conducted 2 sessions and were included in the panel of discussions, they were also given a free advertising area. I notice the Town has unspent funds and I ask that Council do give favourable consideration to support this tonight.

In regards to item 15.2 'Port Haven TWA Village Lease Renewal', I ask that when the Town does negotiate, that it includes community consultation.

7.2.5 Mr Jim Henneberry

In regards to item 15.2 'Port Haven TWA Village Lease Renewal', I have a copy of the lease from Landgate, and note that the term is for 10 years with the option only to extend the lease in the first 6 months of signing. I am concerned that the Town is considering approving 'in principle' an extension without seeking community feedback. I would like to see a 60 day public comment period be approved by Council tonight. Thank you.

6:24pm The Director Infrastructure and Town Services left the room.

7.2.6 Ms Mary Attwood

In regards to item 12.1.3 'Audit, Risk and Governance Committee membership' I would like to go over the revised responsibilities and functions of the audit committees which states that the committee is to facilitate the enhancement of the credibility and objectivity on internal and external financial reporting; effective management of financial and other risks and the protection of Council assets; compliance with laws and regulations as well as use of best practice guidelines relative to audit, risk management, internal control and legislative compliance; the coordination of the internal audit function with the external audit; and the provision of an effective means of communication between the external auditor, the CEO and the Council. Membership will consist of four members with three elected and one external person. External persons will have business or financial management and reporting knowledge and experience with financial and other reporting requirements.

The terms of reference provide the ARG committee with powers to scrutinise finances, risks and governance and make recommendations to Council. However the CEO and Mayor avoided utilising the process and provided information to be 'noted' and endorsed. This process does not allow the committee to do what it is required under the local government act.

The comments made to support the resolution to remove the community members are misleading and discriminating. These members have been harassed, bullied and excluded by not allowing them to ask questions or clarifications about issues relating to the subject matter. These community members go to the committee meetings on a voluntary basis and take their responsibility seriously.

Regardless of whether this resolution passes or not, the community cannot let this issue rest and will seek other actions to resolve this issue to a higher authority.

6:26pm The Director Infrastructure and Town Services re-entered the room.

7.2.7 Mr John Peters

It is disappointing that the Town has not requested input from the Ratepayers Association on the proposed alterations and change of venue for the swimming pool. I request that the Town create a permanent dividend fund. Some regions create public trust funds, which the Town could do to reduce debts. Section 4 of the *Royalties for Regions Act* states that the purpose of the Act is to promote and facilitate economic, business and social development in regional WA. Section 8 states that the treasurer is to ensure that the amount of money standing to the credit of the fund at any time does not exceed \$1 billion.

The Mayor advised Mr Peters that these issues are State Government issues, and asked Mr Peters to move on to Local Government issues.

Section 9(1)(a) says 'to provide infrastructure and services in regional WA', the Town is in so much debt from maintaining facilities and the Town needs to apply for it.

The Mayor advised Mr Peters that these issues are related to State Government.

There are 52 agencies in the town, the Town should be looking into supporting all the various clubs through these agencies.

The Mayor advised that the local agencies are not funded by the Town, and that they are State Government funded.

7.2.8 Ms Briohny Evans

I am speaking on behalf of the Port Hedland Water Polo Association.

We would like to take this opportunity to voice our concerns we have previously experienced due to uncertainty of venues and highlight the importance of guaranteeing that we will be considered and consulted throughout the planning, design and build phase of the project.

Hedland Water Polo stated to suffer losses in membership a few years ago because our Friday night competition was moved to daytime because of insufficient lighting when the South Hedland aquatic centre was revamped. When lighting was installed we suffered multiple pool closures due to water quality issues, forcing us to cancel or relocate. This created pressure on our volunteers to arrange transport and communicate to our players the change of venue.

Last season we played in Port Hedland and although the pool is the incorrect size, we made it work and increased our membership. It is important for us that we would like the guarantee of playing throughout summer.

Hedland Water Polo want to maintain a positive and healthy relationship with the Town and we believe it is imperative for us to be consulted throughout the planning, design and build phase of the project to ensure the pool will be fit for the purpose of water polo. We have been nominated to host the 2018 Country Week Water Polo Championships which welcomes teams from Karratha, Geraldton, Bunbury and Busselton. We understand we may not host this in 2018, but would love to showcase a venue that is on point in the near future.

We look forward to working with the Town to ensure an outcome that will strengthen our sport in Hedland.

The Mayor guaranteed that all relevant sporting groups would be consulted during the process of building a new facility.

The Chief Executive Officer advised that if Council support the recommendation tonight, there will be a business case developed, and that all sporting groups will be consulted in the comprehensive planning process.

7.2.9 Ms Kate Osborne

Port Haven provides key accommodation, meals and recreation activity for the BHP, FIFO and contractor workforce. The location of Port Haven was agreed to by Council and BHP in 2010. BHP's contribution was the construction of the camp, and precinct 3 with the intent to assist Council generate additional income outside of its residential rates base. The rates and fees paid by BHP for Port Haven is around \$1m per year. A commercial agreement between the Town and BHP underpins the Port Haven lease. Under the current agreement, the lease will expire in March 2019. Port Haven has enquired with the Town since 2015 to try and understand Council's position around renewing the lease.

The majority of BHP employees are residentially based in Hedland with their families. Many of these are long term community members that contribute strongly to community and sporting groups.

BHP is the largest ratepayer in Hedland. Last year, BHP paid \$7.9m in rates and fees to the Town. The company has and continues to make substantial social investments, like GP's, housing, youth and education to Hedland for the benefit of the community. BHP contributes substantially to the economy and plan to operate for many years to come. We are working on improvements in employment, procurement and contracting at Port Haven.

BHP finds itself in a situation with limited clarity around the future of Port Haven. To ensure business continuity, BHP has to explore other options to accommodate this workforce.

Thank you for your time, and I can confirm we are continuing to work with the Town to reach a mutually beneficial outcome for our local community.

7.2.10 Mr Ron Attwood

I, Ron Attwood, the Deputy Presiding Member of the Audit, Risk and Governance (ARG) Committee reply to the statements made by the Chief Executive Officer (CEO) and Mayor.

The September meeting identified the acknowledgement of the Traditional Owners, both myself and Ms Pangahas tried to question it, the Chair said he would run the meeting how he wanted to. At the same meeting, the Chair instructed the community members that they could not ask questions at the table, and had to ask them from the pulpit.

I sought advice and it stated that all committee members could ask questions from the table. At another meeting, I asked the Chair when I could ask a question about the ARG work plan, and the Chair told me to ask when the item came up on the agenda. When the agenda item came up, we were not able to ask questions or clarifications. We did not support the motion because we were upset about it. Minutes are required by the *Local Government Act 1995*, which must reflect the process, and changes were made by the committee.

Both community members of the committee are volunteers who meet the criteria of qualifications and experience in financial management and experience in public and corporate management and since we have been appointed we have achieved the endorsement of policy changes, terms of reference, issues in relation to audit, matrix in relation to policies and projects and pushed for an internal auditor. I have attended all scheduled meetings. On one occasion I was 10 minutes late, and the meeting was cancelled. I attended a meeting with the auditor where no other members attended apart from the Mayor.

It is my view that the comments provided to support the resolution to remove the community members is misleading and is a breach of your role as the Mayor to serve and represent the interests of your community as a whole. These statements are offensive in view of my qualifications and experience and could be considered that I have been discriminated against. It is my view that the CEO and the Mayor have tabled this resolution because the community members refuse to rubber stamp resolutions.

Standing orders do not supersede the Act.

7.2.11 Mr George Daccache

The town should always have 2 swimming pools, one in Port Hedland, and one in South Hedland. They should both be heated, and open all year. The \$400,000 proposed to be spent on a master plan and design should be spent on reducing ratepayer's rates. In the report it states that having a single aquatic facility open has proved adequate to town residents, this is untrue. The community do not want to travel 20km and can't afford it.

It is a disgrace that the community members of the ARG Committee are dismissed because they ask questions that the Town don't see fit to answer or produce for verification.

The Mayor closed Public Statement Time at 6:49pm.

7.3 Petitions/Deputations/Presentations/Submissions

7.3.1 Ms Claire Wellbeloved

Ms Wellbeloved is a chairperson of the Hedland Gymnastics Club, Port Hedland.

Thank you for your time and efforts over the past few weeks with regards to taking the time to speak to me and allowing the Hedland Gymnastic Club to represent ourselves both last week's Agenda briefing and at today's meeting.

I will not take much of your time as you are already well aware of the situation of the Gymnastics club and our proposal for the change of use for our new club venue. As such I will not go into full details of many of the issues we have already covered.

I have attempted to contact each of you personally via telephone or email and trust that you feel that we have been suitably available to yourselves to answer any questions.

I would like to address a few concerns raised by yourselves and demonstrate our solutions and reasoning.

Councillor Whitwell was concerned that we felt that we were unable to utilise any of the current Town facilities namely the JD Hardy and the Wanangkura stadium as we felt they were too expensive and council has just recently lowered their rates for use of these facilities. The AMCC being a much older facility offers significantly reduced rates to either of the aforementioned venues, and with regards to liaising fees for sporting clubs or not-for-profit clubs we assumed that the Town Club Development Officer would do that on our behalf. Since this did not occur we chose to pursue alternate venue options.

Councillor Whitwell, I sent you and all the other councillors an email summarising the basic costs of other venues and you can clearly see that \$60/hr is already 4x the amount we were being charged at the AMCC which was \$15/hr.

Councillor Newbery, you expressed your concern to me that the club had not followed Town procedure's in securing approval to move prior to our relocation. For this we must apologise, as a committee we decided to sign the lease and commit to the move despite not yet having approval, as we were under the misconception that it was a mere formality. Our failure to comply came from a place of excitement and hope that we would be able to expand our club and possibly conduct competitions. It came from lack-of-knowledge of the system and it came from a group of volunteers gathered around the table late in the evening at one of our Thursday Committee meetings.

Councillor Arif your concern was around the area of Wedgefield in general and the safety of the children in our care both during and surrounding their class sessions. We have considered the risks to our children and we did not take the decision to operate in this location lightly. We have already implemented a number of safety procedures and signage to ensure that care is always taken by our families and athletes at all times. The club has coordinated sponsorship and is sourcing funding to upgrade the air-conditioning of the building and install filters which filter dust and hydrocarbons.

Further to this Michelle Collins the Development Manager of Gymnastics WA endorses our move and I quote her email dated 16 February 2017:

"Gymnastics WA has 15 clubs whose facilities are based in industrial or commercial locations. These facilities usually provide sufficient space for clubs to grow and develop the sport of gymnastics within their local area. Gymnastics WA fully supports the Hedland Gymnastics Club's application to move into a new facility located in the industrial area of the Town of Port Hedland."

I realise that what has been created is not an ideal situation and each of the councillors to whom I have spoken have made valid points as to why the proposed change of use to the premises should not be approved. I cannot begin to express how strongly the club feels that despite these obstacles, this is the correct move for us and temporary approval of the facility will certainly mean that the HGC can become the springboard for all Pilbara athletes.

What I ask of you, what I implore from you, not for me or the committee or the parents here but I ask you to consider our kids, consider the challenges that our club faces; consider the obligations we have to our members, community and sports body.

Consider also that we have taken steps, to the best of our ability, to ensure that this change was undertaken in the best interest of all. And finally consider that all we really want is to see the future of Gymnastics in Port Hedland guaranteed.

Thank you for your time.

Item 8 Questions from Members without Notice

8.1 Councillor Richard Whitwell

Can the Town confirm that the Town's employee numbers have gone from 225 to 150?

The Mayor advised in the affirmative and that the Town has approximately 150 current employees.

Are the Town's employees occupying the right seats?

The Mayor advised Councillor Whitwell that his question was an operational matter.

Can I ask the Chief Executive Officer if the Town's employees are occupying the right seats?

The Mayor advised in the negative and that the matter is operational.

Would Gratwick Hall be suitable for the Gymnastics Club?

The Mayor advised that currently it is occupied by Town officers, and that the height is not suitable for the Gymnastics Club requirements.

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

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

- Mayor Blanco
- Councillor Melville
- Councillor Gillingham
- Councillor Hooper
- Councillor Arif
- Councillor Newbery
- Councillor Whitwell
- Councillor Tavo

Item 10 Confirmation of Minutes of Previous Meeting

10.1 Confirmation of Minutes of the Ordinary Council Meeting held on Wednesday 26 April 2017**OFFICER RECOMMENDATION**

That Council confirm that the Minutes of the Ordinary Council Meeting held on Wednesday 26 April 2017 are a true and correct record.

CM201617/200 AMENDED RECOMMENDATION/ COUNCIL DECISION**MOVED: CR TAVO****SECONDED: CR GILLINGHAM**

That Council confirm that the Minutes of the Ordinary Council Meeting held on Wednesday 26 April 2017 are a true and correct record, with the following amendment:

1. On page 125 of the minutes under item 15.2 'Award of Tender 17/07 Tyre Remediation & Shredding Project' amend the vote 'For: Mayor Blanco and Against: Cr Whitwell' to 'For: Cr Whitwell and Against: Cr Blanco'.

CARRIED 8/0**Item 11 Announcements by Presiding Member without Discussion****Mayors Monthly Meetings – 1 April to 30 April 2017:**

Date:	Meeting:
3/04/2017	Meeting with CEO of Business Centre Pilbara
3/04/2017	PHIA Community Group Liaison Meeting
4/04/2017	Meeting with Quantam Consultants
4/04/2017	Pinga Street Drainage Meeting
6/04/2017	Meeting with Stephen Dawson
6/04/2017	Baler School Council Meeting
7/04/2017	Hedland High School – ANZAC Day Ceremony
7/04/2017	Meeting with WA Country Health Services
7/04/2017	Meeting with Minister for Aboriginal Affairs, Ben Wyatt
13/04/2017	WALGA Meeting
21/04/2017	Meeting with CERIT
22/04/2017	Whim Creek ANZAC day ceremony
25/04/2017	Port Hedland ANZAC day ceremony
26/04/2017	Baler Primary School Ceremony
27/04/2017	LEMC Meeting
27/04/2017	Citizenship Ceremony
27/04/2017	Meeting with Minister MacTiernan
27/04/2017	PDC Minister Event
27/04/2017	Progress Association Meeting
28/04/2017	Meeting with Roy Hill
28/04/2017	Meeting with BHP
28/04/2017	Meeting with John Peters from Labour Party
28/04/2017	Meeting with Minderoo Foundation

Mayor Blanco welcomed the new Director Infrastructure and Town Services, Gerard Sherlock, and advised that he brings a wealth of experience that will benefit the community. The Mayor advised that the Director Infrastructure and Town Services is well aware of the work required to lift the standard of the town.

Disclaimer

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

Item 12 Reports of Officers

CM201617/201 COUNCIL DECISION**MOVED: CR GILLINGHAM****SECONDED: CR HOOPER**

That Council bring item 15.1 'Consideration of the proposed Change of Use to Club Premises on Lot 5854, (8) Harwell Way Wedgefield, constituting a Use Not Listed in Town of Port Hedland Town Planning Scheme No. 5' forward for consideration.

CARRIED 8/0

15.1 Consideration of the proposed Change of Use to Club Premises on Lot 5854, (8) Harwell Way Wedgefield, constituting a Use Not Listed in Town of Port Hedland Town Planning Scheme No. 5.

File No:	130313G
Applicant/ Proponent:	RFF
Subject Land/ Locality:	Lots 5854 (8) Harwell way Wedgefield
Date:	15 May 2017
Author:	Ben McKay, Statutory Planning Officer
Authorising Officer:	Ray Davy, Acting Director Development Sustainability & Lifestyle
Disclosure of Interest from Author:	Nil
Authority/Discretion:	<input type="checkbox"/> Advocacy <input type="checkbox"/> Executive <input checked="" type="checkbox"/> Legislative <input type="checkbox"/> Quasi-Judicial <input type="checkbox"/> Information Purposes

Attachments:

1. Locality Plan
2. Site Plan

CM201617/202 OFFICER RECOMMENDATION/ COUNCIL DECISION**MOVED: CR TAVO****SECONDED: CR GILLINGHAM**

That with respect to Use Not Listed – Club Premises on Lot 5854 (8) Harwell Way Wedgefield, Council:

1. **Note that provision is to be made in the planning and design of Stage 3 of the Wanangkura Stadium for gymnastic performance space and facilities to accommodate the reasonable requirements of the Hedland Gymnastics Club.**

2. Approves application 2017/028 and accompanying plans in accordance with clause 68 of the Deemed provisions of the *Planning and Development (Local Planning Scheme) Regulations 2015* subject to the following conditions:
- a. This approval relates only to the proposed “Use not listed – Club premises”, as indicated on the approved plans (DRG2017/028/1). It does not relate to any other development on this lot.
 - b. The approval shall be valid for a period of three (3) years.
 - c. The office shall be incidental to the predominant use, and shall not be used for office activities unrelated thereto.
 - d. A minimum of fifteen (15) car parking bays shall be provided as indicated on the approved site plan.
 - e. No car parking bays shall be obstructed in any way or used for any other purpose than car parking.
 - f. No human habitation shall be permitted on the lot, with the exception of the approved “Caretakers Dwelling”.
 - g. Stormwater disposal is to be designed and constructed in accordance with the Town’s Engineering Services Guidelines.
 - h. Access way(s), parking area(s), turning area(s) shall be constructed, kerbed, formed, graded, drained, line marked and finished with a sealed or paved surface by the landowner in accordance with Australian Standard AS 2890 Parts 1 and 2.
 - i. The driveways and crossover shall be designed and constructed in accordance with Council’s Crossover Policy 9/005.

and the following Advice Notes:

- 1. The landowner is reminded this is a Planning Approval only and does not obviate the responsibility of the landowner to comply with all relevant building, health and engineering requirements.
- 2. An approved effluent disposal system shall be installed to the specification of the Town’s Environmental Health Services and to the satisfaction of the Manager of Development Services. Be advised that the effluent disposal system may also require the approval of the Western Australian Department of Health.
- 3. Application is to be made for the installation of an approved apparatus for the treatment of effluent to the satisfaction of the Manager of Development Services and the specification of the Manager of Environmental Health.
- 4. Be advised that at the building licence stage a detailed floor plan will be required to be submitted in order for Town to assess compliance with the Health (Public Buildings) Regulations 1992.

5. The development is to comply with the Health (Public Buildings) Regulations 1992.
6. The landowner is reminded that a Planning approval is required for the placement of any signage on the lot.
7. Waste receptacles are to be stored in a suitable enclosure to be provided to the specifications of the Town's Health Local Laws 1999.
8. Waste disposal and storage is to be carried out in accordance with the Town's Health Local Laws 1999.

CARRIED BY ABSOLUTE MAJORITY 8/0

EXECUTIVE SUMMARY

The Town received an application for development approval from RFF on behalf of the landowner to Change the Use of the above property to 'Club premises' in order to accommodate the activities of the Hedland Gymnastics Club. Given the growth the club has experienced and the restricted level of access available to the existing facility it is necessary for the club to expand into larger premises. Ideally the club should be accommodated in Wanangkura Stadium but it has been determined that this is currently not practicable. However, it should be possible to provide a suitable performance space and facilities for gymnastics in the next stage (Stage 3) of development of the Stadium.

As an interim measure, pending suitable premises being made available, the club is seeking approval to establish club rooms in the Wedgefield industrial area. The proposal was initially referred to Council for determination on 26 April 2017 (Council Agenda item 12.3.5) as it is a 'Use not Listed' within the Town of Port Hedland Town Planning Scheme No. 5. The officer's recommendation to approve the proposed development was carried 5/4 on the Mayor's casting vote however an absolute majority was not achieved. The application was therefore neither approved nor refused and is now referred back to Council for reconsideration.

It is recommended that approval be granted for a period of three (3) years, on the basis that a time limited approval will allow for the continued use of the club by members of the community while the Town investigates the development of suitable permanent facilities.

BACKGROUND

The proposed development is located on Lot 5854 (8) Harwell Way, Wedgefield (Subject Site). Access to the site will be achieved via Harwell way and has a site area of 2100m². In accordance with the Town of Port Hedland Town Planning Scheme No. 5 (TPS5), the development is zoned "Industry".

The applicant is seeking approval to use the site for a gymnastics club. Currently the Hedland Gymnastics Club operates from the Andrew McLoughlin Centre on Keesing Street in Port Hedland. Given the growth the club has experienced and the restricted level of access available to the existing facility it is necessary for the club to expand into larger premises.

TPS5 does not make provision within the defined uses for “Club Premises” and therefore the development needs to be considered as a “Use Not Listed”.

According to clause 3.2.6 of TPS5;

If the development of land for a particular purpose is not specifically mentioned in the zoning table and cannot reasonably be included in the definition of one of the development categories the local government may determine:

- a) that the development or use is not consistent with the objectives and purposes of the particular zone or precinct and is, therefore, not permitted, or*
- b) by absolute majority that the proposed development may be consistent with the objectives and purposes of the zone and an application for development approval should be determined in accordance with Part 99 of the deemed provisions, including the advertising procedure under Clause 64 of the Deemed provisions.*

The objectives of the industry zone are defined in clause 6.7.6 of TPS5:

The purpose of the Industry zone is to accommodate the broad range of developments required to support industry and commerce within the Town of Port Hedland.

Ideally the club should be accommodated in Wanangkura Stadium but it has been determined that this is currently not practicable. However, it should be possible to provide a suitable performance space and facilities for gymnastics in the next stage (Stage 3) of development of the Stadium. In the absence of any suitable alternative premises, a short-term arrangement to operate in the Wedgefield industrial area is considered reasonable.

Over the past few years the Town has experienced economic hardship, with the Industrial areas showing lower rates of occupation than previously experienced, it should also be noted that there is no current demand for this land by the industrial sector. The proposal will however help support additional commerce and will diversify the range of land uses in the area.

CONSULTATION

The application was advertised in the Northwest telegraph newspaper on 15 March 2017, providing 14 days to comment. A copy of the application was made available for viewing on the Towns website. During the advertising period no submissions were received.

The application was referred to internal departments including:

- Works and Services
- Environmental Health Services
- Building Services

LEGISLATIVE IMPLICATIONS

Planning and Development Act 2005 is the primary piece of legislation governing development in Western Australia.

The proposed Development has been assessed in accordance with the provisions of *Planning and Development (Local Planning Scheme) Regulations 2015* Schedule 2 –

Deemed provisions for local planning schemes and the following clauses of the Town of Port Hedland Town Planning Scheme No. 5 (TPS5)

- Part I - Preliminary
 - Clause 1.5 – The Scheme Objectives
- Part III – Zones
 - Clause 3.1 – Categories
 - Clause 3.2 - Zoning table
- Part IV – Use and Development of Land
 - Clause 4.3 – Advertising of Applications
 - Clause 4.5 – Matters to be considered by Council
 - Clause 4.6 - Determination of Applications
- Part VI – Development Requirements
 - Clause 6.3 – Residential Zone
- Appendix 1 – Definitions

POLICY IMPLICATIONS

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

FINANCIAL IMPLICATIONS

The Town received a fee from the applicant of \$595.00. There are no other financial implications associated with this proposal.

STRATEGIC IMPLICATIONS

Delivering and supporting programs, events, facilities and services which will attract and retain residents to increase our permanent population under Section 1.2 'A vibrant community rich in diverse cultures of the Towns 2014-2024 Strategic Community Plan is applicable to this agenda item.

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 is a potential social impact arising from not adopting this item in accordance with the officer's recommendation. As outlined above, the club has experienced significant growth and can no longer meet the needs of its members from the existing space.

RISK ASSESSMENT

There is a risk rating of medium (8) assigned to the risk that the community will not be able to access a gymnastics club. This risk will be mitigated should the officer's recommendation be supported.

OPTIONS

Option 1 – Adopt Officers Recommendation

Option 2 – Do Not Adopt Officers Recommendation

That with respect to Use Not Listed – Club Premises on Lot 5854 (8) Harwell Way Wedgefield, Council determine the use is not consistent with the objectives and purposes of the industrial zone, and therefore refuse the proposed development.

CONCLUSION

The development will not create or enhance any land use conflicts within the zone and should therefore be supported. It would be reasonable to support the proposed development on the site and a temporary approval issued for a period of three years.

In the longer term, planning for the development of Stage 3 of Wanangkura Stadium should make provision for gymnastics to be housed within the Stadium.

ATTACHMENT 1 TO ITEM 15.1

Subject Site

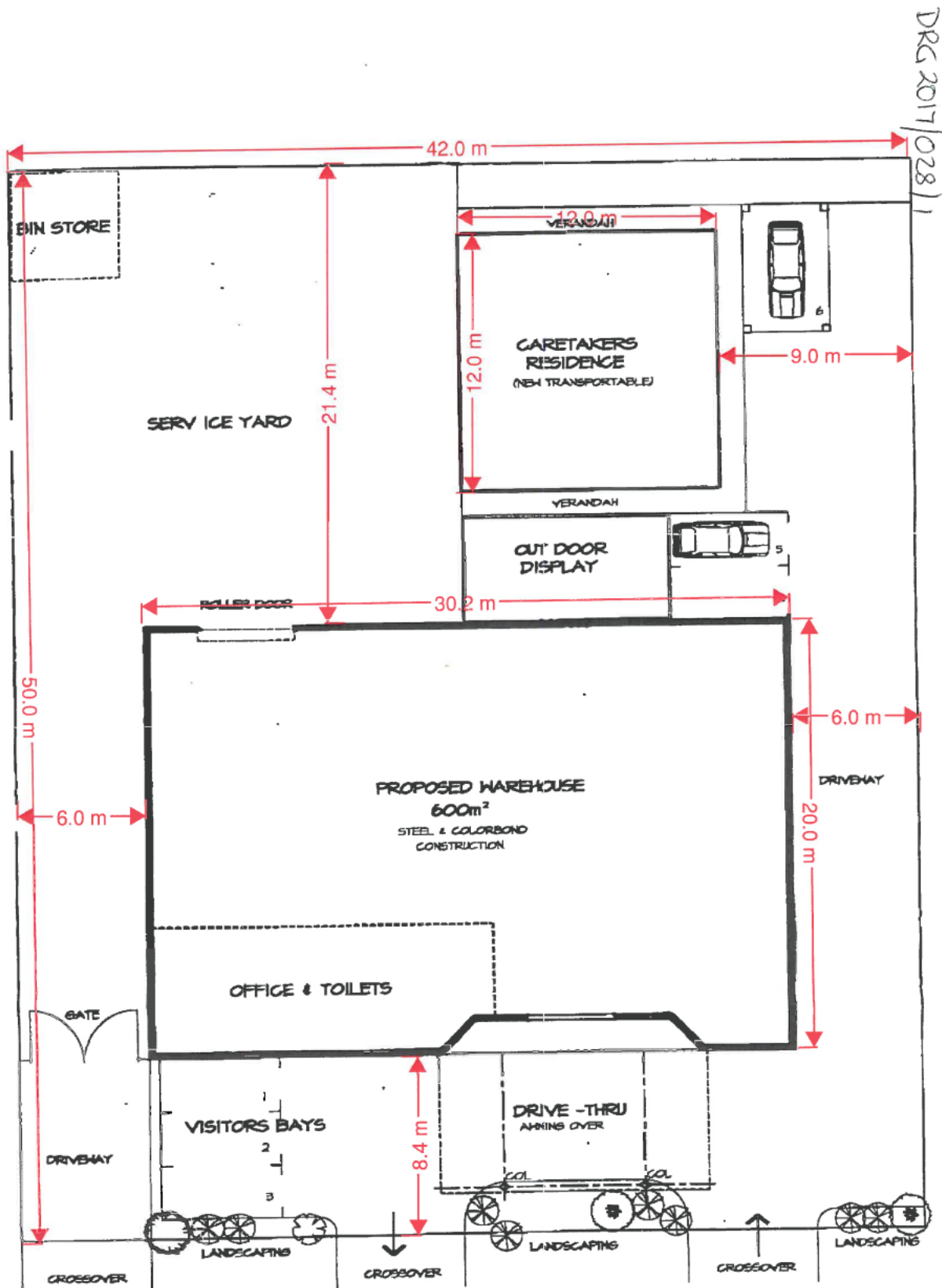


ATTACHMENT 2 TO ITEM 15.1

22/01/18 13:38 FAX 61 9 3679555

ENTERTAINMENT EN

002



12.1 Corporate and Performance

12.1.1 Amendment to Policy 4/006 'Elections – Caretakers Period'

File No: 04/03/0001
Applicant/ Proponent: N/A
Subject Land/ Locality: N/A
Date: 1 May 2017
Author: Louise O'Donnell, Governance Officer
Authorising Officer: Kathryn Crothers, Director Corporate and Performance
Disclosure of Interest from Author: N/A
Authority/Discretion: ☐ Advocacy
☒ Executive
☐ Legislative
☐ Quasi-Judicial
☐ Information Purposes

Attachments:

1. Amended Policy 4/006 'Elections – Caretaker Period'

CM201617/203 OFFICER RECOMMENDATION/ COUNCIL DECISION

MOVED: CR ARIF

SECONDED: CR HOOPER

That Council amend Policy 4/006 'Elections – Caretaker Period as per attachment 1.

CARRIED 8/0

EXECUTIVE SUMMARY

Policy 4/006 'Elections – Caretaker Period' has been reviewed and amended by Town of Port Hedland (Town) officers. This policy sets out clear guidelines in relation to the activities of Elected Members, Town officers and election candidates during election periods.

BACKGROUND

The Town is currently reviewing all policies contained in the policy manual to ensure currency and that they have not been superseded by legislation or guidelines from other government departments. Town officers have created a Policy Manual register with the purpose of monitoring the currency, compliance and status of all policies to ensure that they are kept up to date, and amended if required.

On Thursday 8 August 2013 the Department of Local Government and Communities issued the Department Circular 22-2013 Local Government Elections 2013 Bulletin No.2 (Attachment 2). The bulletin suggested that Local Governments should consider adopting a policy to cover the 'caretaker period' prior to local government elections.

Policy 4/006 was adopted by Council at its Ordinary Meeting on 28 August 2013. The policy has been reviewed with some additions to the policy recommended.

The objective of amending this policy is to strengthen the current policy to ensure Council does not make major decisions prior to an election that would bind an incoming Council, to prevent current Elected Members using public resources in ways that would be seen as advantageous and to ensure Town officers act impartially in relation to candidates.

The policy only applies during the caretaker period which begins from the close of nominations (37 days prior to the election) until 6pm on Election Day. The policy outlines the decisions Council can make during this time, the materials the Town can publish, use of Town resources and marketing material, and access to Council information.

CONSULTATION

Relevant business units within the Town have also been consulted in the amendments of this policy.

LEGISLATIVE IMPLICATIONS

Part 4 of the *Local Government Act 1995* and the *Local Government (Elections) Regulations 1997* relates to local government elections.

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.

FINANCIAL IMPLICATIONS

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

STRATEGIC IMPLICATIONS

Section 4.2 'Engage our Community and Stakeholders' of the Town's Strategic Community Plan 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

Section 4.1 Strategic and best practice local government administration is also applicable as policies assist with delivering a high quality corporate governance accountability and compliance.

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 low risk rating of (3) assigned to the amendment of the policy as if it is not adopted by Council it will not be a current and reviewed policy on the policy manual.

OPTIONS*Option 1 – Adopt Officers Recommendation**Option 2 – Adopt Officers Recommendation with amendments*

That Council amend the Town of Port Hedland Policy 4/006 'Elections – Caretaker Period' as per attachment 1 with the following amendments:

Option 3 – Retain the current policy

That Council retain the current Policy 4/006 'Elections – Caretaker Period'.

CONCLUSION

It is recommended that the Council amend policy 4/006 'Elections – Caretakers Period' in order to ensure adopted policies are current and relevant. It is anticipated that these amendments would benefit the Council and administration in understanding what is involved during the caretaker's period for elections.

ATTACHMENT 1 TO ITEM 12.1.1

**Policy Objective**

To ensure the Town's activities and Elected Members are undertaken in a manner that supports a high standard of integrity during local government election periods.

The primary objective of this Policy is to avoid the Council of the Town of Port Hedland making major decisions, prior to election, that would bind an incoming Council, prevent the use of public resources in ways that are seen as advantageous to, or promoting, the sitting Elected Members who are seeking re-election, or new candidates, and ensuring the Town of Port Hedland administration acts impartially in relation to candidates.

This Policy applies during a 'Caretaker Period' (see below for definition) to cover:

- a. Decisions that are made by the Council;
- b. Materials published by the Council;
- c. Attendance and participation in functions and events;
- d. Use of the Town's resources;
- e. Access to Council information.

Policy Content**PART 1 – INTRODUCTION****1.1 Application**

This Caretaker Policy applies to Elected Members, electoral candidates and employees of the Town of Port Hedland.

1.2 Scheduling Consideration of Major Policy Decisions

So far as is reasonably practicable, the Chief Executive Officer should avoid scheduling major policy decisions for consideration during a Caretaker Period, and instead ensure that such decisions are either:

- a. Considered by the Council prior to the Caretaker Period; or
- b. Scheduled for determination by the incoming Council.

Where extraordinary circumstances prevail, the Chief Executive Officer may submit a major policy decision to the Council in accordance with Part 3 of this policy.

1.3 Decision Made Prior to a Caretaker Period

This Policy only applies to actual decisions made during a Caretaker Period, not the announcement of decisions made prior to the Caretaker Period. Whilst



4/006 ELECTIONS – CARETAKER PERIOD POLICY



announcement of earlier decisions may be made during a Caretaker Period, as far as practicable any such announcements should be made before the Caretaker Period begins.

All documentation prepared for Council meetings will be carefully vetted by the Chief Executive Officer to ensure that no agenda item is included that could potentially influence voters' intentions at the election or could encourage Mayor or Councillor candidates to use the item as part of their electioneering.

Elected Members commit to refraining from moving motions or raising matters at a meeting that could potentially be considered an electoral matter.

PART 2 – IMPLEMENTATION OF CARETAKER PRACTICES

2.1 *Role of the Chief Executive Officer in Implementing Caretaker Practices*

The role of the Chief Executive Officer in implementing the caretaker practices outlined in this policy is as follows:

- a. The Chief Executive Officer will ensure as far as possible, that all Elected Members and Town officers~~staff~~ are aware of the Caretaker Policy and practices 30 days prior to the start of the Caretaker Period.
- b. The Chief Executive Officer will ensure, as far as possible, that any major policy or significant decisions required by the Council are scheduled for Council resolution prior to the Caretaker Period or deferred where appropriate for determination by the incoming Council.
- c. The Chief Executive Officer will endeavour to make sure all announcements regarding decisions made by the Council, prior to the Caretaker Period, are publicised prior to the Caretaker Period.

PART 3 – EXTRAORDINARY CIRCUMSTANCES REQUIRING EXEMPTION

3.1 *Extraordinary Circumstances*

The Chief Executive Officer may, where extraordinary circumstances prevail, permit a matter defined as a 'major policy decision' to be submitted to the Council. The Chief Executive Officer is to have regard to a number of circumstances, including but not limited to:

- a. Whether the decision is 'significant';
- b. The urgency of the issue (that is - can it wait until after the election);
- c. The possibility of legal and/or financial repercussions if it is deferred;
- d. Whether the decision is likely to be controversial; and
- e. The best interests of the Town of Port Hedland.

3.2 *Appointment or Removal of the Chief Executive Officer*



4/006 ELECTIONS – CARETAKER PERIOD POLICY

Whilst the definitions of this policy establishes that a Chief Executive Officer may not be appointed or dismissed during a Caretaker Period, in the case of an emergency, the Council may act to appoint an Acting Chief Executive Officer, or suspend the current Chief Executive Officer (in accordance with the terms of their contract), pending the election, after which date a permanent decision can be made.

PART 4 - CARETAKER STATEMENT

To ensure the Council complies with the commitment to appropriate decision making during the Caretaker Period a Caretaker Statement will be included in every report submitted to the Council for a decision. The Caretaker Statement will specify one of the following:

- a. "The recommended decision is not a 'Major Policy Decision' within the context of Council Policy 4/006 'Elections - Caretaker Policy'."
- b. "The recommended decision is a 'Major Policy Decision' within the context of Council Policy 4/006 'Elections – Caretaker Policy' however; an exemption should be made due to extraordinary circumstances (insert the circumstances for making the exemption)".

PART 5 – TOWN OF PORT HEDLAND PUBLICATIONS

5.1 *Prohibition on Publishing Local Government Electoral Material*

The Town shall not print, publish or distribute, or cause, permit or authorise others to print, publish or distribute on behalf of the Town any advertisement, handbill, pamphlet or notice that contains 'electoral material' during the Caretaker Period.

5.2 *Electoral Material Relevant to Prohibition*

Without limiting the generality of the definition of 'electoral material', material will be considered to be intended or likely to affect voting in the election if it contains an express or implicit reference to, or comment on:

- a. The election; or
- b. A candidate in the election; or
- c. An issue submitted to, or otherwise before, the voters in connection with the election.

5.3 *Candidate and/or Elected Member Publications*

Candidates and/or Elected Members are permitted to publish campaign material on their own behalf but cannot claim for that material to be originating from or authorised by the Town. For example, use of the Town of Port Hedland crest or logo is prohibited as is use of any of the Town's photographs or images.

5.4 *Election Announcements*



4/006 ELECTIONS – CARETAKER PERIOD POLICY

This policy does not prevent publications by the Town which merely announce the holding of the election or relate only to the election process itself.

5.5 *Town of Port Hedland Publications*

Any reference to Elected Members in the Town's publications printed, published or distributed during the Caretaker Period must not include promotional text. Any of the Town's publications that are potentially affected by this policy will be reviewed by the Chief Executive Officer to ensure that any circulated, displayed or otherwise publicly available material during the Caretaker Period does not contain material that may be construed as 'electoral material'.

5.6 *Town of Port Hedland Website*

During the Caretaker Period the Town's website will not contain any material which is precluded by this policy. Any references to the election will only relate to the election process. Information about Elected Members will be restricted to names, contact details, titles, membership of special committees and other bodies to which they have been appointed to by the Council. Information about candidates on the Town's website will be restricted to their candidate profiles only.

PART 6 - PUBLIC CONSULTATION DURING THE CARETAKER PERIOD

6.1 *Prohibition*

It is prohibited under this policy for public consultation to be undertaken during the Caretaker Period (either new consultation or existing) on an issue which is contentious, unless the consultation is a mandatory statutory process or prior approval is given by the Chief Executive Officer.

PART 7 - ATTENDANCE AND PARTICIPATION AT EVENTS / FUNCTIONS / MEETINGS

7.1 *Public Events Hosted by External Bodies*

Elected Members may continue to attend events and functions hosted by external bodies during the Caretaker Period.

7.2 *Town of Port Hedland Organised Civic Events/Functions*

Civic events/functions organised by the Town and held during the Caretaker Period will be reduced to only those essential to the operation of the Town, and should not in any way be associated with any issues considered topical and relevant to the election. All known candidates are to be invited to civic events/functions organised by the Town during the Caretaker Period, however, only sitting Elected Members will be formally acknowledged at such events/functions.

7.3 *Addresses by Elected Members*



4/006 ELECTIONS – CARETAKER PERIOD POLICY

Elected Members that are also candidates should not, where possible, be permitted to make speeches or addresses at events/functions organised or sponsored by the Town during the Caretaker Period. Elected Members may make short welcome speeches at events and functions organised or sponsored by the Town during the Caretaker Period subject to prior approval of the Chief Executive Officer.

7.4 *Delegates to Community and Advisory Groups*

Elected Members appointed to community groups, advisory groups and other external organisations as representatives of the Town shall not use their attendance at meetings of such groups to either recruit assistance with electoral campaigning or to promote their personal or other candidates' electoral campaigns.

7.5 *Questions and Statements at Council or Committee Meetings*

All candidates, whether current Elected Members or not, are required to declare that they are a candidate for the upcoming election prior to asking questions or making a statement at Council or Committee Meetings.

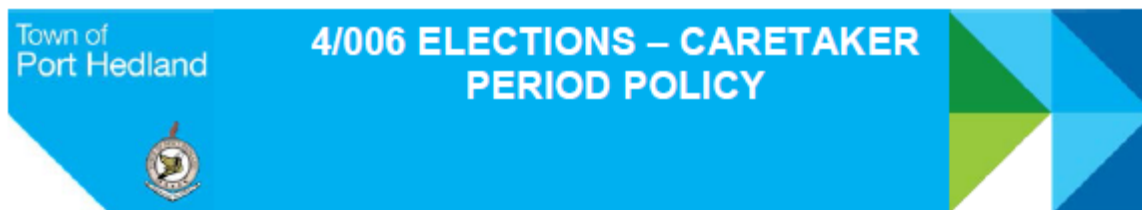
PART 8 - THE USE OF TOWN OF PORT HEDLAND RESOURCES

The *Local Government (Rules of Conduct) Regulations 2007* provide that the Town's resources are only to be utilised for authorised activities (for example – prohibits the use of employees for personal tasks and prohibits the use of equipment, stationery, or hospitality for non-Council business). This includes the use of resources for electoral purposes. It should be noted that the prohibition on the use of the Town's resources for electoral purposes is not restricted to the Caretaker Period.

The Town's staff must not be asked to undertake any tasks connected directly or indirectly with an election campaign and should avoid assisting Elected Members in ways that could create a perception that they are being used for electoral purposes. In any circumstances where the use of Town resources might be construed as being related to a candidate's election campaign, advice is to be sought from the Chief Executive Officer.

Photos, videos or images taken by or provided by the Town are not to be used by Elected Members for the purposes for electioneering or in support of their election campaign. This applies equally to images on the Town's website that may be able to be copied.

General correspondence addressed to Elected Members will be answered as usual. However, Elected Members will only sign necessary minimum correspondence during the caretaker period. Correspondence in respect to



significant, sensitive or controversial matters should be forwarded to the Chief Executive Officer for consideration and signing.

PART 9 - ACCESS TO COUNCIL INFORMATION AND ASSISTANCE

9.1 Elected Members Access to Information

During a Caretaker Period, Elected Members are able to access Council information relevant to the performance of their functions as an Elected Member. However, this access to information should be exercised with caution and limited to matters that the Council is dealing with within the objectives and intent of this policy. Any Council information so accessed must not be used for election purposes.

9.2 Electoral Information and Assistance

All candidates will have equal rights to access public information, such as the electoral rolls (draft or past rolls) and information relevant to their election campaigns from the Town administration. Information, briefing material and advice prepared or secured by Town officers staff for an Elected Member must be necessary to the carrying out of the Elected Member's role and must not be related to election issues that might be perceived to be of an electoral nature (refer to Part 8 of this policy).

Any assistance and advice provided to candidates as part of the conduct of the local government election will be provided equally to all candidates. The types of assistance that are available will be documented and communicated to candidates in advance. Types of assistance may include advice on manipulation of electoral roll data and interpretation of legislative requirements, amongst other matters.

Candidates may obtain advice or assistance from the Western Australian Electoral Commission (WAEC) as they are responsible for managing the Town of Port Hedland elections.

9.3 Information Request Register

An Information Request Register will be maintained by the Chief Executive Officer during the Caretaker Period. This Register will be a public document that records all requests for information made by Elected Members and candidates, and the response given to those requests, during the Caretaker Period. Town officers Staff will be required to provide details of requests to the Chief Executive Officer for inclusion in the Register.

9.4 Media Advice

Any requests for media advice or assistance from Elected Members during the Caretaker Period will be referred to the Chief Executive Officer. No media advice will be provided in relation to election issues or in regard to publicity that involves



4/006 ELECTIONS – CARETAKER PERIOD POLICY

specific Elected Members. If satisfied that advice sought by an Elected Member during the Caretaker Period does not relate to the election or publicity involving any specific Elected Member(s), the Chief Executive Officer may authorise the provision of a response to such a request.

9.5 *Publicity Campaigns*

During the Caretaker Period, publicity campaigns, other than for the purpose of conducting (and promoting) the election will be avoided wherever possible. Where a publicity campaign is deemed necessary for a Town activity, it must be approved by the Chief Executive Officer. In any event, the Town's publicity during the Caretaker Period will be restricted to communicating normal Town activities and initiatives.

9.6 *Media Attention*

Elected Members will not use their position as an elected representative or their access to Town ~~officers~~ staff or resources to gain media attention in support of their or any other candidate's election campaign.

9.7 *Town of Port Hedland Employees*

During the Caretaker Period no Town employee may make any public statement that relates to an election issue unless the statements have been approved by the Chief Executive Officer.

9.8 *Election Process Enquiries*

All election process enquiries from candidates, whether current Elected Members or not, will be directed to the Returning Officer or, where the matter is outside of the responsibilities of the Returning Officer, to the Western Australian Electoral Commission.

Definitions

'Caretaker Period' means the period of time when the caretaker practices are in place prior to the election. The caretaker practices will apply from the close of nominations being 37 days prior to the Election Day in accordance with Section 4.49(a) of the Local Government Act 1995, until 6pm on Election Day.

'Election Day' means the day fixed under the Local Government Act 1995 for the holding of any poll needed for an election.

'Electoral Material' means any digital communications, advertisement, handbill, pamphlet, notice, letter or article that is intended or calculated to affect the result in an election but does not include:

- (a) An advertisement in a newspaper announcing the holding of a meeting in accordance with Section 4.87(3) of the Local Government Act 1995.

Town of
Port Hedland



4/006 ELECTIONS – CARETAKER PERIOD POLICY

- (b) Any materials exempted under Regulation 78 of the Local Government (Elections) Regulations 1997.
- (c) Any materials produced by the Town relating to the election process by way of information, education or publicity, or materials produced by or on behalf of the Returning Officer for the purposes of conducting an election.

'Events and Functions' means gatherings of internal and external stakeholders to discuss, review, acknowledge, communicate, celebrate or promote a program, strategy or issue which is of relevance to the Town and stakeholders and may take the form of conferences, workshops, forums, launches, promotional activities, social occasions such as dinners and receptions.

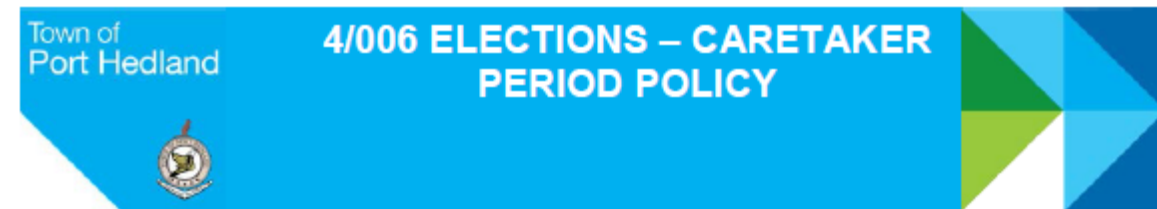
'Local Government Election' means all ordinary and extraordinary Councillor and Mayoral elections.

'Major Policy Decision' means any:

- (a) Decisions relating to the employment, termination or remuneration of the Chief Executive Officer or any other designated senior officer, other than a decision to appoint an Acting or Deputy Chief Executive Officer, or suspend the current Chief Executive Officer (in accordance with the terms of their contract), pending the election.
- (b) Decisions relating to the Town entering into a sponsorship arrangement with a total Town contribution value exceeding \$10,000 (excluding GST).
- (c) Irrevocable decisions that commit the Town to substantial expenditure or significant actions, such as that which might be brought about through a Notice of Motion by an Elected Member.
- (d) Irrevocable decisions that will have a significant impact on the Town of Port Hedland or the community.
- (e) Reports requested or initiated by an Elected Member, candidate or member of the public that, in the Chief Executive Officer's opinion, may be perceived within the general community as an electoral issue that reflects upon the Council's decision-making process, and has the potential to call into question whether decisions are soundly based and in the best interests of the community.

'Public Consultation' means a process which involves an invitation to individuals, groups or organisations or the community generally to comment on an issue, proposed action or proposed policy.

Council Adoption Date and Resolution No.	28 August 2013 OCM
Date of adoption of amendment and Resolution Number <i>Do not delete previous dates</i>	
Relevant Legislation	Local Government Act 1995 Part 4



	Local Government (Elections) Regulations 1996
Delegated Authority	N/A
Directorate	Office of the CEO
Review Frequency	Annual

12.1.2 Salaries and Allowances Tribunal Determination and Elected Members Fees, Allowance and Reimbursements for 2017/18

File No: 13/01/0009
Applicant/ Proponent: N/A
Subject Land/ Locality: N/A
Date: 20 April 2017
Author: Grace Waugh, Coordinator Governance
Authorising Officer: Kathryn Crothers, Director Corporate Services
Disclosure of Interest from Author: Nil
Authority/Discretion: ☐ Advocacy
☒ Executive
☐ Legislative
☐ Quasi-Judicial
☐ Information Purposes

Attachments:

1. Determination of the Salaries and Allowances Tribunal for Local Government CEOs and Elected Members 11 April 2017 (under separate cover)
2. Amended Policy 4/008 'Elected Member Entitlements'
3. Elected Member Fee Breakdown

OFFICER RECOMMENDATION

That with respect to policy 4/008 'Elected Member Entitlements' and the 2017/18 Elected Member fees and allowances, Council:

1. Adopt the following percentages in respect to fees and allowances for 2017/18:
 - Mayor Allowance: _% of yearly maximum of SAT determination
 - Deputy Mayor Allowance: 25% of Mayoral allowance
 - Councillors Annual Attendance Fee: _% of yearly maximum of SAT determination
 - Mayor Annual Attendance Fee: _% of yearly maximum of SAT determination
 - ICT Allowance: _% of yearly maximum of SAT determination
2. Adopt the amended policy 4/008 'Elected Member Entitlements' as per attachment 1 incorporating the fees and allowances adopted in Part 1 above.

CM201617/204 COUNCIL DECISION

MOVED: CR ARIF

SECONDED: CR HOOPER

That with respect to policy 4/008 'Elected Member Entitlements' and the 2017/18 Elected Member fees and allowances, Council:

1. **Adopt the following percentages in respect to fees and allowances for 2017/18:**
 - **Mayor Allowance: 90% of yearly maximum of SAT determination**
 - **Deputy Mayor Allowance: 25% of Mayoral allowance**

- **Councillors Annual Attendance Fee: 90% of yearly maximum of SAT determination**
 - **Mayor Annual Attendance Fee: 90% of yearly maximum of SAT determination**
 - **ICT Allowance: 100% of yearly maximum of SAT determination**
2. **Adopt the amended policy 4/008 'Elected Member Entitlements' as per attachment 1 incorporating the fees and allowances adopted in Part 1 above.**
 3. **When considering the adoption of the 2017/18 budget, the training allocation to Elected members amount remains at \$10,000 each.**

CARRIED BY ABSOLUTE MAJORITY 8/0

EXECUTIVE SUMMARY

Council is requested to consider setting a fixed percentage for its fees and allowances. This percentage will be calculated based on the annual Salaries and Allowances Tribunal (SAT) determinations which will be included as a line item each year as part of the Council's budget adoption. The amounts in the SAT determination has not changed between the 2016 and 2017 determinations.

BACKGROUND

At the 25 May 2016 Ordinary Meeting Council (decision 201516/241) the Elected Member fees and allowances for 2016/17 were set at 98.5% of the maximum of the SAT determination for the mayoral allowance, deputy mayor allowance, elected member annual attendance fee, mayoral attendance fee and 100% for the ICT allowance. This resulted in no change to the fees between the 2015/16 and 2016/17 budgets.

It is proposed that Council reconsider the percentage which will be used to calculate yearly Elected Members' fees and allowances based on the 11 April 2017 SAT determination under the *Salaries and Allowances Act 1975*. This percentage will be included as part of policy 4/008 'Elected Member Entitlements'.

Provided that the amount allocated for Mayor and Councillor fees and allowances is in accordance with the bands set for each item by the SAT, it is at Council's discretion to decide what amount or percentage to grant to all members. The Town of Port Hedland remains in band 1 as set by SAT.

Annual Attendance Fees and Allowances

Each council member is entitled to be paid meeting attendance fees. The fee for attending a meeting is not a salary but a recognition of the amount of time and effort members must put into preparing for Council and committee meetings. In addition the Mayor is entitled to an annual allowance. Councils also have the discretion to provide an annual allowance for the Deputy Mayor of a certain percentage of the annual allowance to which the Mayor is entitled.

Attachment 3 sets out the fees and allowances based on alternative percentages of the maximum amount set by SAT. It should be noted that the Deputy Mayoral allowance is not a percentage of the SAT maximum amount. It is a percentage of the 17/18 Mayor Allowance. The SAT does not set a maximum amount for the Deputy Mayor Allowance, but rather sets a standard 25% of the mayoral allowance.

Elected Members are presented with a range of options for their annual allowance and it is at Council's discretion to determine the annual allowances. Should no decision be made by Council the current policy will remain at 98.5% of the maximum of the SAT determinations except the IT Allowance which is at 100%.

With regard to travel and childcare, these items will continue to be reimbursed as per legislation, as reflected in policy 4/008 'Elected Member Entitlements'.

Per Meeting Attendance Fee

Council members have the option to receive a per meeting fee for Council meetings instead of an annual allowance. Council members can also receive a per meeting fee for committee meetings and prescribed meetings as outlined below:

- (a) meeting of a WALGA Zone, where the council member is representing a local government as a delegate elected or appointed by the local government;
- (b) meeting of a Regional Road Group established by Main Roads Western Australia, where the council member is representing a local government as a delegate elected or appointed by the local government;
- (c) council meeting of a regional local government where the council member is the deputy of a member of the regional local government and is attending in the place of the member of the regional local government;
- (d) meeting other than a council or committee meeting where the council member is attending at the request of a Minister of the Crown who is attending the meeting;
- (e) meeting other than a council meeting or committee meeting where the council member is representing a local government as a delegate elected or appointed by the local government.

This fee is subject to:

- the council member not being paid a fee for attending another of the above meetings by the organiser;
- if the council member is being paid an annual fee; or
- the council member is deputizing for a council member at a meeting of a regional local government and the member of the regional local government is paid an annual fee.

The fee cannot be paid for the attendance at the Audit, Risk and Governance Committee as per section 5.98(7) of the LG Act as the only committees that attract the fee are committees comprising of either council members only or employees and council members.

Council could choose a fee for Council Meetings, Committee meetings and prescribe meetings between the minimum and maximum from the below tables.

Council Meetings

Councillor		Mayor	
Minimum	Maximum	Minimum	Maximum
\$609	\$785	\$609	\$1,177

Committee Meetings and Prescribed Meetings

Council Member	
Minimum	Maximum
\$305	\$392

Historically Council has decided to adopt the annual attendance fee rather than the per meeting attendance fee as it is easier to manage.

Policy 4/008 'Elected Member Entitlements'

The only proposed change to the policy is to remove the civic centre building access card from section 4.1. On 20 April 2017 it was decided that Elected Members no longer needed to access the restricted office areas of the Civic Centre due to their pigeonholes now being located in the Elected Member office.

Band Allocation

The SAT determine which band each local government is allocated to. This assessment takes into consideration a range of factors including:

- Major growth and development
- Strategic planning, including risk management
- Infrastructure development and asset management
- Significant social/economic/environmental issues
- Significant demand to service and support non-resident needs
- Diversity of services
- Community involvement and advocacy
- State or national negotiations
- Operations and managerial requirements
- Capacity to pay
- Total expenditure
- Population
- FTE's

The above is based on the 2015/16 financial year. Given the stabilisation that has occurred in Port Hedland and the Town's current financial situation it wouldn't be an unexpected outcome if the Town of Port Hedland was reclassified to a lower band in future SAT determinations. The census is expected to be released in the middle of 2017 which could see a reduction to the town's population.

CONSULTATION

A Confidential Briefing was held with Elected Members on 3 May 2017. Elected Members preferred the annual fee over the per meeting fee.

Below is the Town's comparison to other band 1 categorised local governments.

Local Government	Clr Annual Fee	Mayor Annual Fee	Mayor Allowance	Deputy Mayor Allowance	IT Allowance
Town of Port Hedland	\$30,900	\$46,350	\$87,550	\$21,888	\$3,500

City of Kalgoorlie-Boulder	\$24,360	\$24,360	\$68,500	\$17,130	\$1,000
City of Karratha	\$30,000	\$45,000	\$85,000	\$21,250	\$3,500
City of Bunbury	\$24,360	\$29,500	\$60,000	\$15,000	\$3,500
City of Greater Geraldton	\$25,090	\$32,408	\$70,567	\$17,641	\$3,500
City of Armadale	\$31,364	\$47,046	\$87,550	\$21,888	\$3,500
City of Mandurah	\$29,156	\$37,240	\$70,568	\$17,642	\$3,500

The Town is the only 'Town' that is classified as band 1, all other band 1 local governments are cities. The Shire of Ashburton and the Shire of East Pilbara are classified as band 2 which have maximums which are either below or just above the band 1 minimums.

LEGISLATIVE IMPLICATIONS

The *WA Salaries and Allowances Act 1975* outlines the process and the guidelines for how SAT determines Elected Member fees and allowances.

Elected Members fees and allowances are outlined under sections 5.98, 5.98A and 5.99A(b) of the *Local Government Act 1995* (LG Act). Sections 30, 31(1)(b), 32 of the *Local Government (Administration) Regulations 1996* provides the details as to what Elected Members fees and allowances are available.

In accordance with section 5.98A of the LG Act Council may decide, by absolute majority, to pay the deputy mayor an allowance.

Section 5.99 of the LG Act requires that the decision in relation to Elected Member fees needs to be made by absolute majority.

Part 27 of the SAT determination states that Council cannot decide whether Elected Members will be paid fees or allowances under the determination. However, individual Elected Members can opt to not receive their fees or allowances. Below is the extract from the determination.

The Tribunal emphasises that any benefit provided by this determination cannot be proscribed, limited or waived by a decision of the local government. Any eligible claim against those entitlements is to be paid in accordance with the applicable financial procedures of the local government. However, individual Members may, acting independently, waive their right to receive fees.

Section 5.63 of the LG Act outlines interests which do not need to be disclosed. Elected Members are encouraged to check this section of the Act as there are exemptions for setting fees and allowances, determining reimbursements and permitted gifts.

POLICY IMPLICATIONS

Policy 4/008 'Elected Members Entitlements' was created to formalise what Elected Members are entitled to. Town officers are recommending that the policy be amended to reflect the new fees set by Council.

FINANCIAL IMPLICATIONS

Determining a percentage for all Elected Members fees and allowances will assist the Town in setting its 2017/18 Annual Budget. Attachment 3 details the impact that the various percentages will have on the Town's operating Budget.

Elected Members currently receive the below amounts per annum:

- Councillors - \$34,400
- Deputy Mayor - \$56,288
- Mayor - \$137,400

This is a total of \$434,488 for the 2016/17 budget. The below table identifies the comparison to the 2016/17 depending on the amount the Council choose.

SAT determination	Comparison to 2016/17 Budget
Minimum	Decrease of \$147,310
80% of maximum	Decrease of \$82,057
90% of maximum	Decrease of \$38,003
Current (98.5% of maximum)	No change
Maximum	Increase of \$6,051

Given discussions on the Town's financial position at recent 2017/18 budget workshops it is recommended that Council lead by example by setting appropriate fees and allowances.

Attachment 3 outlines the effect on the 2017/18 budget compared to the current fees depending on the percentage that Council chooses.

Training costs

Policy 4/008 'Elected Member Entitlements' includes information in relation to Elected Member training and conferences. It is proposed that in the 2017/18 Budget an amount of \$40,000 be allocated for group training and \$7,000 per Elected Member (totalling \$63,000) for individual training and conferences.

It is essential that Elected Members continue to attend training and conferences to ensure they are aware of their responsibilities and to expand on current knowledge. Training is a key requirement in ensuring the Council is making the best possible decisions for the community.

Any meetings outside of training and conferences will be dealt with separately, this includes the following:

- Pilbara Regional Council meetings
- Minister meetings
- WARCA meetings
- State Council meetings

STRATEGIC IMPLICATIONS

Section 4.2 'Engage our community and stakeholders' of the Strategic Community Plan 2014 – 2024 applies as ensuring Elected Members have appropriate fees and allowances ensures transparent and accountable civic leadership.

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 reputational and perception risk from the community and from Town of Port Hedland staff around adopting a fee that does not respond to the Town's constrained financial position. This risk has been assigned a rating of low (4).

There is a risk that the SAT will reclassify the Town's band level for future determinations based on the assessment criteria which would impact on the fees and allowances for Elected Members. This risk has been assigned a rating of medium (6).

OPTIONS

Option 1 - Adopt Officers Recommendation

Option 2 - Adopt Officers Recommendation with further amendments to the policy

That with respect to policy 4/008 'Elected Member Entitlements' and the 2017/18 Elected Member fees and allowances, Council:

1. Adopt the following in respect to fees and allowances for 2017/18:

- Mayor Allowance: __% of the yearly maximum SAT determination
- Deputy Mayor Allowance: 25% of the Mayoral allowance
- Councillors Annual Attendance Fee: __% of the yearly maximum SAT determination
- Mayor Annual Attendance Fee: __% of the yearly maximum SAT determination
- ICT Allowance: __% of the yearly maximum SAT determination

2. Adopt the amended policy 4/008 'Elected Member Entitlements' as per attachment 1 incorporating the fees and allowances adopted in Part 1 above inclusive of the following amendments:
 - _____
 - _____

Option 3 – Retain current percentages for the Elected Members fees and allowances

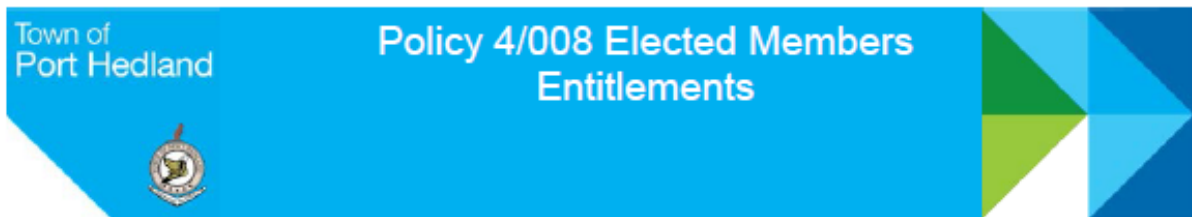
That with respect to policy 4/008 'Elected Member Entitlements' and the 2017/18 Elected Member fees and allowances, Council:

1. Adopt the following in respect to fees and allowances for 2017/18:
 - Mayor Allowance: 98.5% of the yearly maximum SAT determination
 - Deputy Mayor Allowance: 25% of the Mayoral allowance
 - Councillors Annual Attendance Fee: 98.5% of the yearly maximum SAT determination
 - Mayor Annual Attendance Fee: 98.5% of the yearly maximum SAT determination
 - ICT Allowance: 100% of the yearly maximum SAT determination
2. Adopt the amended policy 4/008 'Elected Member Entitlements' as per attachment 1 incorporating the fees and allowances adopted in Part 1 above.

CONCLUSION

Council is required to set their fees and allowances in accordance with the SAT determination each year. It is recommended that Council take the Town's financial situation into consideration when determining their 2017/18 fees and allowances.

ATTACHMENT 2 TO ITEM 12.1.2

**4/008 ELECTED MEMBERS ENTITLEMENTS****Policy Objective**

Elected Members are required to perform a number of functions to fulfil their civic duties. This policy sets out the level of fees, allowances and reimbursements available to Elected Members to ensure they are able to effectively carry out these functions and ensure that they are not financially disadvantaged when performing their duties.

Policy Content**1. FEES AND ALLOWANCES**

In the absence of Council determining the fees and allowances each year the below percentages will prevail.

1.1 Annual Meeting Attendance Fees

The Mayoral Annual Meeting Attendance Fee is 98.5% (\$46,350) of the yearly maximum Salaries and Allowances Tribunal (SAT) determination.

The Councillors' Annual Meeting Attendance Fee is 98.5% (\$30,900) of the yearly maximum Salaries and Allowances Tribunal (SAT) determination.

1.2 Mayoral Allowance

The Mayoral Allowance is 98.5% (\$87,550) of the yearly maximum SAT determination.

1.3 Deputy Mayoral Allowance

The Deputy Mayoral Allowance is 25% of the Mayoral Allowance as determined under point 1.2.

1.4 Information and Communication Technology (ICT)

The ICT Allowance is 100% of the yearly maximum SAT determination.

The ICT Allowance is for costs relating to telephone and facsimile usage and other expenses that relate to information and communications technology i.e.





telephone/fax call charges, consumables and internet service provider fees (must be of sufficient capability to download Town documents).

Elected Members are encouraged to utilise this allowance for the purchase of mobile device as Members will be supplied with electronic copies of meeting papers and will be requested to bring their device to meetings.

1.5 Conditions Relating to Payment of Fees and Allowances

All Allowances and Fees shall be paid automatically unless an Elected Member has advised the Chief Executive Officer in writing that he/she does not want to claim any or part of those.

The taxation liability arising from these payments is the individual responsibility of each Elected Member.

All the above fees and allowances are to be paid monthly in arrears, in the third week of each month.

1.6 Acting Role

If the Deputy Mayor has taken leave of absence for a period in excess of one month and another Elected Member is acting in that capacity then that Elected Member shall be entitled to the higher pro rata annual meeting fee and allowance.

2. REIMBURSEMENTS

2.1 Childcare

Elected Members are entitled to be reimbursed for childcare costs incurred because of a Member's attendance at a Council or Committee meeting as per section 31 of the *Local Government (Administration) Regulations 1996* within the parameters stipulated by the SAT.

In accordance with section 32(1)(c) of the *Local Government (Administration) Regulations 1996* Elected Members may be reimbursed for the following informal meetings:

- Weekly Elected Members and CEO catch ups
- Confidential Concept Forums
- Public Agenda Briefings
- Community conversations
- Training and Conferences





2.2 Travel

Elected Members are entitled to be reimbursed for travel costs incurred whilst using their own private vehicle to attend a Council or Committee meeting within the Town of Port Hedland district as per regulation 31 of the *Local Government (Administration) Regulations 1996* within the parameters stipulated by the SAT and section 30.6 of the *Local Government Officers' (Western Australia) Interim Award 2011*. The reimbursement for the fuel being on a cents per kilometre basis.

Where Elected Members are representing the Town of Port Hedland Council at meetings outside the Town's district they are required to utilise a Town vehicle and its fuel card where available. Where a Town of Port Hedland vehicle is not available and the Elected Member has to utilise his/her personal vehicle, he/she will be entitled to be reimbursed on a cents per km basis in accordance with the *Public Service Award 1992*. Where a Town of Port Hedland vehicle is available and he/she chooses to use their own vehicle, then costs will be reimbursed on actual fuel costs supported by appropriate tax invoices.

2.3 Claims Procedure and Time Limit

Elected Members electing to receive reimbursement of expenses in accordance with the provisions of this policy must submit their receipts and other supporting documents verifying the amount incurred and the period being claimed for prior to any reimbursement being made.

Claims for reimbursement must be submitted no later than 30 days after the end of the month in which the expenses were incurred.

Under no circumstances is any reimbursement to be made in connection with costs incurred for re-election to office.

3. TRAINING, CONFERENCES and EVENTS

3.1 Attendance

Council makes an annual allocation in the Town's budget to provide the opportunity for Elected Members to participate in appropriate training, conferences and events. Elected Members are permitted to attend these in accordance with this policy up to an amount not exceeding the annual budget allocation per Elected Member without further approval from Council.



The following training/conferences are identified as examples relevant to Elected Members' role and responsibilities:

- a) WALGA or Australian Institute of Management (AIMWA) or Australian Institute of Company Directors
- b) WALGA's Annual Local Government Week Conference and associated courses
- c) Pilbara Kimberley Joint Forum
- d) Team building exercises
- e) Any training session, conference or event considered by the Chief Executive Officer and the Mayor to be directly relevant to the performance for the Town of its functions including leadership, planning, financial management, corporate governance and social infrastructure.

Upon commencement of office an Elected Member will be provided with the opportunity to attend WALGA introductory training sessions. This will also be offered to all other Elected Members as refresher training should the training be held in Port Hedland.

During the caretaker period training and conferences will not be booked for those Elected Members seeking re-election.

Members are to submit a report to the Chief Executive Officer covering key messages on the benefits of their training/conference/event the month after it has taken place to be included in the information bulletin and published on the Town of Port Hedland website.

3.2 Bookings

All bookings associated with Elected Members' travel will be arranged by a Town's officer nominated by the Chief Executive Officer and will include:

- Registration fees;
- Travel to and from conference, study, seminars, conventions, etc;
- Accommodation;
- Meals and incidentals where required.

The Town will endeavour to seek any discount possible to minimise the cost to the Town, whilst ensuring that an appropriate standard is obtained. All travel will be booked at economy rates, and any upgrade will be made at the Member's expense.

All travel while away from Port Hedland will be by taxi, through the use of cab charges provided prior to departure from Port Hedland.





Accommodation is to be arranged at an appropriate standard in reasonable proximity to where the majority of the purpose for the visit is to occur (i.e. hotel where conference is being presented). Should an Elected Member choose not to stay at the relevant hotel, a daily allowance of \$100 will be paid in lieu of accommodation.

In the eventuality that meals are not provided at the accommodation, training session or conference, Elected Members will be given an allowance as prescribed by the Australian Taxation Office in Taxation Determinations as amended from time to time.

3.3 Bookings changes and cancellations

Any amendments or cancellations to bookings resulting from a change in Elected Members' personal circumstances should be undertaken by Elected Members at their own cost. Elected Members should inform the CEO prior to the changes taking place. Any other change or cancellation resulting from the Town's operations will be communicated to Elected Members, undertaken by relevant Town officers and paid for by the Town.

3.4 Rewards Program

Elected Members must not benefit from corporate bookings for travel undertaken in their role as Elected Member that is paid for by the Town of Port Hedland. This includes frequent flyer programs and accommodation loyalty schemes. In accordance with the *Local Government (Rules of Conduct) Regulations 2007* and the *Corruption, Crime and Misconduct Act 2003* Elected Members must not have any personal gain from acting in their role as a representative of the Town of Port Hedland.

3.5 Partners accompanying Elected Members on civic duties

The Town will pay for reasonable expenses for an immediate family member, partner or spouse of an Elected Member when they accompany an Elected Member on Town of Port Hedland business as approved in advance by the CEO. Immediate family members, partners and spouses may accompany Elected Members at other times at their own expense.

4. ITEMS TO BE PROVIDED TO ELECTED MEMBERS

4.1 Corporate Items



Policy 4/008 Elected Members Entitlements



In order to assist Elected Members in the performance of their duties they will be provided with the following items:

- Business cards
- Name badge
- Corporate wear (Elected Members have the option to receive \$700 worth of corporate wear upon commencement of their office to be purchased through the Town's endorsed catalogue and to be worn when undertaking Council business)
- Professional Membership fees up to \$500 per annum at the discretion of the CEO and Mayor
- Reasonable administrative support to the satisfaction of the Chief Executive Officer which does not extend to:
 - Supply of stationary (excluding the office of the Mayor with the approval of the Chief Executive Officer)
 - Mail outs
 - Photocopying
 - Secretarial duties (letter drafting, meeting organisation on behalf of an Elected Member, phone calls)
 - Directing Town employees
 - Assistance for Elected Members personal commitments eg, serving on external committees or community groups not representing the Town of Port Hedland Council

~~• Civic Centre building access card~~

4.3 Recognition of Elected Members

Retiring Elected Members are recognised at the last Ordinary Council meeting before the election or at an official function recognising past Elected Members. Retiring Elected Members are presented with:

- A name plaque
- A certificate of service
- A gift up to the value of \$100 per year of service with a maximum value of \$1000 subject to the minimum length of service being one full four year term of office.

4.4 Office of the Mayor

The Town is to provide to the Mayor, at the Town's cost, the following within the Town's Civic Centre:

- the use of a suitable office;





- access to administrative support with the required allocation to be negotiated with the Chief Executive Officer notwithstanding the points under section 4.1

5. DISPUTE RESOLUTION

Any disputes in regard to this policy will be referred to the Chief Executive Officer in the first instance. In the event that the Elected Member and the Chief Executive Officer cannot reach an agreement, the matter will be reported to the Council for a decision.

Definitions

Allowance – as defined in the Local Government Act 1995

Reimbursement - as defined in the Local Government Act 1995

Committee Meeting – as defined under section 5.98A(7) of the Local Government Act 1995

Council Adoption Date and Resolution No.	OCM 25 June 2014 201314/360
Date of adoption of amendment and Resolution Number Do not delete previous dates	OCM 25 March 2015 201415/206 OCM 25 May 2016 201516/241
Relevant Legislation	Local Government Act 1995 Local Government (Administration) Regulations 1996 Salaries and Allowances Act 1975
Delegated Authority	N/A
Business Unit	Corporate Information
Directorate	Corporate Services
Review Frequency	Annual



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ATTACHMENT 3 TO ITEM 12.1.2

		16/17			17/18						
EM Fee/Allowance	# of EMs	16/17 Adopted Amount per EM	16/17 Total Amount	% of 16/17 SAT	17/18 SAT Min	SAT Min Total Cost	Variance to 16/17 Budget	17/18 SAT Max	85% of SAT Max per EM	85% of SAT Max Total Amount	Variance to 16/17 Budget
Mayor Allowance	1	\$87,550	\$87,550	98.5%	\$50,750	\$50,750	-\$36,800	\$88,864	\$75,534.40	\$75,534	-\$12,016
Deputy Mayoral Allowance	1	\$21,888	\$21,888	100.0%	25% of Mayor Allowance	\$12,688	-\$9,200	25% of Mayor Allowance	\$18,883.60	\$18,883.60	-\$3,003.90
Mayor Annual Attendance Fee	1	\$46,350	\$46,350	98.5%	\$24,360	\$24,360	-\$21,990	\$47,046	\$39,989.10	\$39,989	-\$6,361
Councillor Annual Attendance Fee	8	\$30,900	\$247,200	98.5%	\$24,360	\$194,880	-\$52,320	\$31,364	\$26,659.40	\$213,275	-\$33,925
ICT Allowance	9	\$3,500	\$31,500	100.0%	\$500	\$4,500	-\$27,000	\$3,500	\$2,975	\$2,975	-\$1,525
Total			\$434,488			\$287,178	-\$147,310			\$350,657	-\$56,830

17/18

EM Fee/Allowance	# of EMs	95% of SAT Max per EM	95% of SAT Max Total Amount	Variance to 16/17 Budget	80% of SAT Max per EM	80% of SAT Max Total Amount	Variance to 16/17 Budget	90% of SAT Max per EM	90% of SAT Max Total Amount	Variance to 16/17 Budget	100% of SAT Max per EM	100% of SAT Max Total Amount	Variance to 16/17 Budget
Mayor Allowance	1	\$84,420.80	\$84,421	-\$3,129	\$71,091	\$71,091	-\$16,459	\$79,978	\$79,978	-\$7,572	\$88,864	\$88,864	\$1,314
Deputy Mayoral Allowance	1	\$21,105.20	\$21,105.20	-\$782.30	\$17,773	\$17,773	-\$4,115	\$19,994	\$19,994	-\$1,893	\$22,216	\$22,216	\$329
Mayor Annual Attendance Fee	1	\$44,693.70	\$44,694	-\$1,656	\$37,637	\$37,637	-\$8,713	\$42,341	\$42,341	-\$4,009	\$47,046	\$47,046	\$696
Councillor Annual Attendance Fee	8	\$29,795.80	\$238,366	-\$8,834	\$25,091	\$200,730	-\$46,470	\$28,228	\$225,821	-\$21,379	\$31,364	\$250,912	\$3,712
ICT Allowance	9	\$3,325	\$29,925	-\$1,575	\$2,800	\$25,200	-\$6,300	\$3,150	\$28,350	-\$3,150	\$3,500	\$31,500	\$0
Total			\$418,511	-\$15,976		\$352,430	-\$82,057		\$396,484	-\$38,003		\$440,538	\$6,051

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7:08pm Councillor Whitwell declared an impartiality interest in item 12.1.3 'Audit, Risk and Governance Committee Membership' as his Wife is a community member of the Audit, Risk and Governance Committee.

12.1.3 Audit, Risk and Governance Committee Membership

File No: 12/14/0002
Applicant/ Proponent: N/A
Subject Land/ Locality: N/A
Date: 3 May 2017
Author: Grace Waugh, Coordinator Governance
Authorising Officer: Kathryn Crothers, Director Corporate and Performance
Disclosure of Interest from Author: Nil
Authority/Discretion: ☐ Advocacy
☒ Executive
☐ Legislative
☐ Quasi-Judicial
☐ Information Purposes

Attachments:

1. Audit, Risk and Governance Committee Terms of Reference

OFFICER RECOMMENDATION

MOVED: CR TAVO

SECONDED: CR GILLINGHAM

That with respect to the Audit, Risk and Governance Committee membership, Council:

1. Decide that the Committee will comprise of Council Members only;
2. Appoint Councillors Melville, Gillingham, Arif and Hooper as Committee Members for the Audit, Risk and Governance Committee;
3. Remove Ms Nina Pangahas and Mr Ron Attwood as community members of the Audit, Risk and Governance Committee in accordance with section 5.11(2)(b) of the *Local Government Act 1995*; and
4. Request that the Chief Executive Officer review the terms of reference of the Audit, Risk and Governance Committee.

MOTION LOST 3/5

For: Mayor Blanco, Councillor Gillingham and Councillor Tavo

Against: Councillor Melville, Councillor Hooper, Councillor Arif, Councillor Newbery and Councillor Whitwell.

CM201617/205 COUNCIL DECISION**MOVED: CR MELVILLE****SECONDED: CR TAVO**

That with respect to the Audit, Risk and Governance Committee membership, Council:

- 1. Appoint Cr Melville, Cr Gillingham, Cr Hooper and Cr Arif to the Audit, Risk and Governance Committee;**
- 2. Retain the membership of Ms Nina Pangahas and Mr Ron Attwood as community members of the Audit, Risk and Governance Committee;**
- 3. Request that the Chief Executive Officer review the terms of reference of the Audit, Risk and Governance Committee.**
- 4. Request the Chief Executive Officer to review the committee membership at the November 2017 OCM.**

CARRIED BY ABSOLUTE MAJORITY 8/0

EXECUTIVE SUMMARY

Town officers are recommending that the Committee be made up of all Council members and that the two community members are removed from the committee.

BACKGROUND

Local governments are required to have an audit committee in accordance with section 7.1A of the *Local Government Act 1995* (LG Act). Governance has been raised as an issue at the Town of Port Hedland which is evident by the Better Practice Review that the Town participated in.

The Town's Audit, Risk and Governance Committee membership consists of the following:

- Mayor Camilo Blanco
- Councillor Louise Newbery
- Councillor Richard Whitwell
- Councillor Lincoln Tavo
- Ms Nina Pangahas – Community member
- Mr Ron Attwood – Community member

It has been raised by Elected Members at previous Council meetings whether the Audit, Risk and Governance Committee is working or whether it is becoming dysfunctional.

Town officers have noted that the Committee has not been operating effectively and that the meetings are not conducted efficiently. This can be seen in the ARG Committee Minutes and by listening to the recordings from meetings.

Committee members often speak outside of the consideration of items and questions from members which is not permitted by the Standing Orders Local Law. To try to alleviate this issue Town officers have organised briefings prior to Committee meetings to allow members to ask questions on any of the items on the agenda and to ask for further information if required. These briefings are usually poorly attended by Committee Members. This was evident at the May briefing that was organised to take place before the Committee meeting on 2 May 2017 where only the Mayor attended and a Community Member arrived 10 minutes late. This therefore resulted in the briefing being cancelled.

The CEO has also met with the community committee members to outline the process for asking questions on items on the agenda and to advise that he is available should Committee Members need further meetings. The CEO has not been contacted by committee members outside of the formal Committee Meetings.

Agendas for the Audit, Risk and Governance Committee are sent out the week prior to the meeting. In recent months the CEO has endeavoured to give the Committee the agenda one week in advance to ensure there is adequate time for the members to read the items.

It has also been noted that Committee Members have asked a number of questions that are outside of the ARG terms of reference or are of an operational nature. Below are examples of these questions:

- Is the traffic plan [for RAV access to KSBP] being prepared by the Town or Main Roads?
- In relation to item 5 of attachment 3 on the Risk Register, it stated that the dredging of the boat ramp is completed, who authorised these works as completed and who authorised these works to be paid? Has there been a sounding mechanisms done on the whole of the dredged part?
- The wooden steps at the beach near the Civic Centre are appalling and could be a high dangerous risk.
- I heard there is a feasibility study of \$10,000 to \$20,000 in relation to the sand at Finucane Island boat ramp.
- The Reconciliation Action Plan document was not supplied to the Audit, Risk and Governance Committee.
- Can I also request that a General Business item be added to the agenda?
- In regards to directly contacting the auditors, can there be money put aside for Committee Members to contact them? I believe it would be a benefit to the Committee, as it preserves the independence of the individual Committee Members.
- Approximately two weeks ago, I received an email about a Special Council Meeting involving a "Matter Affecting an Employee", and have since learned that the Chief Executive Officer has left the Town of Port Hedland. Why was the matter not referred to the Audit, Risk and Governance Committee prior to the Special Council Meeting?
- The items on the agenda refer to procedural matters, I think it is important that the Committee has access to those operating procedures.

Town officers don't believe this is the best use of time for the ARG Committee as the committee should be focusing on topics identified in the terms of reference as determined by Council.

Below are examples of the ARG Committee not operating effectively:

- At the September 2016 meeting there was only one item on the agenda which was the monthly outstanding decision item. There was only one member of the public present who asked questions and made a statement. The meeting went for 1.5 hours.

- At the July 2016 meeting there was one item on the agenda with no members of the public in attendance. The meeting went for 2 hours. The Presiding Member had to use his casting vote to change the schedule from monthly meetings to bi-monthly meetings.
- At the May 2017 meeting the ARG Work Plan lapsed for want of a mover even though the plan had been workshopped with Committee Members on 7 March 2017. There were no changes suggested at the workshop and the members were told to email through any suggestions/comments they had on the plan. No input was received by any members therefore the plan was presented to the May 2017 meeting.
- Amendments have been made to minutes by the Committee when they are being confirmed to include verbatim conversations that occurred outside of public time and questions from members which should not be recorded in the minutes.

Town officers recommend that the ARG Committee membership comprise of all eight current Elected Members only. This is to increase the participation and activation of the Audit, Risk and Governance Committee to ensure it is operating effectively and in line with the terms of reference. Should the value of the Committee increase the membership of the Committee can be reviewed after the October 2017 Ordinary Election when the current membership would cease as per section 5.11(2)(d) of the LG Act.

CONSULTATION

The audit committees of other local governments have been reviewed with the following results:

Local government	Number of audit committee members	Membership
City of Perth	Three	Elected Members only
City of Canning	Four	Three Elected Members and one Community Member
City of Fremantle	Eight	Elected Members only
City of Swan	Five	Four Elected Members and one Community Member
Shire of Broome	Three	Elected Members only
City of Bayswater	Eleven	All Elected Members (whole Council)
City of Cockburn	Six	Elected Members only

LEGISLATIVE IMPLICATIONS

Section 5.11 of the LG Act outlines the tenure of committee membership. A local government can remove a person from the office of committee member in accordance with section 5.11(2)(b) of the LG Act. Section 5.10 of the LG Act deal with appointment to a Committee. A decision to appoint committee members must be made by absolute majority as per section 5.10(1)(a) of the LG Act.

It is recommended that the Committee comprise of council members only. Should the Council agree to have the committee comprise of council members only the committee would then become a committee meeting that could be paid under the per meeting fee for Elected Members.

Section 2.7 of the LG Act outlines Council's role which includes overseeing the allocation of the Town's finances and resources.

POLICY IMPLICATIONS

The Department of Local Government and Communities guidelines on Audit Committees states that the Committee cannot be given management tasks where the Act and Regulations make the CEO specifically responsible or where the local government has delegated a function to the CEO.

FINANCIAL IMPLICATIONS

There are no current financial implications in changing the membership of the ARG Committee. If Council chose to move to a per meeting fee there would be a budget impact for 2017/18 as Elected Members would be able to be paid for their attendance at each ARG Committee meeting as the committee would be a Council Member only Committee.

STRATEGIC IMPLICATIONS

Section 4.1 of the Strategic Community Plan has a goal to be efficient and effective in use of resources, infrastructure, assets and technology. Town officers believe that moving to a Council member only committee will be a better use of Town resources and would make the committee more effective which would in turn deliver high quality corporate governance accountability and compliance.

The current nature of the ARG Committee is not delivering towards to goal to representing the community and providing transparent and accountable civic leadership which is identified in the Strategic Community Plan. It is the responsibility of the Council to ensure that committees are operating effectively and efficiently and is providing civic leadership.

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 (3) assigned to the risk that the removal of community members as ARG Committee Members is unfair however Town officers believe this is an acceptable risk.

OPTIONS

Option 1 - Adopt Officers Recommendation

Option 2 – Appointment 5 members to the Committee only

That with respect to the Audit, Risk and Governance Committee membership, Council:

1. Remove Ms Nina Pangahas and Mr Ron Attwood as community members of the Audit, Risk and Governance Committee in accordance with section 5.11(2)(b) of the *Local Government Act 1995*;
2. Decide that the Committee will comprise of Council Members only; and
3. Appoint Councillor _____ as the additional Committee Member for the Audit, Risk and Governance Committee.

Option 3 – Retain the current membership for the Audit, Risk and Governance Committee

That Council continue with the current operation and membership of the Audit, Risk and Governance Committee.

CONCLUSION

Town officers believe that the best solution to the current concerns with the running of the ARG Committee is to appoint the whole Council to the Committee and remove the community members. This will increase the participation at the Committee and in turn increase the effectiveness of the Committee which will result in better decision making.



TOWN OF PORT HEDLAND
AUDIT, RISK AND GOVERNANCE COMMITTEE
TERMS OF REFERENCE

Adopted: Ordinary Council Meeting 22 June 2016

AUDIT, RISK & GOVERNANCE COMMITTEE TERMS OF REFERENCE

1. Purpose of the Terms of Reference

The purpose of the terms of reference is to facilitate the operation of the Audit, Risk and Governance Committee.

2. Introduction

The Audit, Risk and Governance Committee has been established in accordance with Part 7 of the Local Government Act 1995.

The Audit, Risk and Governance Committee is an advisory committee formally appointed by the Council and is responsible to the Council. The Audit, Risk and Governance Committee does not have executive powers or authority to implement actions in areas over which management has responsibility and does not have any financial responsibility. The Audit, Risk and Governance Committee does not have any management functions and is therefore independent of management.

The ARG committee will primarily focus on relevant matters relating to Audit (internal and external), Risk and Governance.

The Audit, Risk and Governance Committee objective is to assist the Town of Port Hedland Council in liaising with the auditor and overseeing the external audit function and promoting the transparency and accountability of the Town's financial management systems and reporting. The role of the Committee is to report to the Council and provide appropriate advice and recommendations on matters relevant to its terms of reference in order to facilitate decision making by the Council in relation to the discharge of its responsibilities.

3. Objectives

The objectives of the Audit, Risk and Governance Committee are to oversee:

- 3.1 The integrity of external financial reporting, including accounting policies.
- 3.2 The scope of work, objectivity, performance and independence of the external auditor.
- 3.3 The establishment, effectiveness and maintenance of controls and systems to safeguard the Town's financial and physical resources.
- 3.4 The systems or procedures that are designed to ensure that the Town and its subsidiaries comply with relevant statutory and regulatory requirements.
- 3.5 The process for recognising risks arising from the Town's operations and strategies, and consider the adequacy of measures taken to manage those risks.
- 3.6 The process and systems which protect the Council against fraud and irregularities.

The Audit, Risk and Governance Committee must also add to the credibility of Council by promoting ethical standards through its work.

AUDIT, RISK & GOVERNANCE COMMITTEE TERMS OF REFERENCE

4. Authority

The Audit, Risk and Governance Committee has the authority to:

- 4.1 Review and suggest improvements to the internal and external auditor's annual audit plans and the outcomes/results of all audits undertaken.
- 4.2 Formally meet with the Town's appointed external auditor as necessary.
- 4.3 Seek resolution on any disagreements between management and the external auditors on financial reporting.
- 4.4 Advise Council on any or all of the above as deemed necessary.

5. Composition

- 5.1 The Audit, Risk and Governance Committee will comprise of six members, four Elected Members and two independent members.
- 5.2 The Council will appoint Audit, Risk and Governance Committee members.
- 5.3 The Presiding Member and Deputy Presiding Member will be appointed by the Audit, Risk and Governance Committee, biennially by election by all committee members after the Ordinary Local Government Election.
- 5.4 The members, taken collectively, will have a broad range of skills and experience relevant to the operations of the Town. At least one member of the committee will have accounting or related financial management experience with an understanding of accounting and auditing standards in a public sector environment.
- 5.5 Independent members will be appointed until the next Ordinary Local Government Election.
- 5.6 A quorum will be a minimum of 50% of the membership.
- 5.7 Audit, Risk and Governance Committee members are required by the Local Government Act and Code of Conduct in observing the requirements of declaring any proximity, financial or impartiality interests that relate to any matter to be considered at each meeting.
- 5.8 New members will receive relevant information and briefings on their appointment to assist them to meet their committee responsibilities.

6. Meetings

- 6.1 Meetings may be called by the Presiding Member of the Audit, Risk and Governance Committee, or at the request of the Mayor or Chief Executive Officer.
- 6.2 The Audit, Risk and Governance Committee meetings are generally open to the public unless the Presiding Member or Chief Executive Officer deem it necessary to proceed behind closed doors pursuant to Section 5.23 of the Local Government Act 1995.

AUDIT, RISK & GOVERNANCE COMMITTEE TERMS OF REFERENCE

- 6.3 All Elected Members are invited to attend each Audit, Risk and Governance Committee meeting.
- 6.4 All Audit, Risk and Governance Committee members are expected to attend each meeting in person.
- 6.5 The Chief Executive Officer will facilitate the meetings of the Audit, Risk and Governance Committee and invite members of management, internal and external auditors or others to attend meetings as observers and to provide pertinent information, as necessary.
- 6.6 The Audit, Risk and Governance Committee will develop a forward meeting schedule that includes the dates, location, and proposed work plan for each meeting for the forthcoming year, that cover all the responsibilities outlined in this terms of reference.
- 6.7 Meeting agendas will be prepared and provided at least one week in advance to members, along with appropriate briefing materials.
- 6.8 Minutes will be taken at each meeting and presented to the subsequent meeting for confirmation.

7. Responsibilities

The Audit, Risk and Governance Committee will carry out the following responsibilities:

7.1 Risk management

- 7.1.1 Review and suggest improvements to whether management has in place a current and comprehensive enterprise risk management framework and associated procedures for effective identification and management of the Town's business and financial risks, including fraud.
- 7.1.2 Determine whether a sound and effective approach has been followed in managing the Town's major risks including those associated with individual projects, program implementation, and activities.
- 7.1.3 Assess the impact of the Town's enterprise risk management framework on its control environment and insurance arrangements.
- 7.1.4 Review and suggest improvements to the process of developing and implementing the Town's fraud control arrangements and satisfy itself the Town has appropriate processes and systems in place to detect, capture and effectively respond to fraud-related information.

7.2 Business continuity

- 7.2.1 Determine whether a sound and effective approach has been followed in establishing the Town's business continuity planning arrangements, including whether business continuity and disaster recovery plans have been periodically updated and tested.

AUDIT, RISK & GOVERNANCE COMMITTEE TERMS OF REFERENCE

7.3 Internal Control

- 7.3.1 Review and suggest improvements to whether management's approach to maintaining an effective internal control framework is sound and effective.
- 7.3.2 Review and suggest improvements to whether management has in place relevant policies and procedures and that they are periodically reviewed and updated.
- 7.3.3 Determine whether the appropriate processes are in place to assess, at least once a year, whether key policies and procedures are complied with.
- 7.3.4 Review and suggest improvements to whether appropriate policies and supporting procedures are in place for the management and exercise of delegations.
- 7.3.5 Consider how management identifies any required changes to the design or implementation of key internal controls.

7.4 Financial Report

- 7.4.1 Review and suggest improvements to significant accounting and reporting issues, including complex or unusual transactions and highly judgemental areas, and recent accounting, professional and regulatory pronouncements and legislative changes, and understand their effect on the financial report.
- 7.4.2 Review with management and the external auditors the results of the audit, including any difficulties encountered, and suggest improvements if required..
- 7.4.3 Review and suggest improvements to the annual financial report and performance report of the Town of Port Hedland and its subsidiaries, and consider whether it is complete, consistent with information known to Audit, Risk and Governance Committee members, and reflects appropriate accounting principles.
- 7.4.4 Review and suggest improvements to the process for the consolidation of financial information of the Town related entities into the financial reports of the Town.
- 7.4.5 Review with management and the external auditors all matters required to be communicated to the Audit, Risk and Governance Committee under the Australian Auditing Standards, and suggest improvements if required..
- 7.4.6 Review and suggest improvements to the draft Annual Financial Statements and recommend the adoption of the Annual Financial Statements to Council.
- 7.4.7 Receive the quarterly budget review.

7.5 Compliance

- 7.5.1 Review and suggest improvements to the systems and processes to monitor effectiveness of the system for monitoring compliance with legislation and regulations and the results of management's investigation and follow-up (including disciplinary action) of any instances of non-compliance.

AUDIT, RISK & GOVERNANCE COMMITTEE TERMS OF REFERENCE

7.5.2 Keep informed of the findings of any examinations by regulatory agencies and any auditor (internal or external) observations and monitor management's response to these findings.

7.5.3 Obtain regular updates from management about compliance matters.

7.5.4 Review and suggest improvements to the annual Compliance Audit Return and report to the Council the results of the review.

7.6 Internal Audit

7.6.1 Review with management and the internal auditor the terms of reference, activities and resourcing of the internal audit function and suggest improvements if required.

7.6.2 Review, suggest improvements to and recommend the annual internal audit plan for approval by the Council and all major changes to the plan.

7.6.3 Monitor that the internal auditor's annual plan is linked with and covers the material business risks.

7.6.4 Monitor processes and practices to ensure that the independence of the audit function is maintained.

7.6.5 Annually review the performance of the internal audit including the level of satisfaction with internal audit function having consideration of the Institute of Internal Auditors' International Standards for the Professional Practice of Internal Auditing and suggest improvements if required..

7.6.6 Review and suggest improvements to all audit reports and provide advice to the Council on significant issues identified in audit reports and action to be taken on issues raised, including identification and dissemination of good practice.

7.6.7 Monitor management's implementation of internal audit recommendations.

7.7 External Audit

7.7.1 Review and suggest improvements to the external auditor's proposed audit scope and approach for financial performance audits, including any reliance on internal auditor activity.

7.7.2 Consider the findings and recommendations of relevant Performance Audits undertaken by the external auditor and ensure the Town implements relevant recommendations.

7.7.3 Provide an opportunity for the Audit, Risk and Governance Committee to meet with the external auditors to discuss any matters that the Audit, Risk and Governance Committee or the external auditors believe should be discussed privately.

7.7.4 Annually review and suggest improvements to the performance of external audit including the level of satisfaction with external audit function.

7.7.5 Monitor management's implementation of external audit recommendations.

7.8 Reporting Responsibilities

AUDIT, RISK & GOVERNANCE COMMITTEE TERMS OF REFERENCE

7.8.1 Report regularly to the Council about Audit, Risk and Governance Committee activities, issues, and related recommendations through circulation of minutes.

7.8.2 Monitor that open communication between the internal auditor, the external auditors, and the Town's management occurs.

7.9 Other Responsibilities

7.9.1 Perform other activities related to this terms of reference as requested by the Council.

7.9.2 Annually review, suggest improvements to and assess the adequacy of the Audit, Risk and Governance Committee terms of reference, request Council approval for proposed changes, and ensure appropriate disclosure as might be required by legislation or regulation.

12.1.4 2017 WA Local Government Convention and Trade Exhibition

File No: 13/01/0009
Applicant/ Proponent: N/A
Subject Land/ Locality: N/A
Date: 30 March 2017
Author: Tammy Wombwell, Administration Officer Governance
Authorising Officer: Kathryn Crothers, Director Corporate and Performance
Disclosure of Interest from Author: Nil
Authority/Discretion: ☒ Advocacy
☐ Executive
☐ Legislative
☐ Quasi-Judicial
☐ Information Purposes

Attachments:

1. 2017 Information and Registration (under separate cover)
2. Notice of Annual General Meeting for the WALGA

CM201617/206 OFFICER RECOMMENDATION/ COUNCIL DECISION**MOVED: CR HOOPER****SECONDED: CR GILLINGHAM**

That with respect to the WA Local Government Convention and Trade Exhibition, Council:

- 1. Appoint the Mayor and Deputy Mayor to represent Council as voting delegates at the Western Australian Local Government Association's Annual General Meeting, to be held on Wednesday 2 August 2017;**
- 2. Appoint Councillor Newbery and Councillor Arif as proxy voting delegates for the Western Australian Local Government Association's Annual General Meeting, to be held on Wednesday 2 August 2017; and**
- 3. Note that the following Elected Members will be attending the 2017 Western Australian Local Government Convention:**
 - a. Councillor Hooper**
 - b. Councillor Gillingham**
 - c. Councillor Newbery**
 - d. Councillor Arif**

CARRIED 8/0**EXECUTIVE SUMMARY**

The 2017 WA Local Government Convention and Trade Exhibition is scheduled to take place in August 2017. The Town's Elected Members have attended these Conventions for numerous years, and it is commonly referred to as "WALGA Week".

Council is required to register its interest in attending this year's Convention prior to Tuesday 4 July 2017. This year, in addition to the Convention, the Mayor, Deputy Mayor and CEO have been invited to an exclusive forum to initiate discussions with many influential Government members.

BACKGROUND

Mayors and Presidents' Forum

On 24 March 2017, the Western Australian Local Government Association (WALGA) invited the Mayor, Deputy Mayor and Chief Executive Officer (CEO) to attend a forum in the lead up to the 2017 WA Local Government Convention and Trade Exhibition. This forum involves a limited number of other Local Government Mayors, Presidents and CEO's, with the purpose of facilitating strategic conversations between Local Government, State Government, Government Departments and Western Australian Members of Federal Parliament.

While in Perth the Mayor and CEO will be scheduling a number of meetings with government officials to optimise the time in Perth.

The forum will be held on Tuesday 1 August 2017. The program features ten minute "speed-dating" style exchanges between Councils and Departmental Director Generals; presentations from Government Ministers and a facilitated discussion with WA Members of Federal Government.

The Town is asked to submit a prioritised list of preferred Government Departments with whom a meeting is requested, and it is anticipated that there will be the opportunity to meet with at least one of these requested Departments. Council representatives will be advised of their allocated Departmental dialogue, and are then requested to submit a short brief of the identified issue/s prior to the forum, to allow the Director General to explore the issues in advance.

WALGA Annual General Meeting

WALGA's Annual General Meeting (AGM) is being held in conjunction with the 2017 WA Local Government Convention and Trade Exhibition, and is taking place on Wednesday 2 August 2017. Member Councils are entitled to be represented at the WALGA AGM with two voting delegates, pursuant to the WALGA Constitution. Only registered delegates or proxy registered delegates can exercise voting entitlements on behalf of Member Councils. Voting delegates may be Elected Members or serving officers.

Council is required to appoint two Elected Members as the Town of Port Hedland voting delegates to attend the AGM and the Town recommends that the voting delegates be the Mayor and Deputy Mayor. Council is also required to appoint two proxy voting delegates in the event that the Mayor or the Deputy Mayor are unable to attend.

WA Local Government Convention and Trade Exhibition

The annual WA Local Government Convention and Trade Exhibition brings together hundreds of senior Local Government Council representatives from across the State.

This year the Convention will be held at the Perth Convention and Exhibition Centre and will be launched on Wednesday 2 August, through to Friday 4 August 2017.

The theme for this year's Convention is "Members First". This program reflects WALGA's perspective on how to better understand and respond to the needs of Local Government by focusing on improving Elected Member engagement and service. The program includes sessions featuring local and international speakers, field trips, breakfast sessions and various social functions between local government and exhibitionists.

Having different Elected Members attend a range of different conferences throughout the year will ensure the Town is receiving an outcome from all events. It is recommended that Council send a few Elected Members to the WALGA Convention for 2017 and continue each year on a rotational basis. This will ensure the Town is represented at a number of conferences during the year and that Elected Members don't exhaust their yearly allowance within a short period of time. This ensures that the community gains the maximum benefit by having a small amount of Elected Members represent the Town for each different types of events.

CONSULTATION

An invitation for the Mayor, Deputy Mayor and CEO to attend the Mayors and Presidents Forum was received on Friday 24 March 2017 from the Chief Executive Officer of WALGA. The Mayor and CEO have both expressed their interest in attending this forum.

LEGISLATIVE IMPLICATIONS

The Western Australian Local Government Association Constitution, section 24, states that each Ordinary Member of the association is entitled to be represented by two delegates at any Annual General Meeting or Special General Meeting.

POLICY IMPLICATIONS

Policy 4/008 'Elected Member Entitlements' directly applies to this item as it outlines what Elected Members are entitled to when attending training, conferences and events.

Policy 2/007 'Purchasing' also applies, as it outlines the purchasing objectives of the Town to demonstrate that best value for money is attained.

FINANCIAL IMPLICATIONS

The financial implications relating to this item have been separated to ensure clarity and its subsequent total cost. Travel, accommodation, registration and allowance costs to attend this event will be incorporated into both the 2016/17 and 2017/18 budgets.

The cost to send Elected Members to WALGA week will come out of the individual's proposed budget of \$7,000 for the 2017/18 financial year.

A breakdown of the cost per Elected Member to attend the Convention are as follows:

Fee	Cost per person
Registration Fee	\$ 1,475
Accommodation Cost (Tuesday, Wednesday, Thursday, Friday nights)	\$ 716
Flights (Departing Tuesday evening, returning Saturday afternoon)	\$ 660

Meals and incidentals	\$ 450
ALGWA Breakfast	\$ 55
Convention Breakfast	\$ 88
Gala Dinner	\$ 190
Total	\$ 3,634

The maximum total cost to the Town is estimated at \$32,706. This has been estimated to assume that all 8 Elected Members and the CEO attend the event.

STRATEGIC IMPLICATIONS

Having Elected Members attend the 2017 WA Local Government Convention and Trade Exhibition, will ensure the implementation and maintenance of relationships with other local governments, influential individuals or Departments and other key stakeholders. These relationships will provide the opportunity of future benefit to our community through a vast range of knowledge and advice.

Attending the 2017 WA Local Government Convention and Trade Exhibition is directly in line with section 4.2.4 of the Town's Strategic Community Plan which states 'Be a powerful voice and influential partner with Federal and State Governments and major industries for the development of Port Hedland'.

SUSTAINABILITY IMPLICATIONS

Environmental

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

Economic

There are potential positive future economic implications associated with Elected Members attending the 2017 WA Local Government Convention and Trade Exhibition, as there could be possible future trade opportunities initiated and made available to the community.

Social

There are potentially positive social implications for the community resulting from Elected Members attendance at the 2017 WA Local Government Convention and Trade Exhibition, this could be from a number of various sources, for example, Council may obtain valuable advice from Departmental Members which could potentially benefit the Town.

Risk

There is a risk rating of low (4) assigned to the risk that the Town does not obtain any benefit from Elected Members attending the 2017 WA Local Government Convention and Trade Exhibition.

OPTIONS

Option 1 – Adopt Officers Recommendation

Option 2 – Only attend Annual General Meeting

That with respect to the WA Local Government Convention and Trade Exhibition, Council:

1. Appoint the Mayor and Deputy Mayor to represent Council as voting delegates at the Western Australian Local Government Association's Annual General Meeting, to be held on Wednesday 2 August 2017;
2. Appoint _____ and _____ as proxy voting delegates for the Western Australian Local Government Association's Annual General Meeting, to be held on Wednesday 2 August 2017.

CONCLUSION

By having Elected Members attend the 2017 WA Local Government Convention and Trade Exhibition, it is anticipated that the community would benefit from any relationships that are initiated and ultimately contribute to achieving the objectives of the Strategic Community Plan.

Consideration by Council to spread their attendance equally between similar events is recommended to ensure that the most beneficial outcomes are obtained for the community.

ATTACHMENT 2 TO ITEM 12.1.4



4 April 2017

Our Ref: 01-003-02-0003 AF

Mr David Pentz
Chief Executive Officer
Town of Port Hedland
(DX 68601) PO Box 41
PORT HEDLAND WA 6721

Dear David

NOTICE OF ANNUAL GENERAL MEETING 2017

The Annual General Meeting for the Western Australian Local Government Association (WALGA) will be held on **Wednesday 2 August 2017** as part of the Local Government Convention. The meeting will be held at the Perth Convention Exhibition Centre, 21 Mounts Bay Road, Perth.

Notice of the Annual General Meeting is enclosed, together with general information on the meeting and guidelines for the preparation and submission of motions.

Please note that the closing date for submissions of motions is **Monday 5 June 2017**. Any motions proposing alterations or amendments to the Association's Constitution must be received by **Friday 12 May 2017** in order to satisfy the 60 day constitutional notice requirements.

The 2017 Local Government Convention is the premier event for Elected Members and Officers within Local Government. The Association's Annual General Meeting, as an integral part of this event, is a critical forum for mobilising the views of Western Australian Councils, confronting emerging issues and developing directions forward for our sphere of government.

For enquiries, please contact Ana Fernandez, Executive Officer, Governance or via email afernandez@walga.asn.au.

Yours sincerely

A handwritten signature in black ink that reads "Ricky Burges".

Ricky Burges
Chief Executive Officer

Enclosure: Notice of AGM

ONE70
LV1, 170 Railway Parade, West Leederville, WA 6007
PO Box 1544, West Perth, WA 6872
T: (08) 9213 2000 F: (08) 9213 2077 info@walga.asn.au
www.walga.asn.au



Notice of Annual General Meeting

**and
Procedural Information
for Submission of Motions**

**Perth Convention and Exhibition
Centre
Wednesday, 2 August 2017**

Deadline for Agenda Items

(Close of Business)

Monday 5 June 2017



2017 Local Government Convention General Information

The 2017 Local Government Convention will be held at the Perth Convention and Exhibition Centre (PCEC) from 2 August to 4 August 2017. The tentative schedule for the Convention is as follows:

<u>Tuesday, 1 August</u>	<u>START</u>	<u>FINISH</u>
Mayors and Presidents Forum	3.30 pm	5.30 pm
Mayors and Presidents Reception	5.30 pm	7.00 pm
<u>Wednesday, 2 August</u>		
State and Local Government Forum	8.30 am	12.30 pm
Registration for AGM and collection of voting keypads	10.00 am	1.30 pm
Honour Recipients Luncheon	12.00 pm	1.00 pm
WALGA AGM (including Honours Awards Presentations)	1.30 pm	5.30 pm
Convention Opening Welcome Reception	5.30 pm	7.00 pm
<u>Thursday, 3 August</u>		
ALGWA AGM and Breakfast	7.00 am	8.30 am
Opening and Convention Sessions	9.00 am	5.30 pm
Sundowner	5.30 pm	7.00 pm
<u>Friday, 4 August</u>		
Convention Breakfast with Matthew Pavlich	7.30 am	8.45 am
Convention Sessions	9.00 am	3.30 pm
Convention Gala Dinner	7.00 pm	11.30 pm

Further details are contained in the Registration Brochure which will be distributed to all Local Governments in May.

WALGA Annual General Meeting

The Annual General Meeting for the Western Australian Local Government Association will be held from 1.30 pm to 5.30 pm on Wednesday, 2 August 2017. This event should be attended by delegates from all Member Local Governments.

Cost for attending the Annual General Meeting

Attendance at the Annual General Meeting is **free of charge** to all Member Local Governments; lunch is not provided. All Convention delegates must register their attendance in advance. Registration for the Opening Welcome Reception that evening must also be notified in advance and will incur a \$60 cost for those not registered as a Full Delegate.



Submission of Motions

Member Local Governments are hereby invited to submit motions for inclusion on the Agenda for consideration at the 2017 Annual General Meeting. Motions should be submitted in writing to the Chief Executive Officer of WALGA.

The closing date for submission of motions is COB **Monday, 5 June 2017**. *Please note that any motions proposing alterations or amendments to the Constitution of the WALGA must be received by COB **Friday, 12 May 2017** in order to satisfy the 60 day constitutional notification requirements.*

The following guidelines should be followed by Members in the formulation of motions:

- Motions should focus on policy matters rather than issues which could be dealt with by the WALGA State Council with minimal delay.
- Due regard should be given to the relevance of the motion to the total membership and to Local Government in general. Some motions are of a localised or regional interest and might be better handled through other forums.
- Due regard should be given to the timeliness of the motion – will it still be relevant come the Local Government Convention or would it be better handled immediately by the Association?
- The likely political impact of the motion should be carefully considered.
- Due regard should be given to the educational value to Members – i.e. does awareness need to be raised on the particular matter?
- The potential media interest of the subject matter should be considered.
- Annual General Meeting motions submitted by Member Local Governments must be accompanied by fully researched and documented supporting comment.

Criteria for Motions

As per the Corporate Governance Charter, prior to the finalisation of the agenda, the WALGA Executive Committee will determine whether motions abide by the following criteria:

Motions will be included in the Business Paper agenda where they:

1. Are consistent with the objects of the Association (refer to clause 3 of the constitution);
2. Demonstrate that the issue/s raised will concern or are likely to concern a substantial number of Local Governments in WA;
3. Seek to advance the Local Government policy agenda of the Association and/or improve governance of the Association;
4. Have a lawful purpose (a motion does not have a lawful purpose if its implementation would require or encourage non-compliance with prevailing laws);
5. Are clearly worded and unambiguous in nature;

Motions will not be included where they are:

6. Consistent with current Association advocacy/policy positions. (As the matter has previously considered and endorsed by the Association).



Motions of similar objective:

7. Will be consolidated as a single item.

Submitters of motions will be advised of the Executive Committee's determinations.

Enquiries relating to the preparation or submission of motions should be directed to Ana Fernandez, Executive Officer Governance on 9213 2013 or via email afernandez@walga.asn.au.

Emergency Motions

No motion shall be accepted for debate at the Annual General Meeting after the closing date unless the Association President determines that it is of an urgent nature, sufficient to warrant immediate debate, and delegates resolve accordingly at the meeting. Please refer to the AGM Standing Orders for details.

A handwritten signature in black ink that reads "Lynne Craigie".

President Cr Lynne Craigie
President

A handwritten signature in black ink that reads "Ricky Burges".

Ricky Burges
Chief Executive Officer

EMAIL BACK

Voting Delegate Information 2017 Annual General Meeting



TO: Chief Executive Officer

Registered:

All Member Councils are entitled to be represented by two (2) voting delegates at the Annual General Meeting of the WA Local Government Association to be held on Wednesday, **2 August 2017** at the Perth Convention Centre.

Please complete and return this form to the Association by Monday, **3 July 2017** to register the attendance and voting entitlements of your Council's delegates to the Annual General Meeting.

In the event that a Voting Delegate is unable to attend, provision is made for proxy delegates to be registered.

Only registered delegates or proxy registered delegates will be permitted to exercise voting entitlements on behalf of Member Councils. Delegates may be Elected Members or serving officers.

Please Note: All Voting Delegates, whether registered for the Convention or not, will need to present at the WALGA Delegate Service Desk prior to the AGM to collect their electronic voting device (keypad) for voting and identification tag to gain entry into the Annual General Meeting.

VOTING DELEGATES	PROXY Voting Delegates (2)
Name of Voting Delegates (2):	Name of Proxy Voting Delegates (2):
For (Local Government Name): Shire/Town/City of Signature Chief Executive Officer _____ (An electronic signature is <u>required</u> if submitting via email) <div style="text-align: right;">Date _____</div>	

ON COMPLETION PLEASE EMAIL TO: afernandez@walga.asn.au

Ana Fernandez, Executive Officer Governance

www.walga.asn.au

12.1.5 Sponsorship of the 2017 Pilbara Economic Development Conference

File No: 02/07/0003
Applicant/ Proponent: N/A
Subject Land/ Locality: N/A
Date: 3 May 2017
Author: Tammy Wombwell, Administration Officer Governance
Authorising Officer: Kathryn Crothers, Director Corporate and Performance
Disclosure of Interest from Author: Nil
Authority/Discretion: ☐ Advocacy
☒ Executive
☐ Legislative
☐ Quasi-Judicial
☐ Information Purposes

Attachments:

1. 2017 Pilbara Economic Development Conference Prospectus (under separate cover)

MOTION

MOVED: CR TAVO

SECONDED: MAYOR BLANCO

That Council request that the Pilbara Regional Council sponsor the event on behalf of the four Pilbara local governments.

MOTION LOST 3/5

For: Mayor Blanco, Councillor Gillingham and Councillor Tavo.

Against: Councillor Melville, Councillor Hooper, Councillor Arif, Councillor Newbery and Councillor Whitwell

This item was reconsidered by Council, and the decision is noted on page 99 of these Minutes..

EXECUTIVE SUMMARY

Market Creations are seeking Local Government Partner sponsorship from the Town of Port Hedland for the 2017 Pilbara Economic Development Conference. This will be the second year that the conference has been held.

The conference is an initiative of the Pilbara districts chambers of commerce, including Karratha, Port Hedland, Onslow and Newman. The event will highlight the regions emerging industries including tourism, agriculture and renewable energy. The conference also has a focus on encouraging diversification in the Pilbara and promoting the transformation from mining towns to livable Pilbara towns and cities.

BACKGROUND

On 20 April 2017, the Town's Chief Executive Officer received an invitation to provide sponsorship of the Pilbara Economic Development Conference 2017, from the Port Hedland Chamber of Commerce. The conference is being held in Perth on Tuesday, 29 August 2017.

In 2016, the inaugural conference hosted less than 400 delegates, and speakers at the event included Premier Hon Colin Barnett, Hon Terry Redman, Hon Brendon Grylls, Lyle Banks from Pilbara Ports Authority and Hon Mark McGowan, who was the opposition leader at the time.

As this is only the second year that the conference has been conducted, there is insufficient evidence to provide to Council regarding the positive effects that other sponsors of the inaugural event have received.

In 2016, the Pilbara Regional Council provided sponsorship to the event, along with the City of Karratha, Pilbara Development Commission, Pilbara Ports Authority, Woodside, Landcorp, Indigenous Mining and Marine Services, Horizon Power, Woodside and Chevron.

Local Government Partner Sponsorship

Sponsorship for Local Government Partners is available to the Town. The sponsorship package provides acknowledgement on all event communications and promotional material, informing all attending delegates of our involvement in the region.

The following benefits are offered to a Local Government Partner:

- Key positioning of name and logo on all promotional material and correspondence including hyperlink to the Town's website.
- Promotional material includes:
 - Registration brochure
 - Advertising and signage
 - Digital projection of the sponsor logo at appropriate times throughout the event
- Four delegate passes to the forum
- Nomination of fifteen conference delegate passes to issue by invitation to strategic developers, investors, entrepreneurs and key decision makers from local, state and federal government agencies
- Acknowledgements by Master of Ceremonies of the Town's sponsorship at the forum
- Opportunity to erect display material at the forum and sundowner
- Exhibition booth at the forum

Attendance to the conference is optional, but Council may consider attending this and other similar economic development events on a rotational basis, so that each Elected Member has an equal opportunity to attend. This concept ensures an even and fair approach to the overall attendance by Council on behalf of the Town to such events.

CONSULTATION

Telephone consultation was undertaken on 2 May 2017 with the Senior Communications Officer at the Karratha office of the Pilbara Development Commission, where outcomes and feedback of the 2016 conference was discussed. The Senior Communications Officer advised that speakers at the 2016 conference were of a high standard, and the feedback that they received following the event was positive.

Consultation was also undertaken with Market Creations, in which the sponsorship cut-off date was discussed; resulting in the conclusion that there is not a cut-off date for sponsorship of this event.

Further internal discussions were held between the Chief Executive Officer, Administration Officer Governance and Coordinator Governance.

LEGISLATIVE IMPLICATIONS

In accordance with section 5.82 of the *Local Government Act*, and regulation 34B of the *Local Government (Administration) Regulations*, the Town recommends that Council decline all passes to attend the conference, therefore removing the requirements for declaring a gift, and ultimately eliminating any future potential conflicts of interest that may arise.

POLICY IMPLICATIONS

There are no policy implications relating to this item.

FINANCIAL IMPLICATIONS

The cost to the Town will be \$15,000 (ex GST) which would need to be allocated in the proposed 2017/18 budget.

Registration costs for the event are currently unavailable, but expected to be in the vicinity of \$150 to \$200.

Should Elected Members wish to attend, the cost of accommodation, travel and registration would be deducted from the Elected Members accommodation and travel budget in 2017/18.

STRATEGIC IMPLICATIONS

Section 2.1 'A thriving, resilient and diverse economy' of the Strategic Community Plan details the facilitation of commercial, industry and growth of the town. By providing sponsorship of this conference, the Town may see increased interest in these areas.

Section 2.2 'A nationally significant gateway city and destination' of the Strategic Community Plan details the development of the tourism industry and positions Port Hedland as a unique destination. The conference may also receive interest by attending delegates in this area.

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 by providing sponsorship of the 2017 Pilbara Economic Development Conference, the Town does not receive any substantial future benefit from the value of the sponsorship.

OPTIONS*Option 1 – Do not provide sponsorship of the event*

That Council do not provide sponsorship of the 2017 Pilbara Economic Conference.

Option 2 – Provide sponsorship of the event

That with respect to the 2017 Pilbara Economic Development Conference, Council:

1. Agree to sponsorship of the conference in the 'Local Government Partner' category, with a value of \$15,000 (ex GST);
2. Allocate \$15,000 (ex GST) in the 2017/18 Budget for the sponsorship of the 2017 Pilbara Economic Development Conference;
3. Decline the Four (4) delegate passes included in the 'Local Government Partner' sponsorship package to attend the conference;
4. Note that the Chief Executive Officer is to nominate the fifteen (15) Conference Delegate passes to local businesses and key stakeholders; and
5. Nominate the following Elected Members to attend the 2017 Pilbara Economic Development Conference:

Option 3 – Request that the Pilbara Regional Council sponsor the event

That Council request that the Pilbara Regional Council sponsor the event on behalf of the four Pilbara local governments.

CONCLUSION

The 2017 Pilbara Economic Development Conference focuses on the economic development of the Pilbara region. By providing sponsorship of this conference, the Town could attract key stakeholders, business and strategic opportunities to the region, which may contribute to the economic development of Port Hedland. It is recommended that the Town does not provide sponsorship of the conference, as benefits from the previous event are not yet measurable.

Consideration by Council to spread their attendance equally between similar events is recommended to ensure that the most beneficial outcomes are obtained for the community.

7:46pm Mayor Blanco declared an impartiality interest in item 12.1.6 'Community Partnership Grants', as his daughter is a committee member of the Pilbara Music Festival.

7:46pm Councillor Gillingham declared an impartiality interest in item 12.1.6 'Community Partnership Grants', as she is a member of the Yacht Club, and a member of the Pilbara Music Festival.

7:47pm Councillor Hooper declared a financial interest in item 12.1.6 'Community Partnership Grants', as he is sponsor of the Hedland Playgroup.

7:47pm Councillor Hooper left the room.

7:47pm Councillor Whitwell declared an impartiality in item 12.1.6 'Community Partnership Grants', as he is a sponsor of the Pilbara Music Festival, and a committee member of the Yacht Club.

7:48pm Councillor Arif declared an impartiality in item 12.1.6 'Community Partnership Grants', as she is a member of the Yacht Club.

12.1.6 Community Partnership Grants

File No:	02/05/0001
Applicant/ Proponent:	N/A
Subject Land/ Locality:	N/A
Date:	2 May 2017
Author:	Fiona Brough, Finance Officer
Authorising Officer:	Kathryn Crothers, Director Corporate and Performance
Disclosure of Interest from Author:	N/A
Authority/Discretion:	<input type="checkbox"/> Advocacy <input checked="" type="checkbox"/> Executive <input type="checkbox"/> Legislative <input type="checkbox"/> Quasi-Judicial <input type="checkbox"/> Information Purposes

Attachments:

1. Community Partnership Grant Matrix Register

CM201617/207 OFFICER RECOMMENDATION/ COUNCIL DECISION

MOVED: CR MELVILLE

SECONDED: CR TAVO

That with respect to Community Partnership Funding applications, Council:

1. **Acknowledge that applications for funding under policy 6/003 'Funding and Donations' were initially invited whereby applicants could apply for up to 3 years of funding.**
2. **Endorse the following applications for funding support for 1 year:**

- a. **Volunteer Marine Rescue Service Port Hedland - \$15,000 for the purposes of funding the purchase of new equipment, tools and additional training for 4 Senior Rescue Skippers;**
 - b. **Rose Nowers Early Learning Centre - \$15,000 for the purposes of expanding nature based play opportunities within the centre; expanding learning areas through additional resources; and conducting cultural activities engaging children, their families and key stakeholders;**
 - c. **Youth Involvement Council - \$12,000 for the purposes of the Mingle Mob Outreach Program to run monthly events at the South Hedland Youth Space / Skate Park.**
3. **Note that a review on Policy 6/003 'Funding and Donations' will be undertaken.**

CARRIED 7/0

7:48pm Councillor Hooper re-entered the room and resumed his chair.

EXECUTIVE SUMMARY

The Community Partnership Grant is an annual round of funding offered to the Community under the Funding & Donations Policy 6/003. The objective of this policy is to ensure the Council allocate financial support to the community in the most effective manner.

BACKGROUND

The Community Partnership Grant (CPG) is one of three different types of grants offered to the community by the Town of Port Hedland.

CPG is a unique category in that the grant offers x3 year funding of up to \$45,000 maximum and the requirements for eligibility is slightly more complex. The Town actively promotes this funding category on an annual basis and the advertisement for the current round was published in March 2017.

Review process

This year, we received a total of 16 applications ranging from rescue services, health care and sporting groups.

Applications were assessed against the Town's Funding & Donations Policy 6/003 to ensure compliance and to determine the merit of the project or event.

A panel including Manager Community Development, Finance Officer, Events Officer and Community Engagement & Inclusion Officer met to discuss each of the applications. Community Development Officer provided invaluable input given their expertise within the field.

The review process involved assessment of the applicants to determine that three applicants met the requirements of the Policy and relevant guidelines (however please see “Issues” heading below). The panel prepared a matrix to assess all applications based on information applicants provided throughout the review process.

Applicants were then scored from (1 to 5) according to the following:

- Alignment with ToPH Strategic Plan
- Sustainability beyond ToPH support
- Demonstrated high level of community need for event/program/service
- Community impact and demonstrated increase access
- Meets ToPH Funding & Donations Policy 6/003 Guidelines & Selection Criteria (Yes/No response)

Issues

Our current Funding & Donations Policy 6/003 has areas of ambiguity, presenting more evident during the panel meeting. Items to note are the following:

1. As per the policy: “Core organisation operating costs i.e. permanent staff funding, utilities, lighting costs, lease fees, rates etc.”

The funding request for Youth Involvement Council was deemed to be part-funding operational costs and therefore the recommendation for funding was reduced from \$15,000 to \$12,000 on that basis.

2. As per the policy: “Funding amount - Maximum \$15,000 support per financial year over a three year agreement (maximum support of \$45,000 over three financial years)”

Applicants prepare their submissions based on the notion that they will be funded for x 3 years. In June 2016 Council approved grants for three community organisations only for the 2016/17 year – this was for a combined total of \$36,000. We recommend a one year funding allowance only until such time as the policy has been reviewed.

3. As per the policy: “Applications for Community Partnership Grants will be called for in November of each calendar year. Applicants will be advised of the outcome following a decision made by council.”

It has become evident throughout the review process that this policy needs to be reviewed in regard to the timeliness of the application process to ensure it is consistent and aligned with the financial year. There is a community expectation that the Community Partnership funding will be open for application annually and it is common for organisations to apply each year. A timely process will also assist to ensure that Council can prepare the budget and follow a streamlined acquittal process within the financial year.

Recommendation

That council fund the following applications based on the outcome of the review process (outlined previously) and supported by the information provided in the Community Partnership Grant Matrix Register (attachment 1).

Ranking	Applicant	Amount	Comments
1	Volunteer Marine Rescue Service Port Hedland Inc	\$15,000	<p>A critical community service offering Volunteer Marine Rescue.</p> <p>Port Hedland has a vibrant, large marine community and this is a primary recreational activity.</p> <p>Applied for purposes of purchasing new equipment, tools and additional training for 4 Senior Rescue Skippers.</p> <p>Applied for 3 years funding last year but we only funded 1 year.</p>
2	Rose Nowers Early Learning Centre	\$15,000	<p>Provide child care services for Aboriginal, Torres Strait Islander and low income families, children at risk and/or with disabilities.</p> <p>Expand nature based play opportunities within the centre; expand learning areas through additional resources; and conduct cultural activities engaging children, their families and key stakeholders.</p> <p>Early learning intervention and engagement with families offers the potential to improve social outcomes for the long term benefit of the community. Strong application which closely aligns with our 2014-2024 Strategic Community Plan.</p>
3	Youth Involvement Council	\$12,000	<p>Mingle Mob Outreach Program would like to run monthly events at the South Hedland Youth Space / Skate Park.</p> <p>This aligns closely with the ToPH plan for effective social outcomes by engaging children and youth who are out in the community during the evening. Objective is to build rapport, promote positive behavior and gather important information so that young people and authorities can work together to find solutions to social problems.</p> <p>Application closely aligns with our 2014-2024 Strategic Community Plan.</p> <p>Note – Applied for \$15,000 but \$3,000 was deemed as ‘operating costs and therefore outside scope of the Policy.</p>

CONSULTATION

Consultation has been sought from several officers throughout the process including: Community Engagement and Inclusion Officer; Administration and Events Officer; Manager Community Development; Finance Officer – Treasury; and the Finance Officer.

The Executive Leadership Team were also consulted.

Applicants were also consulted where relevant throughout the process to seek additional information or clarification of their applications where necessary.

LEGISLATIVE IMPLICATIONS

Section 6.12 of the *Local Government Act* and Reg. 12 and Reg. 13 of the *Local Government (Financial Management) Regulations 1996* outline the provisions of granting funding and delegates the CEO authorisation to make the payment. Although the CEO has authority under regulation 13 to make payments, the delegation from the Council to the CEO under the policy (and also in the Delegation register) states that the Community Partnership Grants are to be decided by Council on an annual basis.

POLICY IMPLICATIONS

Funding & Donations Policy 6/003 directly applies to this item as it outlines the guidelines of the application and review process.

FINANCIAL IMPLICATIONS

Outcome of recommendation report will be to endorse \$42,000 Community partnership funding from the Community Grant budget for 2016/2017. The total 2016/2017 budget allocation is \$170,025. The Town has approved \$56,447 for Community funding and donations to date leaving a current underspend of \$113,577 prior to this recommendation being adopted.

STRATEGIC IMPLICATIONS

Applicants were asked to prepare their applications having made reference to the 2014-2024 Strategic Community Plan (Application - question 3). The review panel Applicants were scored on the basis of alignment of their funding request with the Strategic Community Plan by the review panel.

Recommendations have also been made with reference to the Reconciliation Action Plan 2016.

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 several identifiable social impacts that will result from the approval of the allocation of the Community Partnerships Funding. These include: supporting a critical community service; supporting a significant recreational activity within the community; improvement in social outcomes through supporting early based learning intervention; cultural engagement; and improvement in social problems through engaging children and youth in the community.

Risk

There is a risk rating of Low (3) assigned to the Financial Impact risk given that the \$42,000 submitted for approval is in relation to the 2016/17 Community Partnership funding for which there currently remains a Budget of \$113,577.

There is a risk rating of Low (3) assigned to the Reputation risk given that the Town could be compromised should we not allocate the Community Partnership funding. This is given we have advertised the funding round and applicants have taken the time to prepare and submit their applications and provide all relevant requested information.

OPTIONS

Option 1 – Adopt Officers Recommendation

Option 2 – Do Not Adopt Officers Recommendation

That Council do not endorse the proposed payment of funding for the current round of Community Partnership Grants.

CONCLUSION

The review process has identified three worthy applicants for the current round of Community Partnership Funding. The selection is based on a thorough review process by an independent panel of members. Successful applicants have applied by the due date and provided all necessary documentation as requested. Therefore Council's endorsement of the recommended successful applicants will contribute to positive social outcomes and provide support for the community of Port Hedland.

ATTACHMENT 1 TO ITEM 12.1.6

SUMMARY OF COMMUNITY FUNDING AND DONATIONS APPLICATIONS FOR 2017/18 - 19/20 FINANCIAL YEAR MATRIX (score from 1 - 5. 1 = least to 5 = highest)								
Organisation	What will requested funding be used for?	Q3) Align with ToPH Strategic Plan	Q7) Sustainability beyond ToPH support	Demonstrated high level of community need for event/program/service	Community impact and demonstrated increase access	Meets ToPH Funding & Donations Policy 6/003 Guidelines & Selection Criteria	Score out of 60	Comments/ Notes
Volunteer Marine Rescue Service Port Hedland Inc	Purchase of new equipment & tooling to perform sea rescues as well as provide Coxwain training for x4 Senior Rescue Skippers.	H: 5 A: 5 F: 5	H: 5 A: 5 F: 5	H: 5 A: 5 F: 5	H: 5 A: 4 F: 4	H: Yes A: Yes F: Yes	58	Option 1 # 1 Sea rescue is an essential community service. Recreational boating is one of Hedland's major activities. Provision of funding will allow an increased the level of service to the community. Applied for 3 years funding last year but we only funded 1 year (\$10,000 only). To fund new equipment, tools and additional training for 4 Senior Rescue Skippers.
Regional Development Australia	Funding of Coordination Project Officer who will head up the planning and management of the Hedland Early Years Network (EYN).	H: 5 A: 5 F: 5	H: 5 A: 5 F: 5	H: 5 A: 5 F: 4	H: 3 A: 4 F: 4	H: No A: No F: No	55	Seeking funding for operating costs. Funding will contribute towards staff wages including general admin duties. Not a lot of budget information on this one. Partially funding a position that already exists. Otherwise a good project. Eligible for Community Partnership grant
Rose Nowers Early Learning Centre	Refurbish of existing outdoor play area with sandpit, replacement of reticulation and installation of basic nature based play equipment. Purchase of cultural learning material and catering for events and activities.	H: 4 A: 4 F: 4	H: 5 A: 5 F: 5	H: 5 A: 5 T: 5	H: 3 A: 4 F: 4	H: Yes A: Yes T: Yes	53	Option 1# 2 Provide child care services for Aboriginal, Torres Strait Islander and low income families, children at risk and/or with disabilities. Expand nature based play, learning areas through additional resources, conduct cultural activities. Potential to improve social outcomes for the long term benefit of the community. Strong application which closely aligns with our 2014-2024 Strategic Community Plan.
Youth Involvement Council	Enable Mingle Mob Outreach Program to hold x12 Skate Park Rave events, once a month, at the South Hedland Skate Park to engage with at risk youths within the community.	H: 5 A: 5 F: 5	H: 1 A: 2 F: 1	H: 5 A: 5 F: 5	H: 5 A: 4 T: 5	H: Yes A: Yes F: Yes	48	Option 1 # 3 Mingle Mob Outreach Program to run monthly events at the South Hedland Space/ Skate park. Aligns with desired social outcomes - engaging youth/children in evenings. Build rapport, promote positive behaviour, facilitate working with authorities to find solutions to social problems. Closely aligns with 2014-2024 Strategic Community Plan and Reconciliation Action Plan 2016. Note: Applied for \$15,000 but \$3,000 was deemed as 'operating costs' and therefore outside of the scope of the Policy.

Pilbara Music Festival	Funding towards fees associated with Pilbara Music Festival event including venue hire, equipment hire, travel and accommodation travel costs for adjudicators etc.	H: 5 A: 5 F: 4	H: 1 A: 1 F: 1	H: 4 A: 5 F: 4	H: 5 A: 4 F: 4	H: No A: No F: No	43	Waiting for x2 audited Financial statements. Was advised they did not maintain great bookkeeping due to staff turnover. Budget expenditure is less than amount requested. No budget supporting paperwork provided. Would we cover insurance costs? Eligible for Community Support Grant.
Hedland Community Living Association	HCLA need to demonstrate what funds will be used for other than operating costs. HCLA has requested for extension until Wed 26/4/2017 however advised that assessment will be presented based on information at hand.	H: 5 A: 5 F: 5	H: 1 A: 1 F: 1	H: 4 A: 4 F: 3	H: 4 A: 4 F: 3	H: No A: No F: No	40	Pending demonstration of viability of organisation. Still waiting for audited financials to determine financial position. Believe with some items removed, this is not all core operational cost and we have previously funded similar transport projects. Eligible for Community Support Grant.
Sang Rok Hedland Judo Club	North West Judo Championships. Cover the travel and accommodation costs of high level officials from Perth who will provide training opportunities to club members and juniors. Funds to also assist with hire of larger venue for event.	H: 4 A: 4 F: 3	H: 3 A: 3 F: 3	H: 3 A: 3 F: 2	H: 4 A: 3 F: 3	H: No A: No F: No	38	Still waiting acquittal from previous application. Income/Expenditure do not match. No budget supporting paperwork provided. Partial funding. Eligible for Community Support Grant.
Hedland Playgroup	Purchase and set up of equipment for nature based outdoor play area and upgrade indoor play equipment.	H: 4 A: 4 F: 4	H: 1 A: 1 F: 1	H: 3 A: 3 F: 4	H: 5 A: 3 F: 4	H: Yes A: Yes F: Yes	37	Audited Financial Statements were not provided. Eligible for Community Support Grant.
Hedland Gymnastic Club	Matting of floor in new sporting facility located in Wedgefield.	H: 3 A: 3 F: 3	H: 1 A: 2 F: 1	H: 3 A: 3 F: 3	H: 5 A: 4 F: 4	H: No A: No F: No	35	Outstanding x2 audited Financial statements. Capital project. No budget supporting paperwork provided. High amount of money to be spent on air-conditioning. Eligible for community support grant towards equipment purchases. Eligible for Community Support Grant.
Port Hedland Hockey	Purchase of equipment to establish firm foundation to build club. Providing 12 week season for members.	H: 3 A: 3 F: 3	H: 1 A: 1 F: 1	H: 4 A: 4 F: 4	H: 3 A: 4 F: 3	H: No A: No F: No	34	Outstanding x2 audited Financial statements. Better suited to apply via other avenues i.e. DSR and ToPH Match Funding category. Start up club so would be good to provide support to get them off the ground, however there are projects with higher priority. No budget supporting paperwork provided. Eligible for community support grant towards equipment purchases.
Hedland School of Dance	Rental of MDCC to accommodate for x2 concert rehearsals, x1 dress rehearsal and x2 concerts	H: 3 A: 3 F: 3	H: 3 A: 2 F: 1	H: 3 A: 2 F: 3	H: 4 A: 3 F: 3	H: No A: No F: No	33	Outstanding x2 audited Financial statements. They have received funding previously from TOPH please ensure it has been acquitted. No project budget provided. Eligible for community support grant towards equipment purchases.
Port Hedland Yacht Club	Fund for re-accreditation training - Yachting Australia Discover Sailing Centre. Cover for travel, accommodation and training costs for trainer from Perth to Port Hedland.	H: 4 A: 3 F: 3	H: 3 A: 3 F: 3	H: 2 A: 2 F: 2	H: 2 A: 2 F: 2	H: No A: No F: No	31	Deemed to be funding operating costs for project of a recreational nature. Not a critical service or delivering priority social outcomes. Eligible for community support grant towards equipment purchases.

Port Hedland Motorcycle Club Inc	Concrete base for new club house.	H: 3 A: 3 F: 3	H: 1 A: 1 F: 1	H: 3 A: 3 F: 3	H: 3 A: 3 T: 3	H: No A: No F: No	30	Outstanding x2 audited Financial statements. Capital project. No budget supporting paperwork provided. Eligible for Community Support Grant.
Port Hedland Speedway Club	Funds to erect new fencing around perimeter of speedway venue.	H: 1 A: 2 F: 1	H: 1 A: 1 F: 1	H: 2 A: 2 F: 2	H: 5 A: 3 F: 2	H: No A: No F: No	23	Outstanding x2 audited Financial statements and other paperwork. Capital project, no budget provided for actual project. Budget outlines operating costs. Eligible for Community Support Grant.
Jabat Dance Incorporated	Funds to cover the cost of Matt Dann Hire fees	H: 3 A: 3 F: 3	H: 3 A: 2 F: 1	H: 3 A: 2 F: 3	H: 4 A: 3 F: 3	H: No A: No F: No	33	Outstanding x2 audited Financial statements. Heavily subsidise at Community rates for MDCC hire. Eligible for community support grant towards event costs.

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CM201617/208 COUNCIL DECISION**MOVED: CR MELVILLE****SECONDED: CR TAVO**

That Council suspend sections 9.4, 9.5 and 9.9 of the Town of Port Hedland Standing Orders Local Law 2014 in accordance with section 18.2 'Suspension for Standing Orders' to discuss the resolution of item 12.1.4 '2017 WA Local Government Convention and Trade Exhibition'.

CARRIED 8/0

7:50pm The Mayor advised that sections 9.4, 9.5 and 9.9 of the Town of Port Hedland Standing Orders Local Law 2014 are now suspended.

7:50pm Councillor Gillingham left the room.

CM201617/209 COUNCIL DECISION**MOVED: CR MELVILLE****SECONDED: CR HOOPER**

That Council resume sections 9.4, 9.5 and 9.9 of the Town of Port Hedland Standing Orders Local Law, and reconsider the resolution of item 12.1.5 'Sponsorship of the 2017 Pilbara Economic Development Forum'.

CARRIED 7/0

7:51pm The Mayor advised that sections 9.4, 9.5 and 9.9 of the Town of Port Hedland Standing Orders Local Law 2014 are now resumed, and that Council will reconsider item 12.1.5 'Sponsorship of the 2017 Pilbara Economic Development Conference'.

12.1.5 Sponsorship of the 2017 Pilbara Economic Development Conference**CM201617/210 COUNCIL DECISION****MOVED: CR ARIF****SECONDED: CR WHITWELL**

That with respect to the 2017 Pilbara Economic Development Conference, Council:

- 1. Agree to sponsorship of the conference in the 'Local Government Partner' category, with a value of \$15,000 (ex GST);**
- 2. Allocate \$15,000 (ex GST) in the 2017/18 Budget for the sponsorship of the 2017 Pilbara Economic Development Conference;**
- 3. Decline the Four (4) delegate passes included in the 'Local Government Partner' sponsorship package to attend the conference;**

4. **Note that the Chief Executive Officer is to nominate the fifteen (15) Conference Delegate passes to local businesses and key stakeholders; and**
5. **Nominate the following Elected Members to attend the 2017 Pilbara Economic Development Conference:**
 - a. **Mayor Blanco**
 - b. **Councillor Hooper**

CARRIED 7/0

7:53pm Councillor Gillingham re-entered the room and resumed her chair.

7:54pm Councillor Hooper declared a financial interest in item 12.1.7 'Spot Rating of Transient Workforce Accommodation Camps located on Mining Tenements' as he owns shares over the threshold. Councillor Hooper left the room.

7:55pm Councillor Arif declared a financial interest in item 12.1.7 'Spot Rating of Transient Workforce Accommodation Camps located on Mining Tenements' as she owns shares over the threshold.

Mayor Blanco provided Councillor Arif a copy of section 5.63 the *Local Government Act 1995*, advising that in accordance with section 5.63(1)(b) an interest does not need to be disclosed.

7:55pm Councillor Arif withdrew her declaration of financial interest and resumed her chair.

7:56pm Councillor Hooper re-entered the room and Mayor Blanco provided Councillor Arif a copy of section 5.63 the *Local Government Act 1995*, advising that in accordance with section 5.63(1)(b) an interest does not need to be disclosed. Councillor Hooper withdrew his declaration of financial interest and resumed his chair.

12.1.7 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:	<input type="checkbox"/> Advocacy <input checked="" type="checkbox"/> Executive <input type="checkbox"/> Legislative <input type="checkbox"/> Quasi-Judicial <input type="checkbox"/> Information Purposes

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
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)

CM201617/211 OFFICER RECOMMENDATION/ COUNCIL DECISION**MOVED: CR WHITWELL****SECONDED: CR ARIF****That with respect to this report, Council:**

1. **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;**
2. **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;**
3. **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;**
4. **Consider the submissions received from TWA land holders and the other information addressing the key values of objectivity, consistency and fairness and equity;**
5. **Resolve 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); and**
6. **Resolve to not phase in the change to basis for rating affected TWA land holders should the application be approved;**
7. **Direct the Chief Executive Officer (or authorised officer) submit the TWA spot rating application to the Minister for Local Government, including supporting information; and**

8. **Note that a rate in the dollar and rates payable by each TWA holder will be determined for the GRV Mass Accommodation category and the 2017/18 rate in the dollar for this category will be considered with all other rating categories during Council's budget adoption.**

CARRIED 8/0

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 (RiD) to a more comparative rate with neighbouring 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 RiD) 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 RiD 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	Poondano Village	L45/219	March 2014	160 Single Person Quarters	Sprayfields, parking area, wet mess, Office	\$560,000
Atlas Iron Limited	Pardoo Accommodation Village	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	Mooka	L45/190	2012	519 accommodation units	Beer garden, wet mess, Cricket nets, Gymnasium, Recreation room, Sports Court, Office	\$1,617,000
Global Advanced Metals	Wodgina	L45/58	1985	604 person camp	Gymnasium, Tennis Court, wet/ dry mess, Swimming Pool, Store, Office	\$1,257,000
North West Quarries	Pippingarra Quarry Camp	M45/258	2015	23 Accommodation rooms	Office, dining hall	\$74,000
Oztran Qube Bulk Pty Ltd	Camp Qube	L45/355	December 2015	100 sole occupancy units	Kitchen/ Diner, Cool room, 3 laundries, 6 water tanks	\$210,000
Atlas Iron Limited	Mount Dove Camp	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 RiD 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.

TWA holder	Name of Camp	Feedback received	Officer comment
Process Minerals International (PMI)	Poondano Village	<ul style="list-style-type: none"> - PMI opposes the Town's proposed application - PMI accepts that Poondano Camp is 'accommodation' located on land that is subject of a 'relevant' interest as per the policy - Claims that the estimated GRV is incorrect and request to obtain correct GRV from Landgate prior to proceeding with the application - Consistency – do not agree with the RiD of 26.0000 as this is significantly higher than neighbouring local 	<ul style="list-style-type: none"> - 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 - 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 - Shire of Ashburton has not gone through a spot

		<p>governments (Ashburton 5.1060 and East Pilbara 4.3653)</p> <ul style="list-style-type: none"> - 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 - 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) 	<p>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</p> <ul style="list-style-type: none"> - Karratha's RiD for the category GRV Transient Workforce is 32.1484 - Feedback regarding GRV Mass Accommodation RiD 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 - 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)
Atlas Iron Limited	Pardoo Accommodation Village	<ul style="list-style-type: none"> - Atlas seeks that no rate to be imposed on the TWA - <u>The camp has been under Care & maintenance since 2014</u> - The proposed rate is more than 19 times the annual rent paid for the tenement - 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 - The mining and exploration sectors have suffered significantly suffered from plummeting commodity prices - Company has reduced staff numbers and implemented cost-cutting 	<ul style="list-style-type: none"> - 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 - Annual Rental paid to the Department of Mines and Petroleum for the lease hold of the tenement does not relate to Council rates - Feedback regarding GRV Mass Accommodation RiD used for rating the TWA

		<p>programs to maintain viability</p> <ul style="list-style-type: none"> - 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) 	<p>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"> - 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)
BHP Billiton Minerals	Mooka	<ul style="list-style-type: none"> - BHP do not object to the proposal to pay rates for Mooka camp but believe the RiD is unreasonable and inconsistent with the Rating Policy - Believe that the RiD 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 Meekatharra 8.6281) - BHP is the largest owner of residential properties in the Town and make significant contributions towards community projects - BHP is the largest employer in Port Hedland and supports local suppliers and Hedland businesses - 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 	<ul style="list-style-type: none"> - 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 - 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 - Karratha's RiD for the category GRV Transient Workforce is 32.1484 - Feedback regarding GRV Mass Accommodation RiD 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 - 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

			<p>discussed previously</p> <ul style="list-style-type: none"> - 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
Global Advanced Metals (GAM)	Wodgina	<ul style="list-style-type: none"> - GAM opposes the Town's proposed application - GAM accepts that Poondano Camp is 'accommodation' located on land that is subject of a 'relevant' interest as per the policy - Claims that the estimated GRV is incorrect and request to obtain correct GRV from Landgate prior to proceeding with the application - Consistency – do not agree with the RiD of 26.0000 as this is significantly higher than neighbouring local governments (Ashburton 5.1060 and East Pilbara 4.3653) - 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 - 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) 	<ul style="list-style-type: none"> - 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 - 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 - 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 - Karratha's RiD for the category GRV Transient Workforce is 32.1484 - Feedback regarding GRV Mass Accommodation RiD 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 - 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)
North West Quarries	Pippingarra Quarry Camp	<ul style="list-style-type: none"> - Oppose the application of additional rates - <u>The Pippingarra Quarry mining operations are under formal suspension (since February 2016)</u> - The company was forced to construct the camp in 2012 due to the housing shortage in Port Hedland - The imposition of additional rates will result in permanent closure - Permanent closure of the camp and quarry will impact local business e.g. landscaping business 	<ul style="list-style-type: none"> - 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
Qube Bulk Pty Ltd	Camp Qube	<ul style="list-style-type: none"> - Imposition of rates may make the continued operations from the camp unviable - The RiD is inordinately high for a camp used by a services company (as opposed to a mining company) - Camp Qube is not a "mining camp" but rather a camp used by a services provider and should be excluded - Opposed to valuation provided from Landgate - 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) 	<ul style="list-style-type: none"> - Rates are imposed on the capital improvements on the land. The nature of the operation run from the site does not influence the application of rates - 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 - 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)
Atlas Iron Limited	Mount Dove Camp	<ul style="list-style-type: none"> - Acknowledge that some contribution is expected 	<ul style="list-style-type: none"> - Annual Rental paid to the Department of Mines

		<p>but proposed amount is unreasonable and does not relate to the cost of services used by patrons</p> <ul style="list-style-type: none"> - The proposed rate is more than 19 times the annual rent paid for the tenement - 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 - The mining and exploration sectors have suffered significantly suffered from plummeting commodity prices - 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 - 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) 	<p>and Petroleum for the lease hold of the tenement does not relate to Council rates</p> <ul style="list-style-type: none"> - Feedback regarding GRV Mass Accommodation RiD 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 - 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 - 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)
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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.

After lack of quorum prevented Council to make a decision at the March Ordinary Council Meeting, another letter was sent to all TWA holders advising of this and the decision to not proposed back rating for the TWAs.

Only one of the companies (Northwest Quarries) responded to this correspondence, acknowledging receipt of the letter and reiterating their opposition to the application of spot rates to the TWA.

A copy of this additional correspondence is attached.

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 RiD 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 2017/18 RiD is yet to be adopted by Council or approved by the Minister for Local Government. Any change to the RiD as a result of this will change the rates payable by the TWA holders.

Tenement/ TWA Holder	Name of TWA	Estimated GRV provided	Rates payable (based on 16/17 RiD of 26.0000)
Process Minerals International	Poondano Village	\$560,000	\$145,600.00
<i>Atlas Iron Limited</i>	Pardoo Accommodation Village	\$200,000	\$52,000.00
BHP Billiton Minerals	Mooka	\$1,617,000	\$420,420.00
Global Advanced Metals	Wodgina	\$1,257,000	\$326,820.00
<i>North West Quarries</i>	Pippingarra Quarry Camp	\$74,000	\$19,240.00
Oztran Qube Bulk Pty Ltd	Camp Qube	\$210,000	\$54,600.00
Atlas Iron Limited	Mount Dove Camp	\$332,000	\$86,320.00
			\$1,105,000.00

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 RiD, on UV rated land.

OPTIONS

Option 1 – Adopt Officers Recommendation

Option 2 – Adopt Officers Recommendation with amendments

That Council adopt officer recommendations 1, 2, 3, 4, 5, 7, 8 as presented and consider amending recommendation:

6. Resolve to phase in the change to TWA holders rates payable over ___ financial years.

Option 3 – Do Not Adopt Officers Recommendation

That Council do not support the officer recommendations and do not resolve to apply to the Minister for Local Government to spot rate the TWA camps at GRV Mass Accommodation RiD.

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 submissions received, as well as, 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 consistent 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.

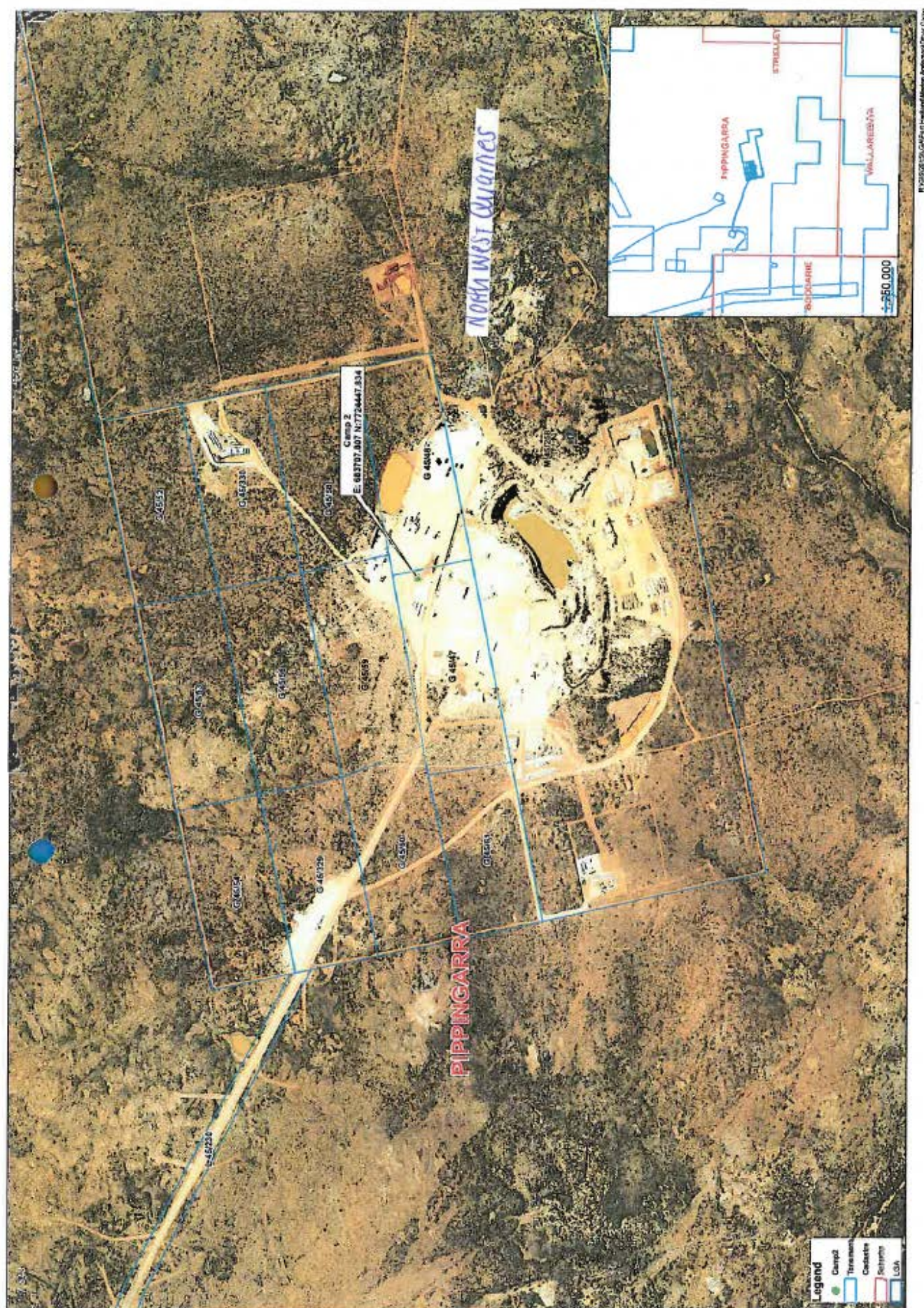
ATTACHMENT 3 TO ITEM 12.1.6

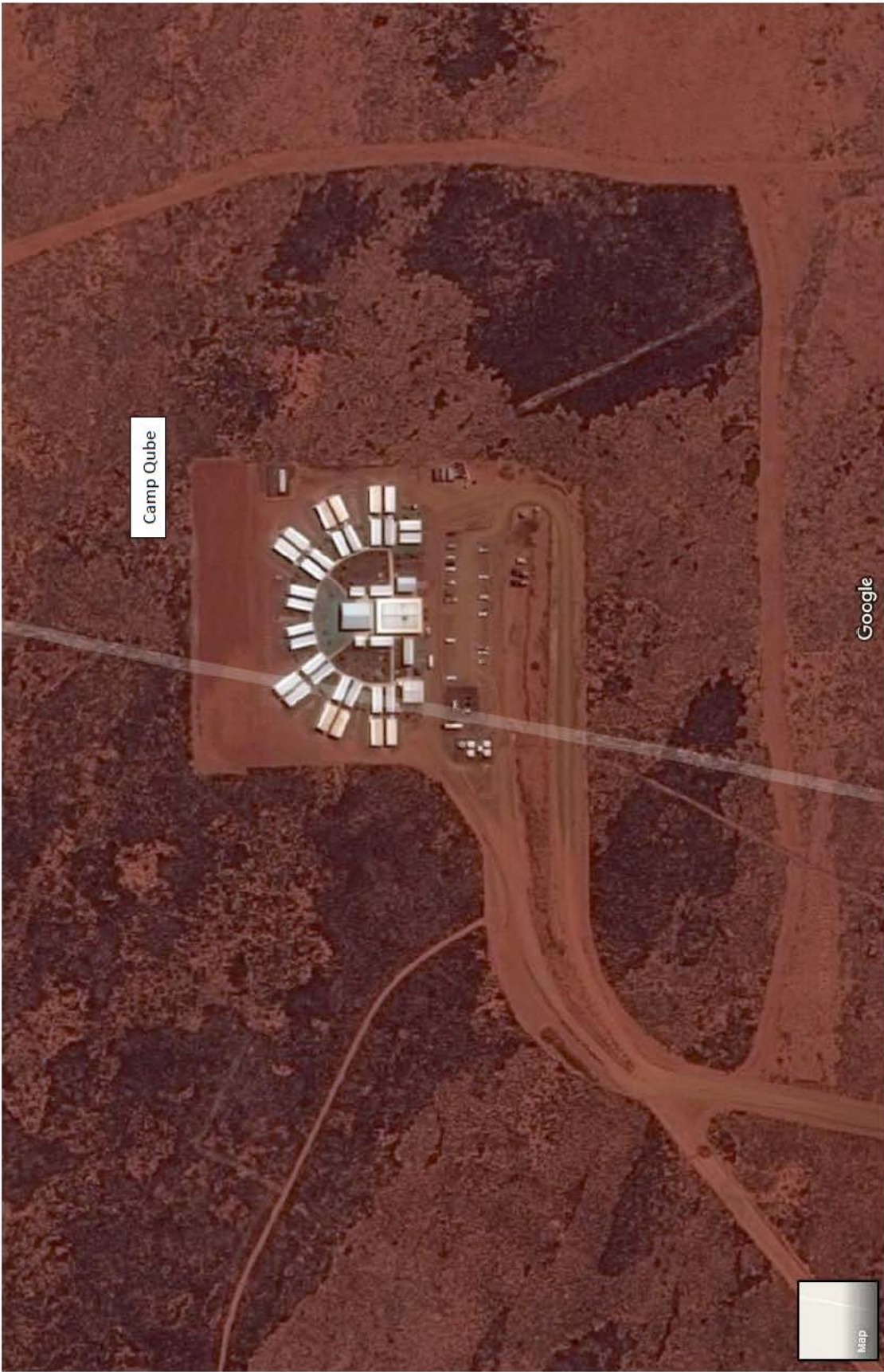














ATTACHMENT 4 TO ITEM 12.1.7



Property & Valuations

Your Ref: Email dated 15 March 2015
 Our Ref: Job#186292 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 & MAINTAINANCE	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
 Web 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", with a horizontal line extending to the right.

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



Property & Valuations

Your Ref: Email dated 15 March 2015
 Our Ref: Job#186292 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

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
 Web 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", with a long horizontal flourish extending to the right.

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

ATTACHMENT 5 TO ITEM 12.1.7

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

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 c.walsh@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 black ink, appearing to read 'Kathryn Crothers'.

Kathryn Crothers
Manager Financial Services
8 June 2016

12.1.8 Write off of Bad Debts

File No: 12/16/0001
Applicant/ Proponent: N/A
Subject Land/ Locality: N/A
Date: 11 April 2017
Author: Sally Rodgers, Accounts Receivable Officer
Authorising Officer: Kathryn Crothers, Director Corporate and Performance
Disclosure of Interest from Author: Nil
Authority/Discretion: ☐ Advocacy
☒ Executive
☐ Legislative
☐ Quasi-Judicial
☐ Information Purposes

Attachments:

1. Schedule of debtor accounts recommended for write off (confidential, under separate cover)
2. Debt Management Policy 2/2005

CM201617/212 OFFICER RECOMMENDATION/ COUNCIL DECISION

MOVED: CR TAVO

SECONDED: CR MELVILLE

That Council approves the write off of bad debts totalling \$7,606.35 as per the presented Schedule of Sundry Debtors (provided under confidential cover), to be transacted before 30 June 2017.

CARRIED 8/0

EXECUTIVE SUMMARY

A Schedule of Sundry Debtors for write off consideration has been prepared and is attached under confidential cover. It is recommended that Council approve the write off of monies pursuant to section 6.12 (1) (c) of the Local Government Act 1995 as the debt is either unrecoverable or the cost to pursue further would outweigh the debt owed.

BACKGROUND

Council has adopted a Debt Management Policy (Policy 2/005) which outlines the procedure for the recovery of outstanding debts owed to the Town of Port Hedland. The collection process can be found in the policy under attachment 2.

CONSULTATION

Internal consultation has been held where it was deemed that the amount should be written off.

LEGISLATIVE IMPLICATIONS

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

The attachment is confidential in accordance with section 5.23 (2)(e)(iii) of the *Local Government Act 1995* as the attachment contains the financial affairs of a person.

POLICY IMPLICATIONS

Policy 2/005 Debt Management Policy is relevant to this item.

FINANCIAL IMPLICATIONS

It is advisable that all debts that are deemed to be unrecoverable be written off before the end of the financial year. The debts that have not been identified previously as a doubtful debt will impact the operating result and net current asset position by reducing accounts receivable and the municipal surplus as at 30 June 2017.

STRATEGIC IMPLICATIONS

Strategic and best practice local government administration is a key theme in the Strategic Community Plan.

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 Moderate applied for non-compliance. If Council do not approve the write off of unrecoverable debts the balance sheet will be overstated.

OPTIONS

Option 1 - Adopt Officers Recommendation

Option 2 – Do Not Adopt Officers Recommendation

That Council do not adopt proposed write-off of bad debts as per the schedule of sundry debtors (provided under separate cover).

CONCLUSION

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

ATTACHMENT 2 TO ITEM 12.1.8

**2/005 DEBT MANAGEMENT****POLICY OBJECTIVE**

The object of the Debt Management Policy is to provide a framework for the efficient and effective collection of outstanding debts; and fulfil statutory requirements in relation to the recovery of rates, charges, fees and other debts.

The Town has a responsibility to ensure monies owed to it are recovered in a timely, effective and efficient manner to finance its operations and ensure effective cash flow management.

Whilst carrying out this responsibility, the Town will:

- Treat all people fairly and consistently under this policy; and
- Treat all matters under this policy confidentially; and
- Treat people with respect and sensitivity in considering their circumstances.

POLICY**Non Rates Debtors****1. Application for Credit**

Sundry debtor credit accounts will not be routinely established for the following services:

- Private Works
- Facilities Hire
- Cemetery Fees

The provision of these services requires payment in advance and or upon delivery of the service, except in limited circumstances where prior approval has been obtained from The Manager Financial Services.

The minimum credit amount for all Landfill accounts shall be \$1,000 per month, otherwise cash/EFTPOS/cheque terms will apply.

Prior to extending credit, applicants are required to complete a Credit Application Form (Annexure 1) and return to the Accounts Receivable department for processing.

If the applicant is a corporation (as defined in the *Corporations Act 2001*), the Town may require from all the directors of the applicant company personal guarantees in support of an application for such credit.





Credit Application Forms will not be accepted unless all necessary information has been provided, including nomination of credit referees, and consent for the Town to use the information disclosed in the submitted forms to make such enquiries. The information may be disclosed, but not limited to:

- a credit reporting agency;
- a debt collector; or
- a legal services provider.

All Landfill customer application forms (Annexure 2) are to be supported by documentation of all vehicle registrations that are authorised to use the South Hedland Landfill Facility.

Once submitted, the forms will be reviewed and assessed by the Manager Financial Services. The review and assessment of the application may include

- An evaluation of the applicant's previous payment history with the Town; and
- The Town making enquiries as to the credit and financial status of the applicant via nominated credit referees or Credit Ratings Agencies.

The Manager Financial Services has delegation to approve or decline applications for credit. Credit will be refused where an evaluation of an application is deemed to be unsatisfactory. The Manager Financial Services has the discretion to impose an appropriate credit limit on all accounts and impose a 60 day probationary period on any new Debtor account for the purpose of establishing a trading history.

The applicant will be advised in writing of the outcome of their application, including the maximum credit limit and trading terms approved by the Town, and any applicable probation periods.

It is a condition of the granting of any Credit facility, that the Debtor is responsible for immediately advising the Town of Port Hedland of any change of account details or financial circumstances that would affect their credit worthiness.

2. Standard Payment Terms

The Town's standard payment terms for credit trading accounts is 30 days from date of invoice.

Regardless of standard credit trading terms, all bookings shall be paid for in accordance with the Town of Port Hedland's Terms and Conditions of Hire.





3. Debt Collection Process

The Town will undertake all efforts to collect outstanding monies. All contact and attempted contact will be recorded as a Memo against the Debtor account in Synergy. The process of collection will be as follows:

Stage 1

Outstanding debts over 30 days will have their statements marked with a reminder that the account is now overdue and stop credit will be enforced if the debt remains unpaid after 42 days from date of invoice. Accounts Receivable shall make contact with the Debtor.

Stage 2

Outstanding debts over 60 days will have their statements marked with a Final Notice stamp advising payment is required within 7 days or legal action will commence. Accounts Receivable shall make contact with the Debtor.

Stage 3

7 days after Stage 2 if payment has not been received or a payment arrangement entered into, a standard letter, allowing a further 10 days to settle the account or make alternative arrangements.

Stage 4

The Director Corporate Services and Manager Financial Services are authorised to commence legal action to collect debts outstanding over 90 days from date of invoice.

This may include, but is not limited to the following:

Letter of Demand

General Procedure Claim

Seizure and Sale of Goods

Exemptions to the aforementioned Debt Collection Process are as follows:

- 1) Rebates or recoups from tiers of government and funding bodies
- 2) Grants and subsidies
- 3) Donations

The Town may elect to utilise the services of a Debt Collection Agency, duly licenced under the *Debt Collectors Licencing Act 1964*.





4. Stop Credit

Where debtors do not make payment within the Town's nominated payment terms, or enter into an approved payment arrangement, the Manager Financial Services is authorised to impose Stop Credit on the account. The appropriate business unit shall be notified and will be responsible for ensuring no further credit is provided to the Debtor. The Debtor will receive written notification from the Town to their last known address of the Stop Credit.

5. Provision for Doubtful Debts

Where the recovery of debt is unlikely, a provision for doubtful debts shall be made in accordance with Australian Accounting Standards. A bad debts register shall be maintained and reviewed on a regular basis.

6. Write Off of Bad Debts

The Chief Executive Officer, Director Corporate Services and Manager Financial Services have the authority to write-off bad debts up to \$200.

All write-offs above this threshold will be reported to Council on a quarterly basis and will include:

- Name of Debtor*
- Amount to be written off
- Description of invoice
- Reason for write-off

For a debt to be written off one of the following conditions must be satisfied:

- The debtor cannot be located
- Uneconomical to pursue the debt
- The hardship circumstances of the debtor do not warrant the taking or continuation of recovery action
- Legal proceedings through the courts have proved, or on legal advice would prove, unsuccessful

*Where a debt is recommended for write-off as a result of hardship circumstances, the name of the Debtor will be reported to Council in confidence.





Rates & Service Charges

The recovery of outstanding rates will be collected in a fair and timely manner. Rate notices are due for payment 35 days from date of issue in accordance with the *Local Government Act 1995*.

Overdue accounts, which remain outstanding past the due date, will have interest applied at the prevailing interest rate as set out in the adopted Fees & Charges.

Interest is calculated on the number of days from the due date of payment until the day the payment is received by the Town of Port Hedland. This includes overdue amounts where the ratepayer has elected the instalment option.

Alternative payment arrangement via Direct Debit is available. An administration fee is payable on alternative payment arrangements. The Administration Fee is set in the Town's adopted Fees & Charges. Interest on overdue amounts accrues at the prevailing interest rate as set out in the adopted Fees & Charges.

1. Accounts 35 days in arrears after the initial invoice

Where payment is not received within thirty five (35) days of the rate notice issue date, a Final Notice is issued seven days after the due date requesting full payment within fourteen (14) days, unless the Ratepayer has agreed to enter into a special repayment arrangement or is able to catch-up to the instalment option as per the Rate Notice.

Final Notices are not to be issued to Pensioners or Seniors registered to receive a rates rebate with the Town of Port Hedland. Under the *Rates and Charges (Rebates and Deferments) Act 1992* Eligible Pensioners and Seniors have until 30 June of the financial year in which the Rates were levied to make payment, without incurring any late payment penalties.

2. Accounts 60 days or more in arrears after the initial invoice

Where amounts remain outstanding for sixty (60) days or more after the due date for payment listed on the original Rate Notice, the Rates Department will make their best effort to contact the Ratepayer using available methods before commencing further debt recovery action.

Following a risk management approach as determined by the value and nature of the debt, further debt recovery action may include referral to a debt collection agency, including a General Procedure Claim and Court Proceedings.



**3. Seizure of Rent for Non Payment of Rates**

Where the property owner of a leased or rented property on which Rates and Service Charges are outstanding cannot be located or refuses to settle Rates and Service Charges owed, a Notice may be served on the lessee or tenant under the provisions of Section 6.60 of the *Local Government Act 1995* requiring the lessee or tenant to pay to the Town the rent due that they would otherwise pay under the lease/tenancy agreement as it becomes due, until the amount in arrears has been paid.

4. Options to recover rates debt where rates are in arrears for in excess of three (3) years**i) Lodging a Caveat on the Title for Land**

Where Rates and Service Charges owed to the Town in respect of any rateable land remain unpaid for at least three (3) years, a caveat may be registered on the title for the land, under the provisions of Section 6.64 (3) of the *Local Government Act 1995*.

ii) Sale of Land

Where Rates and Service Charges owed to the Town in respect of any rateable land have been unpaid for at least three (3) years, the Town may take possession of the land under the provisions of Section 6.64 of the *Local Government Act 1995*.

The approval of Council is required to be obtained before this course of action is undertaken.

RELATED POLICIES AND LEGISLATION

- *Local Government Act 1995*
- Part 6, Division 4, Clause 6.13 – Interest on money owing to local governments
- Part 6, Division 6, Subdivision 4, Clause 6.45 – Options for payment of rates and service charges
- Part 6, Division 6, Subdivision 4, Clause 6.51 - Accrual of interest on overdue rates or service charges
- Part 6, Division 6, Subdivision 5, Clause 6.56 - Rates or service charges recoverable in court
- Part 6, Division 6, Subdivision 5, Clause 6.60 - Local government may require lessee to pay rent
- Part 6, Division 6, Subdivision 6, Clause 6.64 - Actions to be taken
- Rates and Charges (Rebates and Deferments) Act 1992
- Debt Collectors Licencing Act 1964





Council Adoption Date and Resolution No.	26 April 2006 OCM
Date of adoption of amendment and Resolution Number Do not delete previous dates	26 November 2014 OCM 201415/120
Relevant Legislation	Local Government Act 1995
Delegated Authority	N/A
Directorate	Corporate Services
Review Frequency	As Required

12.1.9 Report of Audit Findings

File No: 12/01/0002
Applicant/ Proponent: N/A
Subject Land/ Locality: N/A
Date: 4 May 2017
Author: Linda Zietsman, Acting Manager Financial Services
Authorising Officer: Kathryn Crothers, Director Corporate and Performance
Disclosure of Interest from Author: Nil
Authority/Discretion: ☐ Advocacy
☐ Executive
☒ Legislative
☐ Quasi-Judicial
☐ Information Purposes

Attachments:

1. TOPH Audit Findings Report
2. RSM Bird Cameron Closing Report for 30 June 2015 (under separate cover)
3. RSM Australia Closing Report for 30 June 2016 (under separate cover)
4. Extract from Audit, Risk & Governance Committee meeting minutes 5 July 2016

CM201617/213 OFFICER RECOMMENDATION/ COUNCIL DECISION

MOVED: CR TAVO

SECONDED: CR ARIF

That with respect to the RSM Australia external audit findings for 2014/15 and 2015/16, Council:

1. **Receive the report regarding the audit findings for 2014/15 and 2015/16 financial years.**
2. **Request the Chief Executive Officer submit the report to the Minister of Local Government by 30 June 2017.**

CARRIED 8/0

EXECUTIVE SUMMARY

The external auditors, RSM Australia completed and submitted Closing reports for the years 30 June 2015 and 30 June 2016.

The Local Government Act 1995 Part 7, Division 4, s. 7.13 (4) states the responsibility of local government to prepare a report regarding the audit conducted and to forward this report to the Minister. This report is due to the Minister no later than 30 June of the year following the external audit.

BACKGROUND

The Town of Port Hedland did not complete and submit to the Minister the 2014/15 report. This breach of legislation was reported during the recent Compliance Audit Return (CAR).

The attached report completed includes both financial years and requires submission to the Minister by 30 June 2017. All findings and audit adjustments have been included in the report. Detail regarding corrective actions taken by the Town for each control weakness identified is included in the report.

CONSULTATION

The attached report was presented to the Audit, Risk and Governance (ARG) Committee at the May 2017 Committee meeting and endorsed for Council's consideration.

LEGISLATIVE IMPLICATIONS

The Local Government Act 1995 Part 7, Division 4, s. 7.13 (4); General Audit Regulations state that it is the responsibility of local government to prepare a report regarding the yearly external financial audit and forward a copy of this report to the Minister by the 30th of June the following year.

POLICY IMPLICATIONS

There are no policy implications.

FINANCIAL IMPLICATIONS

There are no financial implications.

STRATEGIC IMPLICATIONS

By supporting the officers recommendation Council are contributing to the delivery of high quality corporate governance accountability and compliance as set out in the Strategic Community Plan, section 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

The risk remains that the Town will be in breach of legislation should the Council not authorise the CEO to send this report to the Minister. This may result in an occasional noticeable temporary non-compliance. This is a Low risk as there is no foreseeable reason for Council to not support the officer's recommendation.

OPTIONS

Option 1 – Adopt Officers Recommendation

Option 2 – Do Not Adopt Officers Recommendation

That Council do not authorise the CEO to submit the report to the Minister by 30 June 2017.

CONCLUSION

Submission of the report on the audit findings of 2014/15 and 2015/16 will ensure that the Town is compliant with legislative requirements. The 2014/15 report was not submitted and non-submission of this report will result in a further breach of legislation.

ATTACHMENT 1 TO ITEM 12.1.9

Business Continuity Management Arrangements



AUDIT FINDINGS REPORT

Contents

- A. INTRODUCTION
- B. AUDIT FINDINGS 2014/15
- C. AUDIT FINDINGS 2015/16
- D. CONCLUSION
- E. ATTACHMENTS

A. Introduction

RSM Australia identified the Town's internal control weaknesses over the last two financial years. This report summarise both the weaknesses identified and the Towns actions to address these weaknesses.

B. Audit findings 2014/15

During the 2014/15 financial audit, the following internal control weaknesses were identified.

The findings were:

1. High annual leave accrual at year end
2. Negative leave balances
3. Fortnightly payroll variance reporting
4. No loan agreements in place regarding self-supporting loan
5. Overhead allocation

All items identified were deemed moderate risks.

The following audit adjustments were made during the audit for:

- Allocation of prepaid expenses to creditors.
- Revaluation of culverts and bridges

The Town of Port Hedland implemented plans and actions to address and improve the identified control weaknesses.

High annual leave accrual at year end

Finding: Some employees have annual leave balances accrued in excess of 300 hours.

Actions identified and implemented include:

- Fortnightly report of leave in excess of 228 hours to Human Resources Manager
- Monthly report of leave in excess of 228 hours to Managers
- Monthly report of leave in excess of 350 hours to Executive Leadership Team
- Management of leave through the internal operating procedure for leave. Procedure HR008.

Individuals is encouraged to take Annual leave. The Town also continue to cross train staff. A high staff turnover related to the economic and industry environment continue to place pressure on staff in key positions. It should also be noted that the EBA include higher than industry leave provision to ensure a work/life balance for staff working and living in the Pilbara.

Negative leave balances

Finding: Synergy payroll system contains errors regarding employee leave entitlements.

As a result, some employees have large negative leave balances, which means they have overdrawn their leave entitlements and are in a position where they effectively owe that amount back to the Town.

The Town of Port Hedland completed a full review and audit of all leaves. The following were done as part of this project:

- Set-up errors corrected in Synergy system
- Synergy system errors corrected
- Payroll staff trained regarding Synergy set up and leave accrual handling
- EBA and Synergy leave set up aligned
- Employees trained in the calculation and application of leave
- Full audit of all leave categories done by individual
- All leave issues and discrepancies identified and Synergy records updated
- Fortnightly leave exception report generation and checking

In addition, negative leave is checked as part of the fortnightly payroll process. Leave without pay is processed where no leave available. An exception report is also printed fortnightly and reviewed. As a result, negative leave occur only by exception. There is currently no negative leave balances in the Town records.

Fortnightly payroll variance reporting

Finding: A back pay of \$62,212 was paid again in January 2015. Recovery from employees was unresolved. An outstanding balance of \$36,427 existed at 30 June 2015.

The back pay overpayment was a result of inadequate process. A full audit was done to determine the overpayment amount per staff member. The following actions were taken by the Town:

- Process improvements made:
 - No manual back pay to be done. Only Synergy Soft ERP generated back pays
 - No interim back pay will be done prior to the EBA being signed
- All outstanding monies were collected from staff
- Invoices were raised where staff left the Town's employment prior to finalisation of the back pay duplication. Collection was done via Accounts Receivable.

No loan agreements in place regarding self-supporting loan

Finding: Two loans from 2007 did not have a loan agreement in place

The Town was unable to obtain signed agreements for the two self-supporting loans. The parties are signing acknowledgement of debtor documentation at each financial year end. This is administered by the Strategic Accountant responsible for Treasury.

Overhead allocation

Finding: During testing of the overhead allocation reconciliation it was noted that Plant operating cost and public works overhead amounts in the General Ledger were understated in the Statement of Comprehensive Income by \$214,607 and \$832,723 respectively.

In the 2014/15 financial year, the Town of Port Hedland restructured the General Ledger. All costs were reclassified and overhead allocations refined. An overhead allocation review is done as part of the bi-annually budget review. Further, reconciliation of the overhead allocations forms part of the monthly Financial Services checklist and responsibilities.

C. Audit findings 2015/16

During the onsite 2015/16 financial audit the following internal control weaknesses were identified:

1. Overhead allocation
2. Non-compliance with internal purchasing policy
3. High annual leave accrual at year end

These were all deemed medium risks.

During the interim audit review in April 2016, the auditors reported two audit findings. These were related to:

1. Non-compliance with internal purchasing policy and
2. Credit Card transactions

The first finding was included in the financial yearend audit findings. The second, related to invoices for credit card spent not scanned to the electronic records keeping system. The process has been changed. All supporting documentation after checking and approval is scanned to the electronic records as the last step prior to payment. This ensure all records received is properly recorded.

Audit adjustments were made to:

- Reverse previous revaluation recognition.
- Adjust revaluation of Property, Plant and Equipment and Furniture
- Adjustment to apply square meters when converting land and land held for resale as Investment Property.

This adjustments relate to the disposal and lease of Port Hedland International Airport. An unadjusted audit difference remained at year end. It relates to a classification adjustment between two current liability accounts.

The Town of Port Hedland implemented the following actions to address and improve this control weaknesses.

Overhead allocation

Finding: During testing of the overhead allocation reconciliation it was found that the cost allocated in the General ledger were understated in the Statement of comprehensive income by \$241,216

This weakness was identified during 2014/15 as well. Current treatment notes were incorporated in the 2014/15 details.

Non-compliance with internal purchasing policy

Finding: During the review of the tender register it was found that the Tender 11/15 – Tyre Disposal, has been sub delegated to the Director Works and Services but at the time of payment the Acting Director of Works and Services approved the payment.

The Town is in the process of implementing a centre-led procurement and purchasing process. This will electronically manage approvals and authorisations and will ensure all approvals is within delegated authority.

Currently all CEO delegations is activated by the Governance Department. An official letter is issued with the detail of delegation by individual. The Accounts Payable Officer monitor all payment requests against this delegations approvals.

Governance Department monitors each step of the Tender processes, ensuring compliance to CEO delegations. This will be replaced in future by centre-led procurement automated controls.

The Procurement policy was updated. The following policies are in place regarding procurement:

2/007 Purchasing – updated 27 July 2016

2/011 Tender Evaluation – updated 27 July 2016

2/016 Regional Price Preference – updated 27 July 2016

High annual leave accrual at year end

Finding: Excessive annual leave balances accrued

This weakness was identified during 2014/15 as well. Current treatment notes were incorporated in the 2014/15 details.

D. Conclusion

The internal control weaknesses identified by RSM Australia provided an opportunity to improve internal processes. Internal Control improvement is an ongoing process to ensure good governance and to safeguard the Town's assets. This remains a key deliverable for the Town.

E. Attachments

- RMS Bird Cameron Closing Report 30 June 2015
- RSM Australia Closing Report 30 June 2016

- Extract Audit, Risk & Governance Committee meeting minutes 5 July 2016

ATTACHMENT 4 TO ITEM 12.1.9

AUDIT, RISK & GOVERNANCE COMMITTEE MEETING MINUTES

5 JULY 2016

BACKGROUND

The Town's appointed Auditor, RSM Bird Cameron, completed the interim audit field work and the review of the appropriateness and effectiveness of the financial management systems and procedures onsite from the 19-21 of April 2016.

The Auditors have advised that the Management Letter and the Report of Factual Findings are intended for the sole use of the Town (presented under confidential cover).

Interim Audit

The Interim Audit is predominantly concerned with sample testing of financial transactions and a review of the internal controls, procedures and processes of the Town of Port Hedland. The Auditors have prepared a Management Letter in accordance with Auditing Standard ASA 260 *Communication with Those Charged with Governance*. The report includes audit observations, recommendations and management's formal responses.

The following is the summary of key findings as detailed in Attachment 1 (Annexure A). Recommendations and management commentary are included in the key findings:

- Non-compliance with internal purchasing policy
- Credit Card transactions

As a result of Audit procedures, the Auditors have not identified any matters of fraud and there were no disagreements with management about significant accounting matters.

Financial Management Review

The purpose of the Financial Management Review is to determine the appropriateness and effectiveness of the financial management systems and procedures in accordance with Regulation 5(2)(c) of the *Local Government (Financial Management) Regulations 1996*. Based on the factual findings, the Town considers the financial management systems and procedures to be appropriate and effective.

The exceptions noted by RSM Bird Cameron have been presented to management as recommendations for strengthening internal controls. Management have welcomed these recommendations, discussed these in depth with the Auditors and will be taking immediate action to ensure these findings are addressed and incorporated into practice.

CONSULTATION

The Town's Auditors, RSM Bird Cameron
Finance Team
Manager of Finance
Acting Director of Corporate Services
Executive Leadership Group
CEO

LEGISLATIVE IMPLICATIONS

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

12.1.10 Statement of Financial Activity for the period ended 30 April 2017

File No: 12/14/0003
Applicant/ Proponent: N/A
Subject Land/ Locality: N/A
Date: 10/05/2017
Author: Chirantha Perera, Financial Accountant
Authorising Officer: Kathryn Crothers, Director Corporate and Performance
Disclosure of Interest from Author: Nil
Authority/Discretion: ☐ Advocacy
☐ Executive
☐ Legislative
☐ Quasi-Judicial
☒ Information Purposes

Attachments:

1. Monthly Financial Health Check for the period ended 30 April 2017
2. Statement of Financial Activity for the period ended 30 April 2017 (under separate cover)
3. Material Variance Report for period ended 30 April 2017 (under separate cover)
4. Accounts paid under delegated authority for period ended 30 April 2017 (under separate cover)
5. Credit Card Statements for period ended 30 April 2017
6. Bank Account Summary for period ended 30 April 2017

CM201617/214 OFFICER RECOMMENDATION/ COUNCIL DECISION**MOVED: CR ARIF****SECONDED: CR MELVILLE**

That with respect to the Statement of Financial Activity for the period ended 30 April 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**EXECUTIVE SUMMARY**

This report presents the Statement of Financial Activity for the period ended 30 April 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 November OCM. Council adopted a revised 2016/17 budget on February OCM to accommodate and adjust the key performance indicators in line with the update economic and fiscal outlook.

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, fees and charges mainly related to GP housing, tipping fees, town planning and infrastructure maintenance revenue is under budget due to timing lag of invoicing and collection.

Capital expenditure is 53% below YTD budget with majority of large spend projects in scoping or tendering phase with majority of project delivery expected after the cyclone season. A concerted effort is being made to ensure majority of projects not already identified as carry forwards are completed by 30 June 2017.

The Capital Works Program Report highlights each project and the expenditure incurred to date as well as projects carried forward as Works in Progress arising from the previous financial year.

In a separate report to Council, forecast budget amendments are presented for approval to reflect the anticipated closing municipal surplus 30 June 2017, including a revision of the operating income and expenditure and forecast position of the capital works expenditure and revenue.

BACKGROUND

The attachments detail the Town's financial performance for the period ending 30 April 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 detailed under the Policy Implications section of this report.

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

The net current asset position as at 30 April 2017 is \$10.902M. The Municipal balance as at 30 April 2017 is -0.953M due to the timing lag of end of month creditor payment run. 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	239,433M
Restricted Cash – Reserves	240,384M
Unrestricted Cash Position as at 30 April 2017	-0.953M

CONSULTATION

All consultations done internally.

LEGISLATIVE IMPLICATIONS

Section 6.4 of the Local Government Act and Regulation 34 of the Local Government (Financial Management) Regulations detail the form and manner in which a local government is to prepare Statement of Financial Activity.

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. The budgeted closing municipal surplus position as at 30 June 2017 has changed to \$243,241 as a result of the variations adopted in April.

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 \$11.957m. 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 has been managed by recognising the debt in the doubtful debt provision of the 2015/16 Financial Statements.

OPTIONS

Option 1 – Adopt Officers Recommendation

Option 2 – Adopt Officers Recommendation with Amendments

That Council receive the Statement of Financial Activity for the period ended 30 April 2017 and request further information or clarification.

CONCLUSION

As at 30 April 2017, the Town's financial performance is considered satisfactory. The net current assets position is \$10,902M with operating expenditure overall 33% under budget, operating income overall on track with only 10% remaining to collect for the year. The capital expenditure is 53% below budget due to project delivery timelines, however a concerted effort is being made to ensure majority of projects not already identified as carry forwards are completed by 30 June 2017. The variances will be monitored in future periods to ensure corrective action is taken in a timely manner. 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 has changed to \$243K as a result of the variations adopted in April.

MONTHLY FINANCIAL HEALTH CHECK



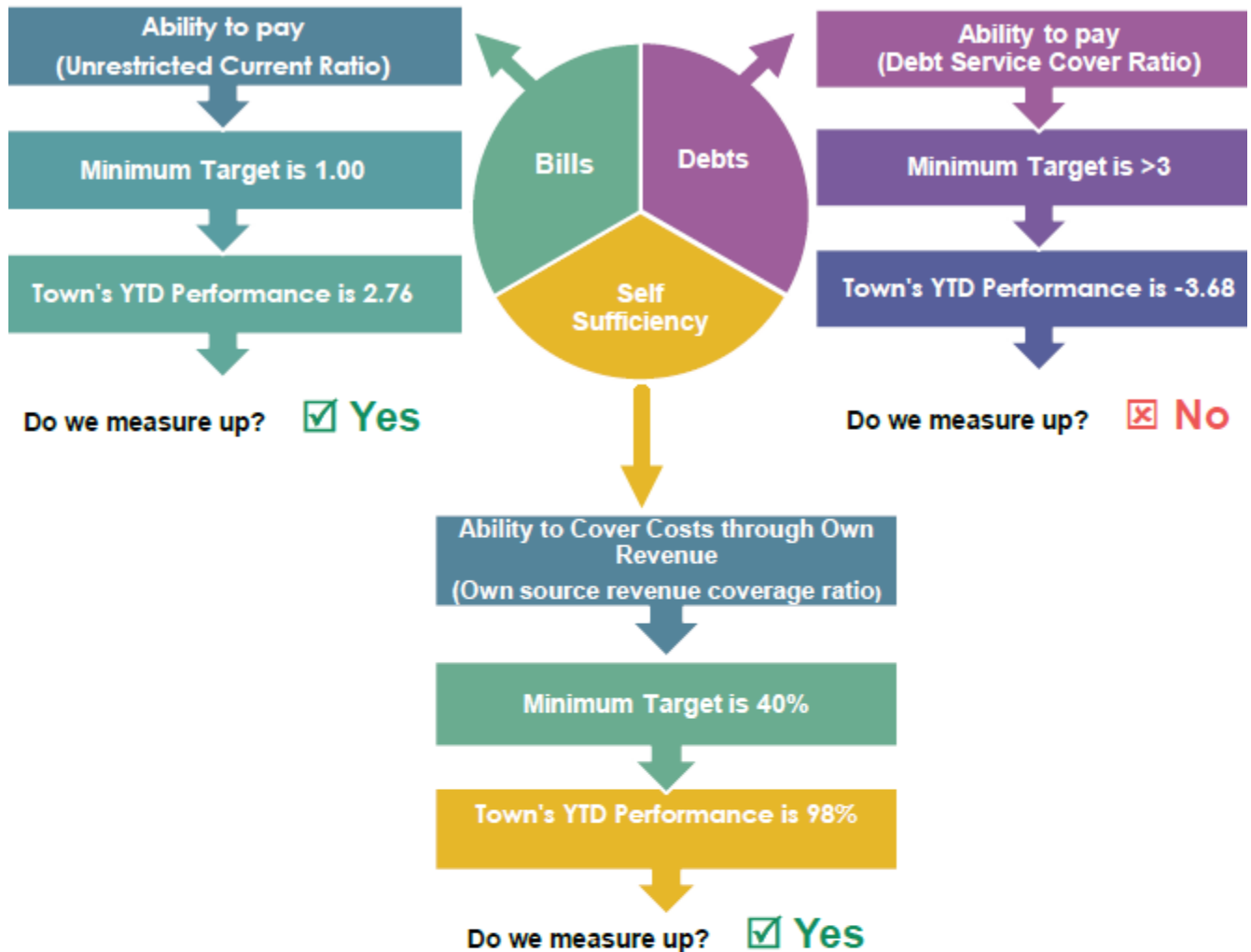
As at 30 April 2017

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



Financial Snapshot (Year to Date)	Actual (000's)
Operating Revenue	\$43,822
Operating Expenditure (Including Non-Cash Items)	(\$42,218)
Non-Cash Items	\$10,052
Capital Revenue	\$1,868
Capital Expenditure	(\$6,481)
Loan Repayments	(\$1,004)
Transfers to/from Reserves	(\$787)
Surplus Brought Forward 1 July 2016	\$5,650
Current Municipal Surplus Position at 30 April 2017	\$10,901
Current Budget Municipal Surplus Position at 30 June 2017	\$243

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 4%

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.

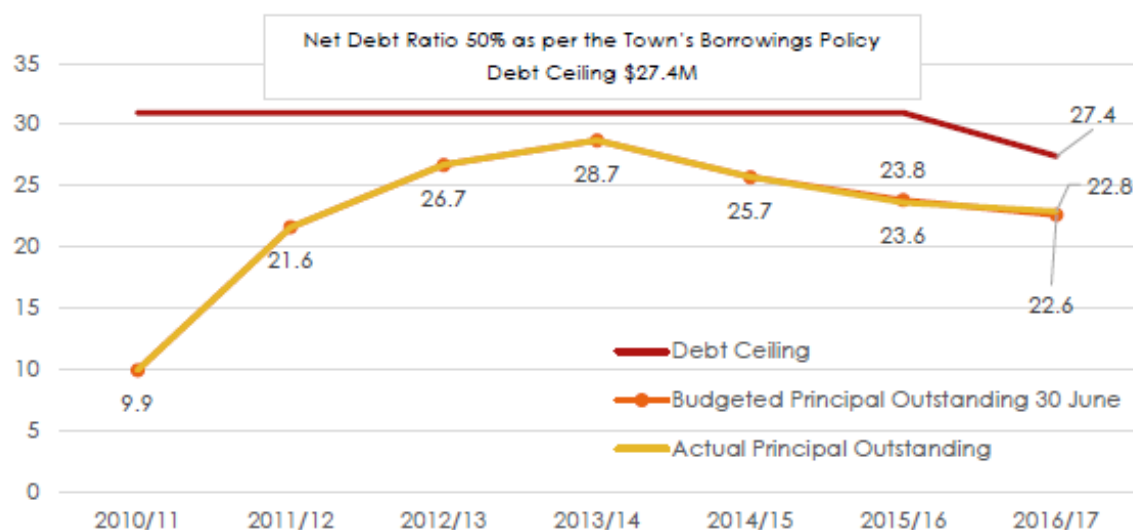
- A reduced Capital Works Program (including renewals) and an increase in the budgeted depreciation as a result of revaluations has had a two-fold effect on the asset sustainability ratio resulting in the ratio coming in just below the target.
- With a history of high levels of capital expenditure in 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 42%

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 = 52%

Total Actual Principal Amount Outstanding 30 April 2017 = \$22.8M

Debt Ceiling 50% pursuant to Policy (\$54.8M x 50%) = \$27.4M

Intergenerational Loans

Loan Purpose	Principal Amount Outstanding	Remaining Term
1. Marquee Park	\$4.40M	14/15 years
2. JD Hardie Upgrade	\$2.53M	14/16 years
3. Wanangkura Stadium	\$8.76M	15/16 years
4. GP Housing	\$1.30M	16 years

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

ATTACHMENT 5 TO ITEM 12.1.10



NAB Connect

Account Balance History Report

Details

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

Date	No. of debits	Debit amount	No. of credits	Credit amount	EOD balance
28/04/2017	7	3,900,750.23	35	196,892.13	431,437.80 CR

End of report



NAB Connect

Account Balance History Report

Details

Date range: 28-Apr-2017 **to** 28-Apr-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
28/04/2017	0	0.00	0	0.00	2,800,000.00 CR

End of report



NAB Connect

Account Balance History Report

Details

Date range: 28-Apr-2017 to 28-Apr-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
28/04/2017	2	179.00	0	0.00	105,711.87 CR

End of report



NAB Connect

Account Balance History Report

Details

Date range: 28-Apr-2017 to 28-Apr-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
28/04/2017	0	0.00	0	0.00	1,000.00 CR

End of report

ATTACHMENT 6 TO ITEM 12.1.10**TOWN OF PORT HEDLAND****Summary of Credit Card Statements for the Month of April 2017****Attachment 6**

Account Name	Account Number	Card Holder	Debit Balance (\$)
Town of Port Hedland	██████-6321	David Pentz	\$ 4,992.26
Town of Port Hedland	██████-8364	Jessica Dodd	\$ 4,927.76
Town of Port Hedland	██████-8868	Jessica Rankin	\$ 688.42
Town of Port Hedland	██████-4948	Megan Cocciardi	\$ 1,106.12
Total			\$ 6,786.80

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: 4,992.26 DR
Closing balance: 0.00 CR

Date from: 01 April 2017
Date to: 30 April 2017

Transaction details

Date	Narrative	Reference	Debit amount	Credit amount	EOD balance
07/04/2017	CREDIT CARD PURCHASE PERSONAL SECURITY CO		200.00 DR		
07/04/2017	CREDIT CARD PURCHASE QANTAS AIRWAYS		975.00 DR		1,175.00 DR
10/04/2017	CREDIT CARD PURCHASE QANTAS AIRWAYS		2,026.00 DR		2,026.00 DR
18/04/2017	CREDIT CARD PURCHASE ST JOHN AMBULANCE WEST		10.00 DR		
18/04/2017	CREDIT CARD PURCHASE IBIS STYLES PORT HEDLAND		332.26 DR		342.26 DR
21/04/2017	CREDIT CARD PURCHASE VIRGIN AUST 7958225912219		11.00 DR		
21/04/2017	CREDIT CARD PURCHASE VIRGIN AUST 7952138157822		1,438.00 DR		1,449.00 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: 5.70 CR
Total debits: 4,927.76 DR
Closing balance: 0.00 CR

Date from: 01 April 2017
Date to: 30 April 2017

Transaction details

Date	Narrative	Reference	Debit amount	Credit amount	EOD balance
03/04/2017	CREDIT CARD PURCHASE FACEBK *Q5J25CS5Y2		5.50 DR		
03/04/2017	CREDIT CARD PURCHASE FACEBK *L5J25CS5Y2		83.17 DR		
03/04/2017	CREDIT CARD PURCHASE 1300 FLOWERS PTY LTD		101.90 DR		
03/04/2017	CREDIT CARD PURCHASE WOOLWORTHS ON LINE		178.14 DR		368.71 DR
04/04/2017	CREDIT CARD REFUND WOOLWORTHS ON LINE			5.70 CR	
04/04/2017	CREDIT CARD PURCHASE JETSTAR AIRWAYS		251.64 DR		
04/04/2017	CREDIT CARD PURCHASE AST MANAGEMENT PTY L		690.00 DR		935.94 DR
05/04/2017	CREDIT CARD PURCHASE QANTAS AIRWAYS		344.50 DR		344.50 DR
06/04/2017	CREDIT CARD PURCHASE VIRGIN AUST 7958225745851		7.98 DR		
06/04/2017	CREDIT CARD PURCHASE DROPBOX*129P7JCTHNN2		85.00 DR		
06/04/2017	CREDIT CARD PURCHASE VIRGIN AUST 7952137824978		613.49 DR		706.47 DR
10/04/2017	CREDIT CARD PURCHASE MAILCHIMP		67.44 DR		67.44 DR
27/04/2017	CREDIT CARD PURCHASE ACMA		1,758.00 DR		1,758.00 DR
28/04/2017	CREDIT CARD PURCHASE PACIFIC HOTEL CAIRNS		358.00 DR		
28/04/2017	CREDIT CARD PURCHASE AUSSIE HEALTH PRODUCT		383.00 DR		741.00 DR



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: 760.80 CR
Total debits: 688.42 DR
Closing balance: 0.00 CR

Date from: 01 April 2017
Date to: 30 April 2017

Transaction details

Date	Narrative	Reference	Debit amount	Credit amount	EOD balance
05/04/2017	CREDIT CARD REFUND QANTAS AIRWAYS			751.00 CR	
05/04/2017	CREDIT CARD REFUND QANTAS AIRWAYS			9.80 CR	
05/04/2017	CREDIT CARD PURCHASE COLES 0385		102.76 DR		658.04 CR
10/04/2017	CREDIT CARD PURCHASE JUPPS FLOOR COVERING A		13.00 DR		
10/04/2017	CREDIT CARD PURCHASE INTERFLORA FLOWERS W		152.50 DR		165.50 DR
13/04/2017	CREDIT CARD PURCHASE AYESHA'S CAFE		280.00 DR		280.00 DR
18/04/2017	CREDIT CARD PURCHASE LANDGATE		24.85 DR		24.85 DR
21/04/2017	CREDIT CARD PURCHASE LANDGATE		24.85 DR		
21/04/2017	CREDIT CARD PURCHASE KMART 1103		46.00 DR		70.85 DR
26/04/2017	CREDIT CARD PURCHASE HEDLAND HOME HARDWAR		44.46 DR		44.46 DR

End of report



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: 1,106.12 DR
Closing balance: 0.00 CR

Date from: 01 April 2017
Date to: 30 April 2017

Transaction details

Date	Narrative	Reference	Debit amount	Credit amount	EOD balance
03/04/2017	CREDIT CARD PURCHASE FACEBK ZQURGCNWK2		120.00 DR		120.00 DR
13/04/2017	CREDIT CARD PURCHASE PAYPRO-CHARGE.COM		699.28 DR		699.28 DR
20/04/2017	CREDIT CARD PURCHASE DISCOVERY HOLIDAY PK		286.84 DR		286.84 DR

End of report

12.2 Development, Sustainability and Lifestyle

12.2.1 Hedland Aquatic Facility Operation and Master Planning

File No: 20/01/0051
Applicant/ Proponent: Internal
Subject Land/ Locality: South and Port Hedland
Date: 5 May 2017
Authors: Peter Keane, Strategic Corporate and Performance Advisor
Ray Davy, Acting Director Development, Sustainability & Lifestyle
Authorising Officer: David Pentz, Chief Executive Officer
Disclosure of Interest from Author: Nil
Authority/Discretion: ☐ Advocacy
☒ Executive
☐ Legislative
☐ Quasi-Judicial
☐ Information Purposes

Attachments:

1. Aquatic Facility Financial Analysis

CM201617/215 OFFICER RECOMMENDATION/ COUNCIL DECISION

MOVED: CR TAVO

SECONDED: CR MELVILLE

That with respect to Hedland Aquatic Facilities, Council:

1. **Approve the Operational use of the South Hedland Aquatic Centre for Winter months only (April – Sept only) and Gratwick Aquatic Centre for Summer months only (Oct – March only);**
2. **Approve the review and further development of the Master Plan for the South Hedland Sports Precinct at the Marie Marland / Kevin Scott / Wanangkura Stadium location inclusive of a potentially new Hedland Aquatic facility; and**
3. **Consider allocating \$400,000 to commence master plan and concept design when adopting the 2017/18 Annual Budget.**

CARRIED 8/0

EXECUTIVE SUMMARY

In considering options for returning the South Hedland Aquatic Centre (SHAC) to operation, it has become apparent that a more prudent approach would be to invest in a new aquatic facility that would involve less direct capital expenditure by the Town, reduce the future impact of operational and asset renewal costs on the Town's budgets and be the first step of a truly co-located South Hedland Sport Precinct for the Town.

This Report recommends that a comprehensive process be commenced to bring about such an outcome in the shortest practicable time while minimising capital and operating costs in the interim.

BACKGROUND

In September 2016, the Town undertook standard water testing of the pool filtration system at the South Hedland Aquatic Centre (SHAC) in order to ensure compliance with Department of Health regulations, with the results failing to meet mandatory regulatory standards. As a result of this inability to ensure compliance with regulation, and ongoing similar issues of non-compliance since the plant was upgraded in 2014, it was decided to close the facility as a matter of public safety.

The Town then commenced a full filtration/heating redesign & upgrade of the plant, which was budgeted at \$1.7 million. However, upon going to market for tenders the cost of these works was tendered at between \$2.8 and \$2.9 million, or some 70% greater than budget. A value engineering exercise was then undertaken to challenge the design in an effort to reduce the cost while continuing to achieve the required plant performance. Based upon quantity survey (QS) estimates associated with the modified design, the cost of upgrade works based upon changes identified through the value engineering exercise would now be \$2.4 million.

Given the proposed plant upgrades would extend the SHAC life for a further 20 years, a full asset lifecycle cost exercise was then initiated, in order to better understand the potential 20 year lifecycle costs for both aquatics facilities within the Town. This showed that to ensure the two existing aquatic facilities remain viable assets for the Town over the coming 20 years, renewal costs of \$14.84 million would be required (equivalent to approximately \$13.1 million in today's dollars). Details of this calculation are set out in Appendix 1 - Financial Analysis.

As these renewal works would have to be fully funded from the Town's financial resources whereas new capital works would be eligible for grant funding, it is logical to consider whether a better overall outcome could be achieved by building a new facility to replace both existing facilities. However, this would involve a lead time of 2-3 years in planning, design and grant applications and thus the issue arises of what level of service should be maintained in the interim until a new facility is built.

If the Council were to approve Item 1 in the recommendations, this would be create an immediate saving of approximately \$2.4 million in capital costs and approximately \$0.5 million per annum in operating costs.

South Hedland Sports Precinct Master Planning

In June 2015 a Community Infrastructure Plan was developed for the Town. Within this plan, 6 guiding principles were established for the planning and development of community infrastructure. One of these was the principle of co-location - "where possible and complementary, community infrastructure should be provided in hubs or precincts that are more intensively developed and managed other local single facilities". This principle of co-location is also a major consideration for external funding bodies.

As a result of the Community Infrastructure Plan, a Master Plan was developed for the area comprising Kevin Scott Oval / Marie Marland / Wanangkura Stadium, to be known as South Hedland Sports Precinct (SHSP).

This Master Plan has not been adopted by Council and requires a process of full review and further development as the first step towards the development of SHSP. The SHSP Master Planning process would involve working/consulting with key stakeholders to develop options and concepts of the area, and ensure that all key elements of the plan are considered to derive the benefits of co-location, and maximise the potential of the area to meet community needs and expectations.

Considerable preliminary works would be required to be undertaken during this stage, such as geotechnical and environmental assessments, to ensure that any Master Plan is both viable and able to optimise the full potential of the site. The output expected from this process is a fully consulted and considered master plan for the SHSP, which the Town can utilise toward the further development and detail design of the various stages of the precinct.

SHSP Phase 1 – Aquatic Facility

The anticipated first phase of the SHSP would be design, engineering and development of the new Hedland Aquatic Facility. This would involve taking the master plan for this phase and initially developing conceptual designs, inclusive of business case development, for the co-location of an aquatic facility with the current Wanangkura stadium.

Based upon these conceptual designs, detailed architectural design will then need to be developed and approved prior to the commencement of detailed engineering design and computations, for both aquatics and associated buildings, ensuring the seamless integration/connection with Wanangkura stadium.

It is generally the case that grant funding can only be obtained for “shovel ready” projects, requiring that all planning, design (architectural, engineering, facilities etc) and stakeholder consultation is completed before applications are lodged.

The Town anticipates that the process from Master Planning through Phase 1 design and engineering to facility commissioning and opening to the public would take a total 3 years.

Funding and Keys to Success

The critical component toward success of Phase 1 of the SHSP is to ensure adequate funding is provided in order to develop a comprehensive and well considered Master Plan, and ensure the proposed aquatic facility has been fully designed, engineered and detailed to maximise the potential for success upon applying for substantial grant funding.

Based upon the capital savings associated with accepting Recommendation No.1, these funds could then be allocated to funding both the SHSP Master Planning review and further development and the design and engineering for the Phase 1 Aquatic Facility.

To maximise the potential for success in obtaining Commonwealth grant funding for the facility, this funding will need to be maintained over a two to three year timeframe. This cost is anticipated at being up to \$2 million over a three year period.

Capital, Renewal and Operating Cost savings

The cost of a new facility is estimated to be in the vicinity of \$17-20 million. This type of facility should attract grant funding of 50-75% of full cost, which would mean that the Town would be required to commit funding of \$5-10 million, with the lower end of this range (25% of full cost) being the more likely funding scenario.

With the approval of Recommendation No 1, the Town would still be required to commit a small portion of renewal funding to ensure that the existing facilities continue to meet health regulatory requirements and public safety obligations, as well as to undertake urgent repairs in the period until the opening of a new facility. This initial cost is anticipated to be approximately \$0.65 million in 2017/18.

With the opening of a new aquatic facility, the majority of the renewal costs would be saved, which would equate to approximately \$12.2 million over the next 20 years, as both SHAC and GAC would then be closed permanently. As a consequence, the operational budget required could then be reduced from approximately \$1.8 million to \$1.1 million per annum, depending upon facility design and associated staffing requirements, for an annual operational saving of some \$0.7 million.

CONSULTATION

In the development of the South Hedland Sport Precinct Master plan, the Town will need to undertake consultation with all key stakeholders made up of Commonwealth and State Government, major industry, sporting and community groups, Chamber of Commerce, Department of Sports and Recreation and any interested individuals within the community.

Consultation will take many forms such as one-on-one discussions, focus groups, open forums, applications for comment, etc, in order to ensure during the master planning process comments and queries are considered in order to achieve the most optimal plan to meet the needs of the community and all key stakeholders.

LEGISLATIVE IMPLICATIONS

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

POLICY IMPLICATIONS

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

FINANCIAL IMPLICATIONS

The anticipated cost of implementing the Officer Recommendation is in the vicinity of \$2 million over 2-3 years, which would be funded by diverting surplus funds already budgeted for upgrade to the SHAC filtration and heating system, after allowing for the cost of essential improvement works required in the interim period. Operating only one facility over this period will also contribute an unquantified amount of annual operational savings.

STRATEGIC IMPLICATIONS

In order to understand the real needs of the community and provide the community with an understanding of the current costs of service offerings to the community, the Town will embark on significant community consultation in the coming months as part of the process for the 2018-2028 Strategic Community Plan. Within this consultation exercise, the aquatic facility issue will be addressed to elicit comments and views from all sections of the community. It is anticipated that there will be strong views in some sections of the community regarding the potential closure of the Gratwick facility, due to the emotions evoked by aquatic facilities generally.

SUSTAINABILITY IMPLICATIONS

Environmental

There are no identifiable environmental impacts arising from adoption of the officer's recommendation. Evaluation of environmental impacts will form part of the master planning process.

Economic

Renewal budget required to support the current facilities over the next 20 years would be \$13.15 million drawn from the Town's finances, compared with a significantly lesser contribution (based on grant funding) for a new facility. The resultant savings will strengthen the capacity of the Town to meet its economic challenges.

Social

With the removal of the two current facilities, there would be significant social impact to Port Hedland residents associated with the closure of a Port Hedland Aquatic facility.

There may be some social impact to residents of South Hedland due to the relocation of the facility away from the Town Centre to the SHSP.

Risk

There is a risk rating of 15 (High) assigned to the reputational risk associated with the inability to return South Hedland to full operation during winter months and the delay associated with development of a new facility.

OPTIONS

Option 1 - Adopt Officers Recommendation, with amendments

That Council adopt the Officers recommendation with the following amendments:

-

Option 2 – Disagree with the Officers Recommendation

That Council do not adopt the Officer recommendations and require the SHAC Filtration and Heating upgrade process to continue immediately

CONCLUSION

Although there is some reputational risk associated with the ongoing closure of SHAC over the summer months, it is clear from the experience of the period since it was closed in September 2016 that having only a single Aquatic facility open has generally proven adequate to meet the needs of the Town's residents. Given the financial benefits described in this Report, it is a prudent approach to continue that policy while planning for a new facility as the first stage of a more comprehensive co-located South Hedland Sports Precinct. The financial savings from this approach will enable master planning for a new facility to proceed without requiring additional funding.

Ultimately the success of the recommended approach will depend upon the extent to which the ratepayers recognise the benefits of a new facility and accept that maintaining two aquatic centres is not viable given the size of the Town's population.

ATTACHMENT 1 TO ITEM 12.2.1

	Renewal Item	Anticipated Timing	Estimated cost (\$M)	Future cost (\$M)
			(± 30%)	
SHAC	1s. Filtration and Heating	16/17 - 17/18	2.45	2.45
	2s. Minor Facility Upgrades	17/18	0.35	0.35
	3s. Aquatower	18/19	0.50	0.53
	4s. Facility full renewal	21/22	2.00	2.32
	5s. Pool Reline	24/25	0.50	0.63
	6s. Aquatower	28/29	0.50	0.71
	7s. Renewal – Minor	Annually \$50,000	1.00	1.34
GAC	1g. Pool and Minor Facility Upgrades	17/18	0.30	0.30
	2g. Facility full renewal	18/19	2.00	2.12
	3g. Filtration & Lighting	19/20	2.50	2.73
	4g. Renewal – Minor	Annually \$50,000	1.00	1.34
Total(\$M)			13.1	14.84

SHAC Current operating costs = \$1.1Million per annum

GAC Current operating costs = \$0.7Million per annum

8:12pm Councillor Tavo declared an impartiality interest in item 12.2.2 'Scheme Amendment No. 67 – rezoning various lots in Bell Street to Transport Development', as his Wife's Cousin owns property near Bell Street.

12.2.2 Scheme Amendment No.67 – Rezoning various lots in Bell Street to 'Transport Development'

File No: 18/09/0081
Applicant/ Proponent: Veris Consultants
Subject Land/ Locality: Various Lots in Bell Street, Port Hedland
Date: 4 May 2017
Author: Ryan Del Casale, Planning Projects Officer & Ben McKay
Statutory Planning Officer
Authorising Officer: Ray Davy, Acting Director of Community and Development Services
Disclosure of Interest from Author: Nil
Authority/Discretion: ☐ Advocacy
☒ Executive
☒ Legislative
☐ Quasi-Judicial
☐ Information Purposes

Attachments:

1. Scheme Amendment No.67 Report and studies (under separate cover)
2. Location Plan
3. Schedule of Submissions
4. Schedule of Modifications

CM201617/216 OFFICER RECOMMENDATION

MOVED: CR ARIF

SECONDED: CR MELVILLE

That with respect to the proposed, Council:

- 1. In accordance with regulation 41 (3) (b) of the Planning and Development (Local Planning Schemes) Regulations 2015, support Scheme Amendment No.67 to Town of Port Hedland Town Planning Scheme No.5 with the modifications provided in Attachment 4.**
- 2. Forward the above information in relation to Scheme Amendment No.67 to Town of Port Hedland Town Planning Scheme No.5 to the Western Australian Planning Commission for the Minister for Planning's consideration.**

CARRIED 8/0

EXECUTIVE SUMMARY

The Town received Scheme Amendment No.67 (herein referred to as the amendment) in mid - 2013. The purpose of the amendment is to rezone various lots in the Bell Street area Port Hedland (herein referred to as the subject area) to the 'Transport Development' zone. The reason behind the amendment is to allow for transport uses (large heavy vehicles or road trains) to operate from the lots in Bell Street. Under the current zoning this use is not allowed. Currently transport uses are being operated on these lots without planning approval. The amendment was initiated for advertising in November.

Issues during the advertising period were raised which include the ability of Bell Street to accommodate heavy vehicle, the potential for financial liability for the Town and the need for a more comprehensive planning approach to take account of the proposed realignment of Great Northern Highway, ancillary development and the Airport Precinct.

BACKGROUND

The amendment was lodged by Veris Consultants (formerly Whelans in 2013) on behalf of Venn Group Pty Ltd (the applicant). The applicant is the leaseholder of Lot 500 Bell Street. The amendment proposes to rezone various lots in Bell Street (listed below) to the 'Transport Development' zoning (**Attachment 1**).

Lot Number	Current Zoning	Proposed Zoning
350 Bell Street	"Other Purposes"	"Transport Development"
500 Bell Street	"Industry"	
832 Bell Street	"Industry"	
843 Bell Street	"Industry"	
1629 Bell Street	"Local Road"	
5408 Bell Street	"Industry"	
5959 Bell Street	"Industry"	
6047 Bell Street	"Industry"	
6048 Bell Street	"Industry"	
6049 Bell Street	"Local Road"	
6040 Leslie Street	"Industry"	

The subject area is located in Bell Street, Port Hedland. The subject area is located approximately 1.5 kilometres north of the Port Hedland International Airport. To the north of the site lies the Dampier Salt Mines (**Attachment 2**). The various lots within the subject area are zoned either 'Industry', 'Other Purposes' or 'Local Road'.

The purpose of the amendment is to allow for transport uses to operate in the subject area. These uses are not permitted under the current zoning for the site in Town Planning Scheme No.5 (TPS No.5).

In mid - 2013 the majority of the sites were being used for transport uses. These were being done so without planning approval. Officers of the Town considered initiating the amendment for the following reasons;

- Rezoning the lots would allow unauthorised operators to submit development applications to be considered for approval;

- If the lots were to remain zoned 'Industry' the operators may face legal action from the Town and as a consequence could lead to the loss of business and employment opportunities in the Town; and
- The close proximity to Great Northern Highway could facilitate transport related businesses.

On 27 November 2013 Council resolved to initiate the amendment for advertising subject to subject to the following;

- A copy of the amendment being sent to all landowners and lessees affected for their comment;
- The applicant preparing an infrastructure capacity study and a traffic study to support the sites.

The amendment was referred to neighbouring landowners for comment. The comments received are discussed further in the Schedule of Submissions (**Attachment 3**). The two (2) technical studies were provided and included in **Attachment 1**.

Prior to this amendment a previous amendment was adopted regarding transport uses in Port Hedland. Scheme Amendment No.24 to TPS No.5 (Amendment No.24) was gazetted in February 2011. Amendment No.24 removed the ability for transport uses to be operated on any site in the Town except for one designated area – The Wedgefield Transport Development Zone (Hedland Junction). The reason behind this was the need to separate the transport uses from the lighter industrial type vehicles within the Wedgefield Industrial Area. Prior to this transport uses could be operated from any site zoned 'Industry' with Council approval. Amendment No.24 was advertised publicly with no objections. Existing transport operators which had obtained Council approval to operate prior to the gazettal of Amendment No.24, were able to continue to operate under non-conforming use right provisions of TPS No.5.

CONSULTATION

Following Council resolution 201314/159 on 27 November 2013 the amendment was referred to the Environmental Protection Authority (EPA) for assessment. On 7 March 2014 the EPA informed the Town that the amendment did not require formal assessment.

The amendment was referred internally within the Town to the Works and Services Department with no objections raised.

The amendment was referred to the neighbouring landowners for comment from 3 February 2014 until 3 March 2014. The amendment was advertised publicly in the newspaper from 4 June 2014 until 2 July 2014. The amendment was referred externally to the following agencies below;

- Department of Lands
- Department of Health
- Main Roads Western Australia
- Telstra
- Pilbara Development Commission
- Optus
- Horizon Power
- Department of Environmental Regulation

All advertising was carried out in accordance with Section 81 of the *Planning and Development Act, 2005*. The submissions received are discussed in further detail below and in the schedule of submissions provided in **Attachment 3**.

Department of Lands

Initially the Department of Lands objected to the amendment. The Department of Lands did not deem the amendment necessary. The Department of Lands stated that the majority of lots within the subject area are Unallocated Crown Land owned by the Department of Lands and leased to various third parties for light industrial purposes.

Rezoning to strictly 'Transport Development' would impact upon these light industrial purposes. Later the Department withdrew their objection to the amendment.

In 2016 the Department expressed an interest in leasing other lots in the subject area to operators for transport uses.

Main Roads Western Australia

Main Roads Western Australia (Main Roads) raised the following points in relation to the amendment;

- Main Roads has plans to realign Great Northern Highway in the near future;
- Main Roads will require detailed intersection modelling and traffic assessment that shows the traffic impacts of this development on the intersection of Great Northern Highway and Bell Street;
- The developer will be responsible for the construction/improvement of any Main Roads access onto the Great Northern Highway if required in the future; and
- The proposed development shall not adversely impact on the existing drainage on and for the Great Northern Highway;

Main Roads also confirmed that they did not accept the certain components of the traffic assessment provided by the applicant. This was in relation to the ability of the intersection of Bell Street and Great Northern Highway to be able to handle additional traffic.

Westrac

RPS consultants acting on behalf of Westrac recommended that the amendment be modified to allow the Westrac to continue to operate legally under TPS No.5. These comments are noted. It is recommended that the amendment be modified to allow the lots in the subject area to be given additional use rights in TPS No.5 to allow transport uses to be operated. This modification is recommended given that rezoning the subject lots to 'Transport Development' will remove the ability for Westrac and other lots to operate as 'Industry General' under TPS No.5 as they currently do.

Officers Comment

The amendment in its current format would impact on the rights of operators such as Westrac at Lot 832 Bell Street and remove their right to operate legally in TPS No.5. This is not considered proper and orderly planning. For this reason it is recommended that the amendment be modified to grant additional use rights to all of the lots to operate as 'Transport Depots' in Appendix 2 – Additional Development and Uses of TPS No.5 (**Attachment 4**).

This would allow the operators to operate without facing compliance action from the Town as they would have additional use rights under TPS No.5, and would not impact on other operators such as Westrac.

In regards to the concern for the road to accommodate additional vehicle movements it is recommended that a condition in Appendix 2 of TPS No.5 be included requiring a revised traffic impact assessment to show that the road can accommodate these movements. Main Roads are building a road train assembly area nearby the subject area. As part of this work Main Roads will be also be building the intersection to Great Northern Highway at their cost but will not contribute to the upgrade of the rest of Bell Street. The Town will be responsible for any maintenance costs.

Separate to this amendment the Town could seek to enter into agreements with those operators who wish to operate transport uses in Bell Street to contribute to maintain Bell Street. The Town may also wish to seek grant funding to maintain the road.

LEGISLATIVE IMPLICATIONS

The amendment was initiated under the former *Town Planning Regulations 1967*. Advertising of the amendment was carried out in accordance with these regulations. Since this time new planning regulations came into effect in 2015. These are the *Planning and Development (Local Planning Schemes) Regulations 2015*. These regulations now apply and require the Town to consider all submissions and to pass a resolution to;

- Support the amendment without modification;
- Support the amendment with proposed modification; or
- Not support the amendment

POLICY IMPLICATIONS

The amendment raises issues concerning *Council Policy 9/010 Asset Management*. This policy requires assets to be properly planned for and managed effectively by the Town. The amendment would require the upgrade and maintenance to Bell Street to cater for transport uses. This work has not previously been planned for or budgeted by the Town. There will be costs associated with this work to be paid for by the Town.

FINANCIAL IMPLICATIONS

The applicant provided the fee of \$9,758.60 to the Town for the amendment.

There may be costs associated with catering for transport uses as a result of supporting the amendment. Costs for the upgrade and maintenance of Bell Street are estimated to be approximately \$1 million. The work and costs are not identified by the Town as part of its assets management framework. This represents a financial burden for the Town.

STRATEGIC IMPLICATIONS

Council's 2014-2024 Strategic Community Plan

The amendment is generally consistent with the following sections Council's 2014-2024 Strategic Community Plan;

2.0 Strategic Community Plan - Supporting a diverse economy; 2.1 A thriving, resilient and diverse economy;

3.0 Balancing our built and natural environment; 3.1 Sustainable services and infrastructure.

The proposed amendment seeks to support a diverse economy however it presents a financial risk to the Town due to the upgrade and maintenance costs involved with Bell Street.

Pilbara's Port City Growth Plan

The amendment is compatible with the Pilbara's Port City Growth Plan (Growth Plan). The Growth Plan does not have a clear direction for the subject area but identifies the subject area as falling between Precinct 5 Dampier Salt and Surrounds and Precinct 7 – Airport and Surrounds. Precinct 5 identifies portions of the subject area as an area to service the growth of the salt operations. Precinct 7 identifies the subject area as part of the Great Northern Highway realignment area and being in close proximity to the Port Hedland International Airport.

SUSTAINABILITY IMPLICATIONS

Environmental

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

Economic

This amendment may impact on the viability of the existing business in Bell Street who are not operating transport uses. A blanket rezoning to the 'Transport Development' zone would make their operation 'Non-Conforming' uses and impact on the viability of their businesses. Likewise not permitting transport uses to operate in Bell Street may also impact on the viability of these businesses. Adopting the officer's recommendation to modify the amendment provides certainty to all operators in Bell Street whilst allowing the Town to undertake more detailed planning for the Bell Street Area and implement a cost recovery model for upgrading of Bell Street.

Social

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

Risk

There is a risk rating of 5 assigned to the amendment based on the following risks;

- A reputational risk to Council by making the current operators in Bell Street 'Non-Conforming' uses and removing the ability to operator legally under TPS No.5;
- There is a financial risk associated with upgrade and maintenance costs to Bell Street to cater for transport uses not planned for by the Town. This could be mitigated by the Town seeking to enter into an agreement (separate to this amendment) with the transport operators regarding the costs of the upgrade and maintenance of Bell Street or through seeking grant funding.

OPTIONS

Option 1 - Adopt Officers Recommendation

Option 2 – Disagree with the Officers Recommendation

That Council support Scheme Amendment no.67 without modification (as originally proposed by the applicant).

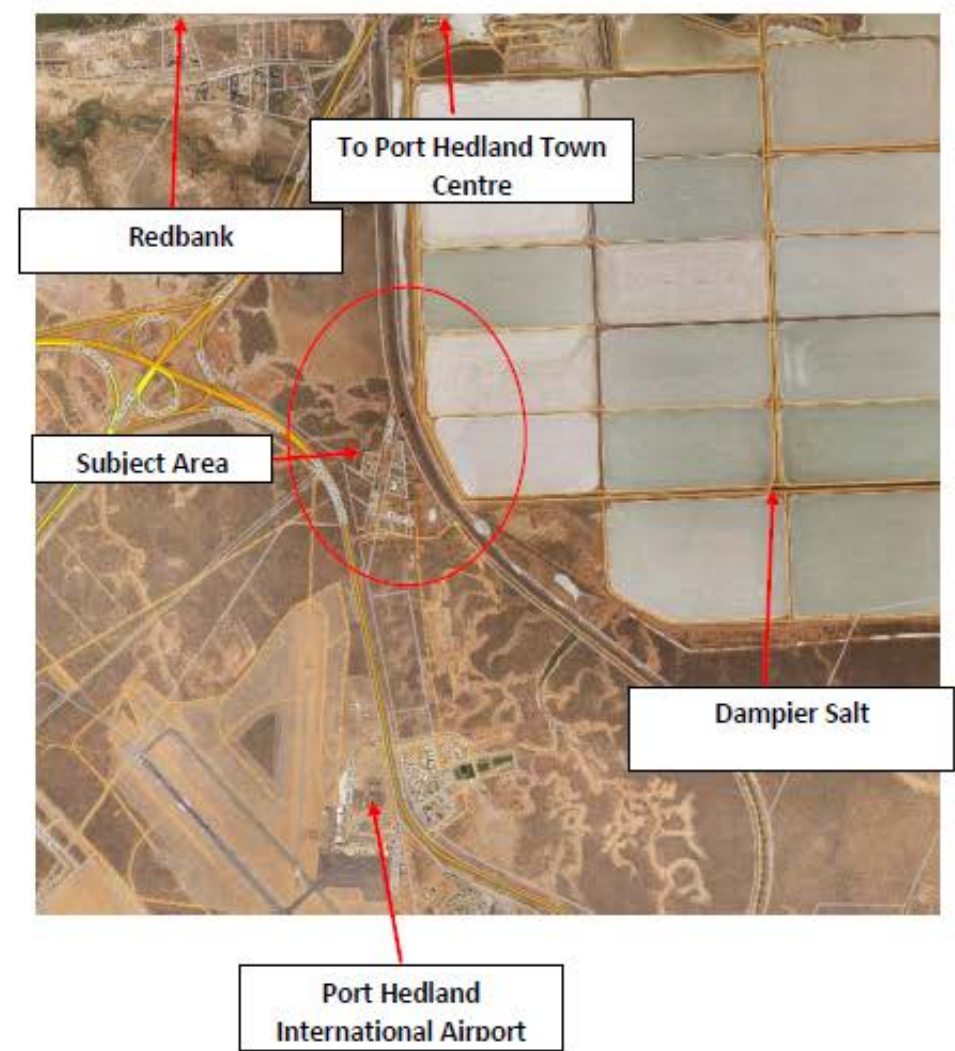
Option 3 – Disagree with the Officers Recommendation

That Council not support Scheme Amendment no.67.

CONCLUSION

It is recommended that Council resolve to adopt option 1. Modifying the amendment to include additional use rights for Transport Depots is a more effective measure to resolve the issues concerning this amendment. This allows operators in the subject area who wish to operate transport uses the ability to do so whilst not compromising the ability of the existing operators who operate general industry uses. The issues of maintenance to Bell Street can be addressed by an agreement separate to this amendment whereby the Town can enter into an agreement with transport operators or seek funding from external agencies to maintain the road.

Attachment 2 - Location Plan



ATTACHMENT 3 TO ITEM 12.2.2

No.	Date Received	Name	Comments Provided	Applicants Recommendation	Officers Recommendation
1.	16/02/2014	Department of Lands	Initially the Department of Lands objected to the amendment on 16/02/2014. Department of Lands objected on the grounds that the amendment does not fit with the use 'Light Industry' and prevent the subdivision of Unallocated Crown Land lots 350, 6047 and 6048 for light industrial uses. On 21/05/2014 the Department withdrew its objection after further consultation with the stakeholders and reconsidered their decision.	Noted.	Noted. No modifications required.
2.	18/06/2014	Water Corporation	No objection. A 100mm water main exists in Smith Street and a 150mm sewer main exists in Bell Street, and therefore the lots can be serviced with a water supply. A waste water service is not available (Refer to the attached plan)	Noted.	Noted. No modifications required.
3.	26/06/2014	Department of Health	No objection	Noted.	Noted. No modifications required
4.	30/06/2014	Horizon Power	No objection.	Noted.	Noted. No modifications required.
5.	16/07/2014	RPS on behalf of WesTrac at Lot 832 Bell Street, Port Hedland.	No objection. Recommend the amendment be modified to allow Westrac to continue to operate as the use 'Industry-Service' without restriction. Modify the amendment to take one of the following options; Include 'Transport Depot' as an Additional Use in Appendix 2 of TPS No.5 as provided by Clause 3.2.7 of TPS No.5; or Amend the land use permissibility of 'Transport Depot' in the 'Industry' zone under the zoning table of TPS No.5 Allow for the use as an incidental (IP) use so that Westrac can continue to operate in Bell Street.	Dismiss. Westrac's concerns are can be resolved through an alternative process such as a retrospective application for 'Industry-Service' to secure their existing rights	Acknowledge the respondents concerns. Disagree with the applicants recommendations. Modify the amendment to include the subject lots in Appendix 2 of TPS No.5 with additional uses rights for 'Transport Depots'. This will allow operators to operate as 'Transport Depots' without impacting on the rights of other operators.
6.	1/08/2014	Main Roads Western Australia	No objection. On 1/08/2014 Main Roads raised the following concerns with the amendment; <ul style="list-style-type: none">• Main Roads has plans to realign Great Northern Highway in the near future;• Main Roads will require detailed intersection modelling and traffic assessment that shows the traffic impacts of this development on the intersection of Great Northern Highway and Bell Street;• The developer will be responsible for the construction/improvement of any Main Roads access onto the Great Northern Highway if required in the future;• The proposed development shall not adversely impact on the existing drainage on and for the Great Northern Highway; On 07/08/2014 Main Roads confirmed that they do not accept comments made in section 3.2 of the Transport Impact Assessment dated January 2014 prepared by Donald Veal Consultants that states the current intersection layout should easily cope with additional traffic.	Noted.	Noted. Agree with the respondents concerns. Modify the amendment to include the subject lots in Appendix 2 of TPS No.5 with additional uses rights for 'Transport Depots' and include a condition requiring a revised Traffic impact Assessment to ensure that the road network is capable of accommodating heavy vehicles.

ATTACHMENT 4 TO ITEM 12.2.2

No.	Scheme Amendment No.67 as Advertised	As Modified by Officer				Justification
1.	Rezone Lots 5408, 350, 6047, 6048, 6049, 1629, 843, 832, 5959, 500 Bell Street and 6040 Leslie Street Port Hedland from 'Industry', 'Other Purposes – Infrastructure' and 'Local Road' to Transport Development'	Amend Appendix 2 of TPS No.5 of inserting the following additional use provisions:				<p>The modifications are required as rezoning to 'Transport Development' makes all other uses (which are not 'Transport Development') Non-Conforming uses and removes the ability of these operators to operate legally under TPS No.5.</p> <p>Allowing the lots in the subject area to have additional use rights under Appendix 2 of TPS No.5 allows operators in the subject area to operate 'Transport Depots' if they wish to do so and does not impact on the rights of other operators.</p> <p>The condition requiring a revised Traffic Impact Assessment is provided to ensure that the road network is capable of accommodating heavy vehicles.</p>
		No.	Description of Land	Additional Use	Conditions	
		196	Lot 5408 Bell Street, Port Hedland	Transport Depot	1. All landowners, leaseholders and operators whom operate Transport Depots from this lot must prepare the following plans, studies and agreements to be adopted and implemented to the satisfaction of the Town of Port Hedland: a) Traffic Impact Assessment Study to show how the road can accommodate the additional vehicular movements	
		197	Lot 350 Bell Street, Port Hedland	Transport Depot	1. All landowners, leaseholders and operators whom operate Transport Depots from this lot must prepare the following plans and agreements to be adopted and implemented to the satisfaction of the Town of Port Hedland: a) Traffic Impact Assessment Study to show how the road can accommodate the additional vehicular movements	
		198	Lot 6047 Bell Street, Port Hedland	Transport Depot	1. All landowners, leaseholders and operators whom operate Transport Depots from this lot must prepare the following plans and agreements to be adopted and implemented to the satisfaction of the Town of Port Hedland: a) Traffic Impact Assessment Study to show how the road can accommodate the additional vehicular movements	
		199	Lot 6048 Bell Street, Port Hedland	Transport Depot	1. All landowners, leaseholders and operators whom operate Transport Depots from this lot must prepare the following plans and agreements to be adopted and implemented to the satisfaction of the Town of Port Hedland: a) Traffic Impact Assessment Study to show how the road can accommodate the additional vehicular movements	
		200	Lot 6049 Bell Street, Port Hedland	Transport Depot	1. All landowners, leaseholders and operators whom operate Transport Depots from this lot must prepare the following plans and agreements to be adopted and implemented to the satisfaction of the Town of Port Hedland: a) Traffic Impact Assessment Study to show how the road can accommodate the additional vehicular movements	
		201	Lot 1629 Bell Street, Port Hedland	Transport Depot	1. All landowners, leaseholders and operators whom operate Transport Depots from this lot must prepare the following plans and agreements to be adopted and implemented to the satisfaction of the Town of Port Hedland: a) Traffic Impact Assessment Study to show how the road can accommodate the additional vehicular movements	
		202	Lot 843 Bell Street, Port Hedland	Transport Depot	1. All landowners, leaseholders and operators whom operate Transport Depots from this lot must prepare the following plans and agreements to be adopted and implemented to the satisfaction of the Town of Port Hedland: a) Traffic Impact Assessment Study to show how the road can accommodate the additional vehicular movements	
		203	Lot 832 Bell	Transport	1. All landowners, leaseholders and operators whom operate Transport Depots from this	

			Street, Port Hedland	Depot	lot must prepare the following plans and agreements to be adopted and implemented to the satisfaction of the Town of Port Hedland a) Traffic Impact Assessment Study to show how the road can accommodate the additional vehicular movements	
		204	Lot 5959 Bell Street, Port Hedland	Transport Depot	1. All landowners, leaseholders and operators whom operate Transport Depots from this lot must prepare the following plans and agreements to be adopted and implemented to the satisfaction of the Town of Port Hedland: a) Traffic Impact Assessment Study to show how the road can accommodate the additional vehicular movements	
		205	Lot 6040 Leslie Street, Port Hedland	Transport Depot	1. All landowners, leaseholders and operators whom operate Transport Depots from this lot must prepare the following plans and agreements to be adopted and implemented to the satisfaction of the Town of Port Hedland: a) Traffic Impact Assessment Study to show how the road can accommodate the additional vehicular movements	
2.	Amend the Scheme Map accordingly	Noted. No modifications required.				Noted. No modifications required.

12.2.3 Memorandum of Understanding – Disaster Events

File No: 20/01/0172
Applicant/ Proponent: N.A.
Subject Land/ Locality: N.A.
Date: 10 May 2017
Author: Ray Davy, Acting Director Development, Sustainability and Lifestyle
Authorising Officer: David Pentz, Chief Executive Officer
Disclosure of Interest from Author: Nil
Authority/Discretion: ☐ Advocacy
☒ Executive
☐ Legislative
☐ Quasi-Judicial
☐ Information Purposes

Attachments:

1. Draft Memorandum of Understanding

CM201617/217 OFFICER RECOMMENDATION/ COUNCIL DECISION

MOVED: CR TAVO

SECONDED: CR WHITWELL

That Council authorise the Chief Executive Officer to sign the Memorandum of Understanding with other Pilbara local governments and the Shire of Exmouth for the Provision of Mutual Aid during Emergencies and Post Incident Recovery.

CARRIED 8/0

EXECUTIVE SUMMARY

The attached draft Memorandum of Understanding (MOU) has been prepared to formalise what has previously been a “handshake agreement” for mutual support between the local governments of the Pilbara in dealing with emergency and/or severe weather situations. There is broad support for the MOU among all other proposed signatories, but formal indications of support are required from each before the Chief Executive Officer’s (CEO) commit to signing.

The stated intention of the MOU is to improve the efficiency of joint response to a disaster, share experiences, enhance cooperation between Local Governments and improve regional resilience to disaster events.

BACKGROUND

The local governments of the Pilbara, together with the Shire of Exmouth, have for some years operated under a “handshake agreement” to support each other with additional resources wherever practicable in dealing with natural disasters and disaster recovery. In late

2016 the Shire of Ashburton proposed that this informal arrangement should be replaced by a more formal MOU, and prepared a draft document for consideration.

Further steps taken in relation to this matter include:

- Letters were sent on 22 December 2016 to each CEO (and by email to designated Emergency Management Officers) seeking comment on the proposed MOU after it was approved in principle by the Shire of Ashburton;
- The City of Karratha subsequently proposed some amendments to the MOU, which were circulated to other parties for comment;
- The Shire of East Pilbara has considered the draft MOU at an Elected member workshop in late April 2017 and is expected to formally endorse it this month;
- The Shire of Exmouth has advised that the matter will be formally considered when their new CEO commences, and as a result the Pilbara CEOs have agreed to progress without them as a signatory at this stage;
- The Shire of Ashburton and the City of Karratha have agreed to progress with the MOU even if other LG's are unable to commit at this time.

The Town administration has advised other parties that they support the MOU in principle, and formal Council support is now sought endorse the Town's participation.

Key considerations in relation to the draft MOU include:

- The parties to the MOU recognise their responsibilities to have adequate arrangements in place in order to respond to non-natural and natural disasters, and that each Local Government will have its own Local Emergency Plans (LEMPs) and Local Emergency Management Arrangements (LEMA's) in place.
- The MOU does not create or impose any binding legal obligations between the signatories.
- The MOU does not authorise a party to incur costs or expenses on behalf of any other party, or to act for, or to create or assume any responsibility obligation or liability on behalf of any the other party.

CONSULTATION

Internal consultation only at this stage.

LEGISLATIVE IMPLICATIONS

Each Local Government is required to have a Local Emergency Plans (LEMP) in place in accordance with the *Emergency Management Act 2005*. The proposed MOU is intended to supplement those arrangements through mutual assistance to the extent practicable in the circumstances.

POLICY IMPLICATIONS

The Town has limited capacity to deal with significant natural disasters and the support of other local governments may prove valuable in such events. Offering the same support to the other local governments of the region helps to reinforce the overall resilience of the region to natural disasters and fosters closer cooperation on matters of mutual interest.

FINANCIAL IMPLICATIONS

There are no direct financial implications to this decision. When called upon to support other local governments under the terms of the MOU, the Town will be expected to carry some costs which may not be fully recoverable from the State under the West Australian National Disaster Relief & Recovery Arrangement (WANDRRA) guidelines.

STRATEGIC IMPLICATIONS

The MOU aligns with the Towns Strategic Community Plan section 3.3 'A safe, attractive and accessible environment' as it in particular the following point:

- Partner with key agencies and the community to respond to and recover from emergencies

SUSTAINABILITY IMPLICATIONS

Environmental

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

Economic

There are no identifiable economic impacts arising from the officer's recommendation. However, measures to improve the Town's resilience in times of natural disaster will provide indirect economic security for local businesses.

Social

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

Risk

There is a risk rating of medium (8) assigned to the risk that failure to reach agreement on terms for mutual support during and after natural disaster events may detrimentally affect the Town's capacity to support local residents and businesses.

OPTIONS

Option 1 – Adopt Officers Recommendation

Option 2 – Adopt Officers Recommendation with amendments

Adopt Officer's Recommendation with the following changes:

-

CONCLUSION

The proposed MOU does not impose any legal obligations on the Town and merely seeks to formalise a long-standing informal arrangement. Signing the MOU will assist in fostering closer mutual relationships between the local governments of the Pilbara.



MEMORANDUM OF UNDERSTANDING

between the
SHIRE OF ASHBURTON
and
SHIRE OF EAST PILBARA
and
CITY OF KARRATHA
and
TOWN OF PORT HEDLAND
for

**PROVISION OF MUTUAL AID DURING
EMERGENCIES AND POST INCIDENT
RECOVERY**

Local Government Memorandum of Understanding

This Memorandum of Understanding is made on _____

Parties to the Agreement

Shire of Ashburton; Poinciana Street, Tom Price

City of Karratha; Welcome Road, Karratha.

Town of Port Hedland; McGregor Street, Port Hedland

Shire of East Pilbara; Cnr Kalgan & Newman Drives, Newman.

These parties will be hereafter called the 'partnering Local Governments'

PURPOSE

The MOU sets out a basic framework for cooperation between the Local Governments named, to promote cooperation in a disaster event which affects one or more of the partnering Local Governments.

The guiding principle of this MOU is that any support given to a Local Government in a particular emergency event shall be voluntary and of a level that will not unduly compromise the operability of the Local Government providing the support.

The MOU seeks to:

- Facilitate the provision of mutual aid between partnering Local Governments during emergencies and post incident recovery.
- Enhance the capacity of our communities to cope in times of difficulty.
- Demonstrate the capacity and willingness of participating Local Governments to work co-operatively and share resources within the region.

PARTNERING OBJECTIVES

Partners to this MOU, in times of community distress due to an emergency incident, agree where possible to:

- a) Provide whatever resources may reasonably be available within the capacity of that Local Government to respond to the emergency incident if requested;
- b) Provide at its absolute discretion, whatever resources may be available within the means of that Local Governments to assist with post incident recovery in the community.

ALLOCATION OF RESOURCES

This MOU acknowledges that the allocation of a partnering Local Government's personnel and plant resources is an operational issue, and as such is the responsibility of the CEO of the Local Government seeking to offer aid.

RESPONSIBILITIES

The partners to this MOU recognise their responsibilities to have adequate arrangements in place in order to respond to non-natural and natural disasters. This MOU recognises that each Local Government will have its own Local Emergency Plans (LEMPs) and Local Emergency Management Arrangements (LEMA's) in place in accordance with the *Emergency Management Act 2005*. However, the intention of this MOU is to improve the efficiency of joint response to a disaster, share experiences, enhance cooperation between Local Governments and improve regional resilience to disaster events.

The parties acknowledge that the provisions of this document are not intended to create binding legal obligations between them.

The parties acknowledge that:

- a) Nothing in this document authorises a party to incur costs or expenses on behalf of the other party; and
- b) A party has no authority to act for, or to create or assume any responsibility obligation or liability on behalf of, the other party.

PARTNERING EXPECTATIONS

- 1) The Local Government receiving assistance will provide a competent and suitably qualified Supervisor to direct and oversee all works undertaken by staff from assisting Local Governments engaged as part of this MOU;
- 2) To provide, where possible, both physical and human resources to assist with the immediate response to and recovery after an emergency event. Ongoing protracted assistance may be needed, this may be subject to further negotiation and agreement in writing between the partners concerned;
- 3) Where possible, and if appropriate, the affected Local Governments must utilise internal resources and local contractors before requesting assistance from another Local Government. This will ensure Local Governments are not seen to be competing with local businesses or offers of assistance;
- 4) All requests for support will be made through the Incident Controller (IC) of the designated Hazard Management Agency (HMA) for the incident, in consultation with the designated Local Recovery Coordinator (LRC) and the Local Emergency Coordinator (LEC);
- 5) All equipment provided must be covered by the partners own insurance, each Local Government is responsible for ensuring insurance policies allow for the provision of mutual aid;
- 6) Each individual Local Government will be responsible for continued salary and any workers compensation insurance for their own staff regardless of where they are operating during the disaster event;
- 7) Each Local Government will be responsible for any loss, damage or cost associated with the provision of support unless otherwise agreed in writing;
- 8) The Local Government requesting support will be responsible for all incidental costs associated with the provider's personnel and equipment such as catering, accommodation, OHS issues, transport fuel and storage.

COST RECOVERY

The West Australian National Disaster Relief & Recovery Arrangement (WANDRRA) guidelines provide for the reimbursement of expenditure incurred by Local Governments during a disaster event. Each Local Government is responsible for maintaining an accurate record of its expenditure during an event.

In the event the emergency is declared a 'Disaster', State and Commonwealth funding assistance will be sought in compliance with relevant State and Commonwealth Policies. The affected Local Government area will claim these costs accordingly under the WANDRRA guidelines.

In the event a Local Government's resources and/or equipment are required to assist another Local Governments, these costs would not be claimable via WANDRRA. Therefore, any intended claim for reimbursement is a matter between partnering Local Governments.

DURATION AND AMENDMENT

The MOU will come into effect at the date which all parties have signed the agreement. This MOU can be reviewed at any time but cannot be amended except with the written consent of all partners.

TERM

Unless mutually extended, terminated or parties withdraw, this MOU will expire on 1st January 2020.

WITHDRAWAL

Any partner may withdraw from this MOU by giving 90 days written notice to the partnering Local Governments and the State Emergency Management Committee.

NOTICES

Communications in relation to this MOU should be addressed to:

Emergency Management Coordinator – Shire of Ashburton
Morgwn.jones@ashburton.wa.gov.au

or via post to:
Shire of Ashburton
PO Box 567
Tom Price WA 6751

Signature:
Dale Stewart; Acting-CEO Shire of Ashburton

Date:.....

Signature:.....
Chris Adams; CEO City of Karratha

Date:.....

Signature:.....
Allen Cooper; CEO Shire of East Pilbara

Date:.....

Signature:.....
David Pentz; CEO Town of Port Hedland

Date:.....

Item 13 Reports of Committees

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

13.1 Audit, Risk and Governance Committee Minutes – 2 May 2017**CM201617/218 OFFICER RECOMMENDATION/ COUNCIL DECISION****MOVED: CR WHITWELL****SECONDED: CR ARIF**

That Council receive the Minutes of the Ordinary Meeting of the Audit, Risk and Governance Committee held on Tuesday 2 May 2017 at 5:30pm inclusive of the following decisions:

- 12.1.1 Update Best Practice Review;**
- 12.1.2 Audit Findings Report;**
- 12.1.3 Monthly Audit, Risk and Governance Committee Reports;**
- 12.1.4 Adoption of the Audit, Risk and Governance Committee Work Plan 2017.**

CARRIED 8/0

Item 14 Motions of Which Previous Notice Has Been Given

Nil

Item 15 New Business of an Urgent Nature

8:13pm Councillor Arif declared a financial interest in item 15.2 'Port Haven TWA Village – Lease Renewal', as she owns BHP shares over the threshold.

8:13pm Councillor Arif left the room.

8:13pm Councillor Melville declared a financial interest in item 15.2 'Port Haven TWA Village – Lease Renewal', as he is an employee of BHP and owns BHP shares over the threshold.

8:13pm Councillor Melville left the room.

8:31pm The Director Infrastructure and Town Services left the room.

8:35pm The Director Infrastructure and Town Services re-entered the room.

15.2 Port Haven TWA Village – Lease Renewal

File No:	05/05/0055
Applicant/ Proponent:	BHP Billiton Iron Ore Pty Ltd
Subject Land/ Locality:	Port Hedland International Airport
Date:	10 May 2017
Author:	Ray Davy, Acting Director Development, Sustainability & Lifestyle
Authorising Officer:	David Pentz, Chief Executive Officer
Disclosure of Interest from Author:	Nil
Authority/Discretion:	<input type="checkbox"/> Advocacy <input checked="" type="checkbox"/> Executive <input type="checkbox"/> Legislative <input type="checkbox"/> Quasi-Judicial <input type="checkbox"/> Information Purposes

Attachments:

1. Letters from BHPBIO dated 6 August 2015 and 13 March 2017
2. Letter from Iffla Wade dated 23 May 2017
3. Letter from TPG Place Match dated 23 May 2017
4. Letter from Port Hedland International Airport dated 17 May 2017

CM201617/219 OFFICER RECOMMENDATION/ COUNCIL DECISION**MOVED: CR TAVO****SECONDED: CR GILLINGHAM****That BHP Billiton Iron Ore Pty Ltd (BHPBIO) be advised:**

1. That Council approves “in principle” an extension of the Port Haven lease for a period of 3 years with two further options of one year each, subject to BHPBIO and the Town of Port Hedland reaching satisfactory agreement by 30 November 2017 on measures to increase:

- a) the percentage of BHPBIO's workforce that is based permanently in Port Hedland; and
 - b) the housing of transient workers in facilities located within the urban areas of Port Hedland.
 - c) The use of local contractors and businesses.
2. That the Town of Port Hedland agrees to provide formal consent for a renewal of the lease on the above terms promptly upon reaching written agreement as to these matters.

CARRIED 4/2

For: Mayor Blanco, Councillor Gillingham, Councillor Hooper and Councillor Tavo
Against: Councillor Newbery and Councillor Whitwell.

8:37pm Councillors Melville and Arif re-entered the room and resumed their chairs.

EXECUTIVE SUMMARY

The lease for the Port Haven Transient Worker Accommodation (TWA) Village is due to expire in March 2019. Although the lease has been novated to PHIA, the terms of the airport lease agreement specify that the TWA leases including Port Haven cannot be renewed or extended without the consent of the Town. BHP Billiton Iron Ore Pty Ltd (BHPBIO) has written to the Town seeking feedback on the Town's position regarding an extension of the lease.

BACKGROUND

The Port Haven TWA Village represents a considerable capital investment by BHPBIO which it is naturally reluctant to write off if the lease were not to be extended. At the same time, given the considerable cost and logistical challenges associated with dismantling the complex and constructing an alternative facility for its transient workforce, it is reasonable to expect the Town to make a clear decision on the matter in the near future.

It has long been the preference of the Town to maximise the degree of integration between the operating workforce of all resource companies and the resident population, in order to increase the direct economic benefits generated by the transient workers to the local economy. To that end, there has been periodic discussion about the merits of encouraging BHPBIO to increase the number of transient workers into permanent residential dwellings in the town and/or to relocate its Port Haven facility into the West End of Port Hedland, as well as to increase overall the percentage of the BHPBIO workforce that is permanently based in Port Hedland. BHPBIO has responded to such suggestions by pointing out that it already has a majority of its workforce living in the town but for a variety of reasons also requires the use of a TWA facility of the size and quality of Port Haven.

Discussions with BHPBIO aimed at re-setting the relationship and establishing a long-term funding agreement for community facilities are currently at a sensitive stage, especially given the unresolved issues associated with the future of the West End, the proposed increase in export tonnages and the impact of dust on the local population. It is not considered practicable to expect these issues to be fully resolved in the timeframe necessary for BHPBIO to plan for a possible closure of Port Haven at the end of the current lease term. Neither would it seem prudent to impose the resultant costs on the company at the same time as the Town is seeking to negotiate a comprehensive financial agreement with it.

However, it is not unreasonable for the Town to seek some clear commitment by BHPBIO on issues of transitioning to a greater percentage of its workforce being permanently located in Port Hedland

CONSULTATION

Consultation was undertaken between Elected Members and the Town's Executive team at a Confidential Briefing, held on 3 May 2017.

The Chief Executive Officer has also attended two meetings with BHP where the lease was discussed and noted in the letter from BHP dated 13 March 2017 – see attachment 1.

LEGISLATIVE IMPLICATIONS

There are no legislative implications as the Port Haven TWA lease is lease agreement with PHIA and a sub-lease for the purposes of the functions of the Town. The property has already been disposed per s. 3.58 of the *Local Government Act 1995*, when the lease for the land was entered into with PHIA on 11 March 2016.

POLICY IMPLICATIONS

It is the view of Administration that the issue of transient worker accommodation should be the subject of a policy review aimed at differentiating between the impact (and hence the appropriate accommodation responses) of various categories of demand. For example, there are arguments for a more nuanced approach to the circumstances of those involved in ongoing operating functions (and hence whose connection with the town is of longer duration) from those imported for a relatively short period during periodic shutdown operations. Similarly, there is a case to differentiate between long-term employees of BHPBIO and contractors that are engaged purely on a short-term contract basis.

In some instances, the town would benefit both economically and socially from greater integration such as by locating any TWA accommodation in close proximity to existing local businesses or facilities. However, in other instances there would be good reasons for maintaining the level of separation that is provided by the current location of Port Haven.

FINANCIAL IMPLICATIONS

There are no direct financial implications to this decision. However, should Council not endorse the sub-lease, BHP may choose to remove the infrastructure on the land subject to the lease and that would result in a decrease in rating revenue. This would create a change in use of the land the TWA is currently located on, changing the rating category to a category with a lower rate in the dollar as well as decreasing the valuation used to calculate rates payable.

STRATEGIC IMPLICATIONS

Increasing the permanent workforce relative to transient workers and having long-term BHPBIO transient workers accommodated in locations that would encourage engagement with local businesses and organisations directly aligns with the Town's *Strategic Community Plan 2014-2024*.

SUSTAINABILITY IMPLICATIONS

Environmental

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

Economic

There are significant economic benefits from increasing the number of workers housed within the urban areas of the Town, both in terms of an increased permanent workforce relative to transient workers and in having long-term BHPBIO transient workers accommodated in locations that would encourage engagement with local businesses.

Social

Increasing the permanent workforce relative to transient workers would encourage greater integration and engagement with local organisations.

Risk

There is a risk rating of high (15) assigned to the risk that failure to reach agreement on terms for an extension of the Port Haven lease will create lasting and serious damage to the Town's relationship with BHPBIO.

OPTIONS

Option 1 – Adopt Officers Recommendation

Option 2 – Do Not Adopt Officers Recommendation

That Council requires the lease of Port Haven to terminate in 2019.

Option 3 – Adopt Officers Recommendation with Increased Lease Term of 5 Years

That BHP Billiton Iron Ore Pty Ltd (BHPBIO) be advised:

1. That Council approves "in principle" an extension of the Port Haven lease for a period of 5 years with five further options of one year each, subject to BHPBIO and the Town reaching satisfactory agreement by 30 November 2017 on measures to increase:
 - a. the percentage of BHPBIO's workforce that is based permanently in Port Hedland; and
 - b. the housing of transient workers in facilities located within the urban areas of Port Hedland.

2. That the Town of Port Hedland agrees to provide formal consent for a renewal of the lease on the above terms promptly upon reaching written agreement as to these matters.

CONCLUSION

The approach recommended is considered to maximise the Town's prospects of securing meaningful progress on issues of long-standing concern, without unnecessarily jeopardising the Town's relationship with BHPBIO at a sensitive time.

ATTACHMENT 1 TO ITEM 15.2



13 March 2017

Mr David Pentz
Chief Executive Officer
Town of Port Hedland

Via email: ea@porthedland.wa.gov.au

BHP Billiton Iron Ore Pty Ltd
ABN 46 008 700 981
125 St Georges Terrace
Perth WA 6000 Australia
PO Box 655
Newman WA 6753
T +61 8321 000
bhpbilliton.com

Dear David,

Re: Port Haven Lease

I refer to our recent discussion regarding the expiry of the Port Haven lease on March 2019.

For planning purposes we would appreciate a formal response from the Town of Port Hedland (ToPH) regarding its position renewing the lease on the Port Haven facility.

As you are aware, the business has invested significant capital funds to establish Port Haven and the facility forms an important part of our operations in Port Hedland.

I have attached correspondence that was previously forwarded to the previous ToPH CEO seeking the ToPH's position on the lease renewal for your information.

As you can appreciate, there are now time pressures associated with understanding the Town's position on the lease renewal.

We look forward to receiving feedback from the ToPH on its position with the lease renewal.

Yours sincerely

A handwritten signature in black ink, appearing to read "Meath", followed by a long horizontal stroke.

Meath Hammond
Head of Corporate Affairs WA

Iron Ore



BHP Billiton Iron Ore Pty Ltd
ABN 46 008 700 981
125 St Georges Terrace
Perth WA 6000 Australia
PO Box 7122 Cloisters Square
Perth WA 6850 Australia
Tel +61 8 6321 0000 Fax +61 8 6322 9978
bhpbilliton.com

6 August 2015

Mayor, Chief Executive Officer
Town of Port Hedland
PO Box 41
PORT HEDLAND WA 6721



Dear Kelly and Mal,

PORT HAVEN LEASE AND AIRPORT

Following recent discussions firstly between Mark Donovan, Rob Carruthers and Elected Members of the Town of Port Hedland on 22 July 2015 and my conversation with Mal on 31 July 2015 I would like to take this opportunity to clarify BHP Billiton's position in relation to the Port Haven lease and its link to the proposed 50 year lease of the Port Hedland International Airport.

I confirm BHP Billiton supports the Town's aspiration of entering into a long term lease of the airport and we have conveyed that to both bidding syndicates. However, as I explained to Mal we were surprised to only recently become aware of the Town's intention to include Port Haven and Precinct 3 in the transaction and further our only prior involvement in the process was limited to answering questions regarding anticipated passenger numbers.

The two leases are intrinsically linked. We understand the Town has advised the bidders that the Town reserves the right to decide if it will extend either or both the Port Haven lease and the Precinct 3 lease. The bidders have advised BHP Billiton that they support a long term extension of the Port Haven lease as it provides them with greater certainty. We have responded by advising the bidders that BHP Billiton is also willing to commit to entering into a long term lease of Port Haven beyond 2019 and that we would liaise with the Town. We have also advised the bidders that currently we are not certain the lease would be extended and we would be seeking comfort from the Town.

I understand the Town's position to be that it is simply not in a position to make any representation one way or another and any consideration of extending the Port Haven lease should take place after the Council elections in October this year.

We remain concerned that sitting behind the thinking of some members of the Town is a desire to remove Port Haven as a FIFO facility on the understanding that this would cause BHP Billiton to move some of its FIFO workforce into permanent residential dwellings in the Town and the balance into other third party controlled facilities. BHP Billiton already has a majority of its workforce living

residentially in the Town but for a variety of reasons we also require the use of a FIFO facility of the quality and size of Port Haven to accommodate our transient workforce in the long term.

Unfortunately the public debate surrounding FIFO and the position of some members of the Town means we cannot be confident that the option of renewing the Port Haven lease beyond 2019 will be open to us and we will need to advise the bidders accordingly. Our business must also now proceed to consider all alternative options.

I look forward to the opportunity to discuss this matter further with Council, and I understand arrangements are being made to schedule a meeting in the coming weeks.

Yours sincerely



 **Julius Matthys**
Vice President Corporate Affairs WA
BHP Billiton

ATTACHMENT 2 TO ITEM 15.2



23 May 2017

Mr David Pentz
Chief Executive Officer
Town of Port Hedland
PO Box 41
PORT HEDLAND WA 6721

Jeremy Wade
Partner
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Dear Mr Pentz

Port Haven TWA Village – Lease renewal

We act for Esplanade Port Hedland Hotel Land Pty Ltd.

Our client is concerned about the undue haste with which Council is proposing to consider item 15.2 Port Haven TWA Village – Lease Renewal at its meeting tomorrow night.

The resolution that is proposed provides:

“That Council approves “in principle” an extension of the Port Haven lease for a period of 3 years with two further options of one year each, subject to BHPBIO and the Town of Port Hedland reaching satisfactory agreement by 30 November 2017 on measures to increase:

- a) the percentage of BHPBIO’s workforce that is based permanently in Port Hedland; and
- b) the housing of transient workers in facilities located within the urban areas of Port Hedland.”

We note that the lease continues until 18 March 2019. Accordingly there is no reason why this issue needs to be resolved at the meeting of the Council on Wednesday night. Rather the matter should be deferred until more work is done on the conditions included in the resolutions namely the target percentage for BHPBIO’s workforce to be based permanently in Port Hedland and the measures to increase the housing of transient workers within the urban areas of Port Hedland. Until Council has formed positions on these issues the resolution simply locks the Council into a position where if agreement cannot be reached on these conditions BHPBIO will claim that it was encouraged by the Council to believe that the lease would be renewed.

We now enclose a submission by TPG+Place Match setting out further grounds for the deferral of the item.

Our client would like us to draw your attention to the following:

- The hotel employs 40 staff and is a major private employer in Port Hedland and provides work for many tradespeople and consultants.

Letter to Town of Port Hedland23 May 2017

- The Hotel and other hotels and accommodation premises provide rooms for tourists and commercial guests for which campsites are not designed for.
- Hotels unlike camp sites provide 3 to 5 star accommodation and cater for functions including al la carte food and serve tables with alcoholic beverages.
- Hotels provide substantial revenues to the Town of Port Hedland.
- Our client like many other businesses in Port Hedland is worried about its ongoing profitability and ability to continue to employ staff.
- Many businesses are unaware of the item being considered by the Council and would oppose it if they were. At the very least they would wish to know the impact on their operations.
- Accordingly the Council should provide the business case for the Town agreeing to renew the Lease and defer consideration of the item until this has been done.

Yours faithfully



ATTACHMENT 3 TO ITEM 15.2

Our ref: 717-195

23 May 2017



Mr David Pentz
Chief Executive Officer
Town of Port Hedland
PO Box 41
PORT HEDLAND WA 6721

Dear Mr Pentz

PORT HAVEN TWA VILLAGE - LEASE RENEWAL – REQUEST FOR PUBLIC CONSULTATION PERIOD

I write on behalf of the Esplanade Port Hedland Hotel Land PTY LTD (referred to throughout as the Esplanade Hotel), in relation to the late item 15.2 to be considered at the Town of Port Hedland's Council meeting on 24 May 2017 in relation to the Port Haven TWA Village – Lease Renewal. We write to request that the proposed lease renewal be referred out for public consultation before being considered by Council.

We wrote to the Town in November 2016 to request further information about the planning approvals obtained for the Port Haven facility, due to concerns that some Transient Workforce Accommodation (TWA) operators in the Town (including Port Haven) were renting accommodation to people other than transient workers to the detriment of bona fide tourism developments, including the Esplanade Hotel. We have not received a formal response from the Town as yet.

The Lease

The Lease referred to is that between the Town of Port Hedland and Compass Group (Australia) PTY LTD in for the Port Haven TWA facility, commencing on the 19 March 2009. The Lease specifies (among other matters):

1. Schedule 1 point 6 - the period of the Lease is 10 years;
2. Schedule 1 point 7 – the “...Lease contains no option of renewal however the parties within the first 6 months from the Date of Commencement consider in good faith a potential extension of the Term on mutually agreeable terms and conditions (but the parties acknowledge the constraints on the Lessor under section 3.58 of the Local Government Act 1995 (WA)); and
3. Schedule 1 point 9 - the Lessee must use the Premises only for “Accommodation for Transient Workers and other ancillary uses approved by the Lessor”.

Late item 15.2 on the agenda for Council's meeting on 24 May considers the renewal of the lease, which is currently due to expire in March 2019. A very brief officer report outlines some background to the lease renewal, however does not adequately consider a number of key matters, which are relevant to the Town's consideration of the extension of the Lease.

We provide the following questions for the Town and matters for further consideration, which we believe should be answered before any extension to the Lease is granted.

Lack of consultation

No advertising of proposed extension of the Lease appears to have been undertaken.

Section 3.58(1) of the *Local Government Act 1995* (the Act) states that the term “dispose” includes: “...to sell, lease, or otherwise dispose of, whether absolutely or not”

Section 3.58(2 and 3) of the Act states:

(2) Except as stated in this section, a local government can only dispose of property to —

- (a) the highest bidder at public auction; or*
- (b) the person who at public tender called by the local government makes what is, in the opinion of the local government, the most acceptable tender, whether or not it is the highest tender.*

(3) A local government can dispose of property other than under subsection (2) if, before agreeing to dispose of the property —

- (a) it gives local public notice of the proposed disposition —
 - i. describing the property concerned; and*
 - ii. giving details of the proposed disposition; and*
 - iii. inviting submissions to be made to the local government before a date to be specified in the notice, being a date not less than 2 weeks after the notice is first given; and**
- (b) it considers any submissions made to it before the date specified in the notice and, if its decision is made by the council or a committee, the decision and the reasons for it are recorded in the minutes of the meeting at which the decision was made.*

The Lease does not contain an option for renewal and specifically references the obligations under section 3.58 of the Act, which requires public notice of the disposition of land. While we note the agenda item states that the land has already been 'disposed' under section 3.58 based on the head lease to the PHIA Group, given the Town ultimately needs to agree to any renewal or extension to the lease, we query whether this is able to occur without advertising for public submissions first occurring?

In addition, to the lack of advertising, the item to consider the proposed lease has been listed as a late item on the agenda, giving Councilors and other interested parties little opportunity to review the report and undertake necessary investigations.

The lease is currently due to expire in March 2019, which is nearly two years away. There is clearly more than adequate time to properly consult on this extension, and no need to rush consideration of the matter.

Has an appropriate Business Case been prepared?

The Council agenda does not provide any details of a 'business case' prepared for the extension of the Lease or the original Lease, or indicate whether such a case has been prepared. Under section 3.59 of the Act, before the Town enters into any major land transaction (such as granting a lease for a TWA facility), the Town is normally required to prepare a business plan on the proposed transaction. The business plan is to include an overall assessment of the major land transaction and must include details of (among other things) its expected effect on other persons providing facilities and services in the district.

It is unclear whether such a business case was prepared before the original Lease was granted in 2008, or whether this business case allowed for subsequent extensions? The Agenda item is silent on this matter and as a minimum we believe it is something that should be reported on. Even if such a case was prepared at that time, we believe it would now be out of date due to significant changes which have since occurred with respect to demand for accommodation and housing in Port Hedland.

TWA's were initially approved for a very specific purpose, to accommodate transient workers associated with the construction and operation of large-scale mining works. Since the downturn in mining operations there have been considerably fewer workers, and significantly less demand for these facilities. As a result of decreased demand from Transient Workers many of these facilities have for some time been looking outside of the original 'TWA' market, and accommodating people other than short-term visitors, often by advertising on online booking sites or over the radio, and even providing accommodation for permanent (i.e. not 'transient') workers such as some of the Town's staff. Such visitors should instead respectively be staying at the more permanent hotel and motel facilities available in the Town and actual residential dwellings rather than TWA's.

Such activities are negatively impacting on the viability of the Town's bona fide hotels and motels and perpetuate the negative view of Port Hedland as a 'temporary place' for itinerant workers. There is no analysis of such community impacts in the report currently before Council for the lease extension.

Purpose built TWA facilities, such as Port Haven were approved and built for a very specific purpose, to alleviate short term spikes in accommodation demand generated by short term, construction based projects. Given this purpose is no longer relevant, the Town should not issue any further extensions to the Port Haven Lease until the ongoing impacts of such facilities on the Town are properly considered. The ongoing extension of such facilities further relieves pressure to grow and normalise the Town and we believe more consideration of the extension of the Lease is required than that outlined in the report.

Does Port Haven have appropriate approvals under the Planning and Development Act 2005 (the Act)?

In November 2016, we wrote to the Town requesting information in relation to (among other matters) the planning approvals issued for the Port Haven facility. We have not received confirmation from the Town in relation to this matter and note that the Officer report does not provide any background of the planning approval context of the Port Haven facility. We believe the report should be amended to include such information.

Our specific questions in respect to the planning approvals are:

- Has the Port Haven facility obtained necessary planning approvals to allow it to operate as a TWA and or Motel/Hotel?
- Is Port Haven operating in accordance with its planning approvals? Are any other uses (such as accommodation for non-transient workers and/or tourists operating?
- What are the terms of the planning approvals, i.e. is there any timing limit on the approval and if so when would an extension be required?

The site's zoning pursuant to the Town of Port Hedland Town Planning Scheme No. 5 (TPS 5 or the Scheme) as 'Airport' does not allow for permanent accommodation, only TWA, Motel and Hotel accommodation uses, all of which can only be approved on a 'discretionary' basis.

We understand most TWA facilities in the Town were approved on a temporary basis. Even if Port Haven is operating in accordance with their existing approvals, it is likely an extension to the planning approval will be required. As a TWA use can only be approved on a 'discretionary basis', we are concerned that extension of the Lease prior to the consideration of any extension of the planning approval may prejudice the Town's ability to consider all the relevant matters, such as potential amenity impacts (including potential social impacts) when it is determining a development application.

Furthermore, if Port Haven is operating outside of its existing planning approvals, then it calls into question whether the Town can grant an extension to a lease for an unlawful development.

Validity of certain points in the Officer Recommendation?

The actual Officer recommendation reads as follows:

1. *That Council approves "in principle" an extension of the Port Haven lease for a period of 3 years with two further options of one year each, subject to BHPBIO and the Town of Port Hedland reaching satisfactory agreement by 30 November 2017 on measures to increase:*
 - a) *the percentage of BHPBIO's workforce that is based permanently in Port Hedland; and*
 - b) *the housing of transient workers in facilities located within the urban areas of Port Hedland.*
2. *That the Town of Port Hedland agrees to provide formal consent for a renewal of the lease on the above terms promptly upon reaching written agreement as to these matters.*

Our concerns are as follows:

- With respect to point 1 there is no indication as to what a "satisfactory agreement" may be. The officer's own report states (page 3) that *"...Increasing the permanent workforce relative to transient workers and having long-term BHPBIO transient workers accommodated in locations that would encourage engagement with local businesses and organisations directly aligns with the Town's Strategic Community Plan 2014-2024."* The outcome that can be negotiated with BHP is clearly a key component of meeting this objective. How can Council properly consider the proposed lease extension without knowing the final outcome for the Town?

- With respect to point 2, it is unclear what form this 'formal consent' should take? Is the matter to be referred to a further Council meeting for consideration (which we believe would be highly appropriate in this instance) or be signed off by officers under delegated authority?

The outcome that can be negotiated with BHP with respect to the proportion of permanent workers to permanently reside in the Town and the housing of transient workers in facilities located within the urban areas of Port Hedland will be a key factor in determining how well the Town meets the Town's Strategic Community Plan 2014-2024. It is not considered appropriate for Council to even informally grant such a lease extension without knowing what the final outcome for the Town will be.

Accuracy of implications highlighted on pages 2-3 of the officer's report?

The proposed lease extension directly contradicts the 'Strategic Implication' listed in the Officer's report (as outlined above) by continuing to promote large scale TWA facilities in locations where occupants have limited opportunities to engage with local business, and not providing any supporting information about who is actually residing in these facilities.

Furthermore, the report does not contain any analysis of the amenity, business or social impacts on the Town of the proposed lease extension. These factors warrant further discussion, particularly in circumstances such as these, where there have been significant changes to the local economy, demographics and business circumstances since the original lease was considered.

In addition, we believe the Financial Implication section of the report may not adequately outline the extent of the Town's financial consideration in the approval of the lease? We would also question whether there are any impacts under the Head Lease agreement with the PHIA Group?

Does the Town have a conflict of interest?

Certain comments in the report, such as the last line of the third paragraph on page 2 of the officer report which states *"Neither would it seem prudent to impose the resultant costs on the company at the same time as the Town is seeking to negotiate a comprehensive financial agreement with it"*, together with what appears to be an incomplete assessment of the potential impacts of the proposal appear to give rise to the question of whether the Town has a conflict of interest in this matter.

The approval of the leasing arrangements, without appropriate consideration of the above matters, and an appropriate public consultation process may give rise to further questions about the Town's potential conflicts.

Given the above, we do not believe the matter should be determined by Council until the matters raised above have been appropriately addressed and the item has been referred out to consultation.

Should you have queries with regard to the report please do not hesitate to contact the undersigned on 9289 8300.

Yours sincerely
TPG+PLACE MATCH



David Read
Director

ATTACHMENT 4 TO ITEM 15.2

BY EMAIL

17 May 2017

The Mayor
Town of Port Hedland
Civic Centre, McGregor Street
P O Box 41
Port Hedland

Dear Mayor Blanco

Re: Port Haven Lease ExtensionIntroduction

The fixed term of the Port Haven Lease (Lease) between Port Hedland International Airport (PHIA) and ESS/BHP concludes in March 2019. The Town of Port Hedland (Town) has the right to agree or otherwise to any extension or renewal of the Lease. If the Town does not agree to an extension or a renewal, then BHP must remove all the buildings at Port Haven at the end of the term.

The accommodation at Port Haven is a vital facility for BHP's iron ore export operations. Given this, ESS/BHP is seeking a three-year extension of the term of the Lease from March 2019 until March 2022, given that securing alternative accommodation has "long-term planning lead times". This short extension to the Lease will enable BHP to fully develop a proposal for a long-term solution and seek approval from the Town.

Why Should the Town Approve an Extension?

- The extension sought by ESS/BHP is only for a short time and it will enable BHP to more effectively manage this "long lead time" item.
- The rates payable under the total ~\$1m per annum. If the Town does not approve a Lease extension, the Town will lose these rates which represents around 4.5% of the Town's current rate revenue.
- BHP recognises that there are significant opportunities to improve and embed local content initiatives into the ongoing operations of the Port Haven facility. Working in partnership with ESS these initiatives will include, sourcing more of Port Haven's workforce from Port Hedland community, working with the local high school and other organisations to provide pathways to employment for young people, and materially increasing the sourcing of supplies, services and equipment from local businesses. To drive these initiatives BHP's Service Provider ESS is in the process of recruiting a Local Content Coordinator to manage local training, employment and procurement.

- BHP is aware that the Town's negotiated right to 80 free or discounted 'community' rooms has previously caused angst with some of the local commercial accommodation providers. While this arrangement may have been appropriate at a time when accommodation was in short supply, it is clear that the local accommodation market has changed significantly. BHP would be happy to cease offering these 'community' rooms by mutual agreement with the Town.
- When ICG and AMP acquired the Lease as part of its acquisition of the long-term lease of PHIA, it valued the future rental revenue from this Lease, including extensions. This Lease revenue, including extensions, was included in the financial model provided by the Town to ICG and AMP. ICG and AMP are strongly of the view that they have paid for this future rental revenue.

PHIA requests that the Town approves a three-year extension to the term of the Lease to March 2022 and we look forward to your response.

Kind regards



John Clarke
Director
PHIA

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

CM201617/220 COUNCIL DECISION**MOVED: CR MELVILLE****SECONDED: CR TAVO****That 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 the public.

8:39pm The Chief Advisor to the Chief Executive Officer left the room.

8:39pm The Governance Officer left the room.

16.2 Appointment of Director Development, Sustainability and Lifestyle

File No: PER/9224
Applicant/ Proponent: N/A
Subject Land/ Locality: N/A
Date: 22 May 2017
Author: Kathryn Crothers, Director Corporate & Performance
Authorising Officer: David Pentz, Chief Executive Officer
Disclosure of Interest from Author: Nil
Authority/Discretion: ☐ Advocacy
☐ Executive
☐ Legislative
☐ Quasi-Judicial
☒ Information Purposes

CM201617/221 COUNCIL DECISION

MOVED: CR MELVILLE

SECONDED: CR TAVO

That Council suspend sections 9.4, 9.5 and 9.9 of the Town of Port Hedland Standing Orders Local Law 2014 in accordance with section 18.2 'Suspension for Standing Orders' to discuss item 16.2 'Appointment of Director Development, Sustainability and Lifestyle.

CARRIED 8/0

8:41pm The Mayor advised that sections 9.4, 9.5 and 9.9 of the Town of Port Hedland Standing Orders Local Law 2014 are now suspended.

CM201617/222 COUNCIL DECISION

MOVED: CR MELVILLE

SECONDED: CR TAVO

That Council resume sections 9.4, 9.5 and 9.9 of the Town of Port Hedland Standing Orders Local Law 2014.

CARRIED 8/0

8:45pm The Mayor advised that sections 9.4, 9.5 and 9.9 of the Town of Port Hedland Standing Orders Local Law 2014 are now resumed.

CM201617/223 OFFICER RECOMMENDATION/ COUNCIL DECISION**MOVED: CR HOOPER****SECONDED: CR TAVO**

That with respect to the recruitment of a suitably qualified Director Development, Sustainability and Lifestyle, Council:

- 1. Receive the advice from the Chief Executive Officer that he proposes to employ the preferred candidate (candidate A) as identified in this confidential report as a senior employee of the Town of Port Hedland in the role of Director Development, Sustainability and Lifestyle; and**
- 2. Note that if negotiations with the preferred candidate (candidate A) prove unsuccessful, the Chief Executive Officer proposes to employ candidate B as identified in the report as a senior employee of the Town of Port Hedland in the role of Director Development, Sustainability and Lifestyle;**
- 3. Note that should negotiations with candidate A and candidate B prove unsuccessful the Chief Executive Officer will re-advertise the position.**

CARRIED 8/0

8:46pm The Director Infrastructure and Town Services left the room.

8:46pm The Acting Director Development, Sustainability and Lifestyle left the room.

8:46pm The Chief Executive Officer left the room.

8:46pm The Administration Officer Governance left the room.

16.1 Chief Executive Officer Probation Review (Late Item)

File No:	PER9216
Applicant/ Proponent:	N/A
Subject Land/ Locality:	N/A
Date:	9 May 2017
Author:	Kathryn Crothers, Director Corporate and Performance
Authorising Officer:	N/A
Disclosure of Interest from Author:	Nil
Authority/Discretion:	<input type="checkbox"/> Advocacy <input checked="" type="checkbox"/> Executive <input type="checkbox"/> Legislative <input type="checkbox"/> Quasi-Judicial <input type="checkbox"/> Information Purposes

CM201617/224 OFFICER RECOMMENDATION/ COUNCIL DECISION**MOVED: CR TAVO****SECONDED: CR HOOPER****That with respect to the Chief Executive Officer probation review, Council:**

- 1. Confirm the employment of the Chief Executive Officer, David Pentz.**
- 2. Note that the Chief Executive Officer annual performance review will be considered at the December 2017 Ordinary Council Meeting.**

CARRIED 7/1

For: Mayor Blanco, Cr Melville, Cr Gillingham, Cr Hooper, Cr Arif, Cr Newbery, Cr Tavo
Against: Cr Whitwell

CM201617/225 COUNCIL DECISION**MOVED: CR MELVILLE****SECONDED: CR TAVO****That Council open the meeting to members of the public.*****CARRIED 8/0***

The Mayor advised that the meeting is now open to public.

9:04pm The Chief Executive Officer re-entered the room.

9:04pm The Director Infrastructure and Town Services re-entered the room.

9:04pm The Acting Director Development, Sustainability and Lifestyle re-entered the room.

9:04pm The Chief Advisor to the Chief Executive Officer re-entered the room.

9:04pm The Governance Officer re-entered the room.

9:04pm The Administration Officer Governance re-entered the room.

Item 17 Closure

17.1 Date of Next Meeting

The next Ordinary Meeting of Council will be held on Wednesday 28 June 2017 commencing at 5:30pm, with the Public Agenda Briefing being held on Wednesday 21 June 2017 commencing at 5:30pm.

17.2 Closure

There being no further business, the Mayor declared the meeting closed at 9:06pm.