



TOWN OF PORT HEDLAND

ORDINARY COUNCIL MEETING MINUTES

WEDNESDAY 26 JULY 2017 AT 5:30PM

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

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

*David Pentz
Chief Executive Officer*

Distribution Date: 3 August 2017

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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
Robert Leeds	Director Development, Sustainability and Lifestyle
Gerard Sherlock	Director Infrastructure and Town Services
Josephine Bianchi	Manager Governance and Policy
Tammy Wombwell	Administration Officer Governance / Minute Taker

Public	16
Media	2
Officers	11

3.2 Apologies

Nil

3.3 Approved Leave of Absence

Nil

3.4 Disclosure of Interests

Name	Item no.	Interest	Nature
Councillor Melville	12.3.1 Master Plan and Business Plan – McGregor Street Sporting and Recreation Precinct	Impartiality	Councillor Melville is a member of the Turf Club

Councillor Arif	12.1.1 Spoilbank Marina Future Direction	Impartiality	Councillor Arif is a member of the Yacht Club
Councillor Gillingham	12.1.1 Spoilbank Marina Future Direction	Impartiality	Councillor Gillingham is a member of the Yacht Club
Councillor Gillingham	12.2.1 Interim Statement of Financial Activity for the period ended 30 June 2017	Impartiality	Councillor Gillingham is a committee member of the Pilbara Music Festival
Councillor Whitwell	12.1.1 Spoilbank Marina Future Direction	Impartiality	Councillor Whitwell is a committee member of the Yacht Club

Item 4 Response to Previous Questions

4.1 Response to Questions taken on notice from Public at the Ordinary Council Meeting held on Wednesday 28 June 2017

Nil

4.2 Response to Questions taken on notice from Elected Members at the Ordinary Council Meeting held on Wednesday 28 June 2017

Nil

4.3 Response to Questions taken on notice from Public at the Special Council Meeting held on Tuesday 6 June 2017

4.3.1 Mr Arnold Carter

In the Towns financial statement for the period ended 30 April 2017, it is indicated that current budget figures for rates are \$23,684,000, and the year to date actuals indicate a value of \$24,055,000. Are these accrued figures, and is any proportion of this bad debts?

The Manager Financial Services advises that the Town utilises the option of recovering outstanding rates and charges when a property is sold. There is no current accrual for bad debt completed.

The Manager Financial Services also advises that the \$24,055,000 actual for rates are actual figures and not accrued figures.

4.3.2 Mr John Peters

It is noted in the 22 February 2017 Mid-Year Budget Review, that an increase of operating expense of \$1.153 million, which included an additional employee cost of \$724,000. Can the Town please advise what payments were made to consultants in this adjustment?

The Director Development, Sustainability and Lifestyle advises that the additional costs reflect employees that are engaged directly through the Town of Port Hedland and that consultants are not included in this figure as they are not employees of the Town.

Item 5 Applications for Leave of Absence

Nil

Item 6 Attendance by Telephone/Instantaneous Communications

Nil

Item 7 Public Time

Important note:

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

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

The Mayor opened Public Question Time at 5:35pm

7.1 Public Question Time**7.1.1 Mr Dave McGowan**

In regards to item 12.1.1 'Spoilbank Marina Future Direction', is the reduced concept plan available for the community to view?

The Chief Executive Officer advised that the reduced concept is not available at this stage and that the full Marina is still the ultimate plan. The Chief Executive Officer also advised that the reduced concept plan will go through a full consultative process.

Are there plans for the Town to consult with the community before the reduced concept plan is progressed?

The Chief Executive Officer confirmed that there will be a full consultative process and that the Town will advertise when these consultations will take place so that the community will have an opportunity to have their say.

The community should have been consulted before the reduced concept plan was started, and then further consultation can take place after.

The Mayor advised that the Town will be going out for consultation with the new proposed reduced concept plan.

7.1.2 Mr Jim Henneberry

In regards to item 12.1.1 'Spoilbank Marina Future Direction', would the Mayor, Chief Executive Officer and Councillors be agreeable to attending a meeting with Pilbara Ports Authority and BHP to discuss the repurposing of the Spoilbank Marina Development?

The Mayor asked Mr Henneberry to clarify the purpose of the meeting.

The purpose would be to discuss the future plans of the Spoilbank Marina.

The Mayor advised that the Spoilbank Marina is proposed to be a community facility and not an industry facility, and that it is up to the community to decide how the proposal will move forward.

The Chief Executive Officer advised that BHP and the Pilbara Ports Authority are key stakeholders in the whole redevelopment process.

7.1.3 Mr John Peters

This morning you made a public statement at the Port Hedland Chamber of Commerce Business Breakfast regarding half a billion dollars coming to Port Hedland. Firstly, thank you for raising so much money for the town.

The Mayor advised that what Mr Peters had stated was incorrect. The Mayor advised that what he stated at the Business Breakfast was that the Town is working on a plan to build it's' wealth fund to half a billion dollars.

Is the Town working on that plan?

The Mayor advised in the affirmative.

Did you also mention there would be a freeze on rates?

The Mayor advised that if the whole proposal moves forward and is achieved, there will be a freeze on rates and a possible reduction in rates as the wealth fund builds. The Mayor also advised that if the proposal is achieved the wealth fund would be able to fund asset renewal and maintenance in the town.

Where will this money come from?

The Mayor advised that the proposal is still in discussion and that the source is not yet known.

Is there a written agreement for this proposal?

The Mayor advised in the negative and that the proposal is still in discussion.

Is it a confidential matter?

The Mayor advised in the affirmative.

Why did you make a public statement about the proposal if it is confidential?

The Mayor advised that his statement was regarding the proposal that the Town is working on and that no other detail will be released at this stage.

The statement you made is misleading to the public. The public are of the impression that rates will be frozen, and now you are saying that it was a confidential statement. Why would you make such a statement on public record?

The Mayor asked Mr Peters if he would like to see the proposal move forward.

Mr Peters advised in the affirmative.

The Mayor agreed with Mr Peters that it is a good proposal for the Town to work on.

Has the repair of Town houses been factored into the 2017/18 Budget?

The Mayor advised in the affirmative and that in previous budgets the Town had allocated funding for the repairs, but not spent it on the proposed works for the Town's housing stock. The Mayor also advised that funds have been allocated and that maintenance and repairs will be undertaken this year and that it is possible that some of the aging houses may be offloaded.

Are these houses Council houses or Aboriginal houses?

The Mayor advised that they are staff houses and are owned by the Town of Port Hedland.

How much will be spent on these repairs and maintenance?

The Mayor advised that \$375,000 is allocated in the 2017/18 Budget for this purpose.

I have a newspaper article here which states that the Town took 6 months to repair a particular house. The Town has about 15 houses, how many years will it take to repair them all?

The Mayor advised that the house in the newspaper article is not owned by the Town and that the house mentioned in the article was a private house.

Why did the Town repair a private house?

The Mayor advised that the house was repaired by the Town because the house was in significant disrepair and had thousands of syringes located inside and kicked in doors. The Mayor advised that due to safety risks the house was cleaned and boarded up so that it is not accessible.

You just mentioned safety risks. There are many other houses in the town that pose a safety risk, will the Town repair all of these houses too?

The Mayor advised that the house mentioned in the newspaper article took a long time for the Town to gain access to and that it is a privately owned house. The Mayor advised that the Town had to use all of the resources available to the Town in accordance with the *Local Government Act 1995* to actually get on site and that it takes a long time to achieve this. The Mayor advised that it was a benefit to the community.

The Chief Executive Officer advised that the cost of boarding the house up is added to the title of the property and that the Town recoups that cost when the property is sold.

Will the swimming pools in both Port and South Hedland be closed and will a new swimming pools be built?

The Mayor advised that the matter is being considered by Council tonight, and that there are a number of proposals for Council to vote on. The Mayor also advised that once Council has voted on the matter, there will be clearer direction on what is happening with community assets.

The Ratepayers Association has done a lot of homework, and we believe that \$15M was spent on the South Hedland Aquatic Centre for repairs.

The Mayor asked Mr Peters when the repairs were done.

I have a figure of \$11.5M, and you confirmed that the value has gone up to \$15M.

The Mayor advised that \$11.5M was spent on repairs to the pool in 2013 and that there have been ongoing maintenance and repairs since then.

It says in this newspaper article that in 2014, \$15M was spent on the pool.

The Mayor advised that the exact figures could be provided to Mr Peters if he would like them.

It says in this newspaper article that the pool is over 50 years old and if the Town spends money on an aging facility, at the end of the day the Town has still got an old facility. I am here to question how the Town is spending ratepayers' money.

The Mayor advised that the question regarding what has been spent on the South Hedland Aquatic Centre would be taken on notice, and that all information that is required will be provided to Mr Peters.

The Chief Executive Officer advised that the proposal is not whether the pools are closed and that a master plan for a South Hedland Sports Precinct is being proposed which looks at other requirements such as sports field facilities, basketball courts and other facilities which are under pressure. The Chief Executive Officer advised that in that master planning process there will be a site identified for a possible future pool and that there would be extensive consultation during the process.

At the last Ordinary Council Meeting, you said that the Town was spending \$400,000 on a feasibility study for the South Hedland Sports Precinct, is that correct?

The Chief Executive Officer advised in the affirmative.

Where is this \$400,000 coming from? I have heard that an out of court settlement was done where \$400,000 was received by the Town and the settlement money is what is being used to fund this feasibility study.

The Mayor advised that Mr Peters has asked more than 3 questions, and that if he would like to submit the remainder of his questions they would be answered.

The Mayor closed Public Question Time at 5:47pm

The Mayor opened Public Statement Time at 5:47pm

7.2 Public Statement Time

7.2.1 Mr Dave McGowan

The Port Hedland community has been talking about creating a better boating facility on the coast for over 35 years. The Town boat ramp, which was built some 15 years ago, has outlived its usefulness with the increase in capacity and traffic in the harbour.

Over the past 12 years, the Town has had various plans and proposals for a marina or boating facility at the Spoilbank, this is demonstrated by drawings from as long ago as the Port Hedland Enhancement Scheme from October 2006. Nothing has changed in the needs, except that now there is a funding proposal in our grasp for this facility.

Presently over \$2.4M has been spent on studies, including geotech, marine, silting, wave and current flows, which has all come from Council funds. We are now being presented with a proposal that allocates \$3M to redesign much of the previous work. Are we going to get to a stage where we have wasted \$6M and have nothing for it?

The only reason that this project has been stopped by a new Minister is because the business plan does not stack up, and funding for maintenance will be withdrawn after 3 years. The Minister has cracked the door open to suggest that the funds could be used for other facilities in the town. This is not what the Council has spent \$2.4M on, so that other projects can occur in South Hedland.

The Council needs to look at themselves and take the lead of the Minister, and get the business case to stack up. Look around, there are many avenues to get this facility even better than initially proposed. Involve business, big and small, and a community that have already said they want it. I urge Council to not let this once in a lifetime opportunity to slip from our fingers; it won't happen again. Modify the Officer's Recommendation to remove part 6, which allows Council to spend the funds on other projects that are not part of any boating facilities.

The Mayor advised that previous money that was spent on the project was for plans and studies which brought it to this detailed design stage. The Mayor advised that the \$3M will take the Spoilbank Marina to detailed design, which will then eventually get a shovel in the ground.

7.2.2 Mr John Peters

The Mayor's Facebook page on 13 May 2017 criticized the Ratepayers Association regarding a rate rise. Now you are agreeing with the Ratepayers Association statement that rates can be frozen, which is very good for the Town moving forward. Do you agree that you were wrong in making such a statement on social media against the Ratepayers Association, it would be kind of you to alter the statement to say that you totally agree with the Ratepayers Association's vision.

7.2.3 Mr Jim Henneberry

In regards to item 12.1.1 'Spoilbank Marina Future Direction', I wish to ask Council to amend the Officer's Recommendation to delete part 6 which gives options for spending the balance of the State Government's \$112M funding for the Marina or on other community priorities.

The Minister Alannah MacTiernan, in her letter dated 3 July 2017, states that the Government is committed to matching the funding for this project. Please do not let these allocated funds fall into other community priorities when they have been allocated purely for the Spoilbank Marina.

7.2.4 Mr John Geoghegan

My name is John Geoghegan and I thank you for this opportunity to present this statement and proposal to Council.

I lived in Port Hedland for 34 years and as my wife and I decided not to retire in Port Hedland, we bought a caravan and toured Australia. I now return as a visitor who still has plenty of iron ore dust and pindan running through my veins. While we were travelling, we visited many local and historical museums and displays.

This made me reflect over all the amazing things that Port Hedland and the Pilbara had to offer. After writing these down, I produced a YouTube video called the "Pilbara Pioneers", which is my dream for the Pilbara. The Video explains in greater detail what I hope to achieve and I offer this to the Town of Port Hedland as a proposal to consider for the 125th anniversary of Port Hedland in 2021.

In a nut shell, Pilbara Pioneers is a heritage museum to showcase all that the Pilbara has to offer and be located in Port Hedland. Currently Port Hedland has several places and displays scattered around the town, for example, the Visitors Centre is not very well located, being in Wedge street at the furthest point off the highway, and has poor parking, especially for caravans. The Don Rhodes museum looks neglected and Dalgety House and the Art Gallery are easily driven past. None of these would attract a visitor to come into town just to see them.

I propose the Pilbara Pioneers to be a one stop shop for Port Hedland which encompasses all the above on one site and under one management, each assisting each other as it would consolidate costs and staff.

Currently the old hospital site is being cleared for re-development, if this could be earmarked for recreational use, it could be the perfect site for the Pilbara Pioneers. The suggestion to establish the Pilbara Pioneers in Port Hedland would make it a destination of choice.

People seem to have a short term view and a lack of vision for Port Hedland's future and mining is a major part of our existence. Should tourism play a part in our future? Town planning should account for possible areas to be put aside for further development including tourism in a planned and constructive way.

The Pilbara Pioneers would create a destination for tourists to come and stay rather than pass through. Pilbara Pioneers will create employment that is not relying on the mining industry. It will develop a show piece for the state of WA, the Pilbara and Port Hedland, capturing all the history before it is lost forever. When you look at the past, present and people, there is an amazing collection and diverse range of history.

The Pilbara Pioneers would need an identity or image, like the man and the wheelbarrow outside the Visitors Centre. If it was possible to build on the old hospital site and have a 10 metre statue of the man with the wheelbarrow overlooking the Yacht Club, wouldn't that make an amazing entry into Port Hedland?

Thank you for allowing me to make this presentation. As there was no support for the Pilbara Pioneers 10 years ago when I first approached people in 2007, I let it lapse. If you as a Council are prepared to support this proposal now, it makes it worthwhile to go to the next step to consider a business plan to see if it is feasible to continue.

7.2.5 Mr Roger Higgins

I approached Council last August about creating a place for caravans to park down on the Spoilbank. The plan at the time was to use the current overflow caravan park only when the local caravan parks had reached 75% occupancy, which has now changed. I have a proposal to create a suitable area for caravans adjacent to the Spoilbank, with an area of around 8,000 square metres. I have the scope of works, a map and costings. The costing for this proposal is \$14,500. In August, I asked if Council would be prepared to drive an enterprise to consider substituting the current overflow park for the Spoilbank.

Currently there are approximately 60 to 100 caravans in the overflow park at this moment. During the months of May to August, there are 121 days. If you were to charge \$10 per night, you would only need to average an occupancy of 12 caravans per night to cover the costs of the proposal at the Spoilbank.

This morning, MP Melissa Price talked about the potential for tourism here, our biggest market is here with the “grey nomads”, not China like she mentioned.

Can I respectfully suggest that this is revisited next year? I am happy to table the information that I have with costing, plans and scope to Council.

7.2.6 Ms Jan Ford

I would like to thank our Council today for the wonderful Connected Communities presentation at the Chamber of Commerce Business Breakfast in relation to tourism.

I want to congratulate and thank Mr John Geoghegan. The Progress Association watched this video on the Pilbara Pioneers and we were all impressed. I also support Mr Roger Higgins comments to start developing more caravan parks.

I'd like to thank all the Councillors who have been dedicated to debating and working towards the Spoilbank Marina. Some Councillors disappeared 30, 20 and 10 years ago, but the plan has continued throughout all Councils since then.

Paragraph 2 of the Ministers letter stated in attachment 1 of item 12.1.1, says that “our Government is committed to matching the funding pledged for the project by the previous Government”. We need to remember the long term commitment and dream that dates back decades. I request tonight that Council supports the Officer's Recommendation from point 1 to point 5 and considers removing point 6.

Remember all the former Councillors who represented this community. The community has been active and vocal in making it very clear to the Government's past and present about creating a water playground for the people of Port Hedland.

Surely millions in Royalties for Regions funding is well spent on the Spoilbank Marina which this community believes is important.

The Mayor closed Public Statement Time at 6:06pm

7.3 Petitions/Deputations/Presentations/Submissions

7.3.1 Department of Immigration and Border Protection

The Department of Immigration and Border Protection presents the Town of Port Hedland with a plaque in appreciation of the Town's ongoing support of Australian Citizenships.

Item 8 Questions from Members without Notice

8.1 Councillor Jan Gillingham

In Kalgoorlie, they are conducting a survey in relation to airfares operating in the Goldfields region. Can the Town or Port Hedland also conduct a survey on our airfares?

The Mayor advised that a survey could be conducted, but that commercial airlines are private companies and that to lower the cost of airfares, they would then have to secure Government subsidies which would be a State or Federal Government initiative.

The Chief Executive Officer advised that the Productivity Commission is meeting in Karratha during August, and the Town will be giving a presentation at the meeting on the matter.

8.2 Councillor Louise Newbery

I would like to raise a Notice of Motion to amend the following in relation to the Town of Port Hedland Policy 1/025 'Media and Communications':

- 1. The Mayor, or in his/her absence the Deputy Mayor or the Chief Executive Officer, are the only persons authorised to provide comment to members of the media on behalf of Council and the Town of Port Hedland.*
- 2. Elected Members may make their own personal position known about any matter, which is pertinent to the business of the Town, including decisions provided that it cannot be construed to be a statement on behalf of the Council.*
- 3. Elected Members will refrain from making personal statements to the media without clearly prefacing such remarks that they are personal views and not those of Council.*
- 4. There shall not be any adverse reflection on Elected Members, External Members, Employees or a Council/Committee decision.*
- 5. All Elected Members of the Council shall be able to inspect and/or obtain a copy of any press release so filed, at any time.*
- 6. Media statements and press releases must not include information of an electioneering or personal promotional purpose.*
- 7. Press releases will be made available to Elected Members and the general public by publishing on the Town's website on the day of the release.*

The Mayor advised that our current policy complies with the *Local Government Act 1995*.

Cr Newbery advised that Part 2 is not included in the Town's current policy.

The Chief Executive Officer advised that amended Policy 1/025 'Media and Communications' will be presented to the August 2017 Ordinary Council Meeting.

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

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

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

Item 10 Confirmation of Minutes of Previous Meeting

10.1 Confirmation of Minutes of the Ordinary Council Meeting held on Wednesday 28 June 2017**CM201718/003 OFFICER RECOMMENDATION/ COUNCIL DECISION****MOVED: CR ARIF****SECONDED: CR MELVILLE**

That Council confirm that the Minutes of the Ordinary Council Meeting held on Wednesday 28 June 2017 are a true and correct record.

CARRIED 8/0

10.2 Confirmation of Minutes of the Special Council Meeting held on Monday 10 July 2017

CM201718/004 OFFICER RECOMMENDATION/ COUNCIL DECISION

MOVED: CR ARIF

SECONDED: CR TAVO

That Council confirm that the Minutes of the Special Council Meeting held on Monday 10 July 2017 are a true and correct record.

CARRIED 8/0

Item 11 Announcements by Presiding Member without Discussion

Mayor's Monthly Meetings – 1 June to 30 June 2017

Date:	Meeting:
1/06/2017	Meeting with Incitec Pivot Ltd (Dyno Nobel)
2/06/2017	Meeting with Minister for Police & Road Safety
7/06/2017	Meeting with Minister for Housing
7/06/2017	Meeting with South Hedland Police
8/06/2017	Aviair Workshop
8/06/2017	Port Hedland Military
10/06/2017	Marapikurrinya Park Reopening
10/06/2017	Filipino Friendship Association Annual 119th Philippine Independence Day celebration
13/06/2017	Landcorp Meeting
15/06/2017	Meeting with FSG Consultants
15/06/2017	BHP Connected Communities Workshop
15/06/2017	Monthly PHCCI meeting
16/06/2017	Roy Hill Golf Day
19/06/2017	Teleconference with Minister Tudge
19/06/2017	National General Assembly Conference – Canberra
20/06/2017	National General Assembly Conference – Canberra
21/06/2017	National General Assembly Conference – Canberra
21/06/2017	Meeting with Minister Wyatt's office (Minister for Aged Care and Indigenous Health) – Canberra
21/06/2017	Meeting with Melissa Price – Canberra
21/06/2017	Meeting with Minister Tudge, Minister for Human Services – Canberra
21/06/2017	LNG Marine Fuel Launch – Canberra
22/06/2017	Meeting with Minister Chester's office, Minister for Infrastructure & Transport – Canberra
22/06/2017	Meeting with Minister Canavan, Minister for Resources and Northern Australia – Canberra
22/06/2017	Meeting with the Prime Minister's Office – Canberra

22/06/2017	Meeting with Minister Scullion's office, Minister for Indigenous Affairs – Canberra
22/06/2017	Meeting with Minister Nash's office, Minister for Regional Development, Local Government & Territories & Regional Communications – Canberra
23/06/2017	Meeting with Minister MacTiernan's office – Perth
23/06/2017	Pilbara Regional Council Meeting, Perth
23/06/2017	Regional Road Group Meeting
28/06/2017	DeGrey Mining

Disclaimer

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

Item 12 Reports of Officers

12.1 Executive Services**12.1.1 Spoilbank Marina Future Direction**

File No:	01/04/0006
Applicant/ Proponent:	N/A
Subject Land/ Locality:	N/A
Date:	14 July 2017
Author:	Robert Leeds, Director Development Sustainability and Lifestyle
Authorising Officer:	David Pentz, Chief Executive Officer
Disclosure of Interest from Author:	Nil
Authority/Discretion:	<input checked="" type="checkbox"/> Advocacy <input checked="" type="checkbox"/> Executive <input type="checkbox"/> Legislative <input type="checkbox"/> Quasi-Judicial <input type="checkbox"/> Information Purposes

Attachments:

1. Ministerial Correspondence
2. Spoilbank Marina Business Plan (under separate cover)

MOTION

MOVED: CR ARIF

SECONDED: CR WHITWELL

That with respect to the Spoilbank Marina project, Council:

1. Notes the correspondence received from The Honourable Alannah MacTiernan, Minister for Regional Development;
2. Approve in principle the re-staging of the project to deliver a first stage of works to the community that is operationally affordable;
3. Consult with the community to determine the community's priorities regarding the first stage of the development;
4. Commence a review of the current plans and business case to determine a sustainable first stage of development that may include recreational boating facilities, dredging of a new channel, landside commercial development, a caravan park or tourist facility and public open space landscaping;
5. Allocate \$3 million in the 2017/18 Budget from the Spoilbank Reserve, leaving a residual balance of \$34,562,936, to bring the first phase of the project to detailed design.

MOTION LOST ON THE MAYORAL CASTING VOTE 5/4

For: Cr Hooper, Cr Arif, Cr Newbery, Cr Whitwell.

Against: Mayor Blanco, Cr Melville, Cr Gillingham, Cr Tavo.

OFFICER RECOMMENDATION

That with respect to the Spoilbank Marina project, Council:

1. Notes the correspondence received from The Honourable Alannah MacTiernan, Minister for Regional Development;
2. Approve in principle the re-staging of the project to deliver a first stage of works to the community that is operationally affordable;
3. Consult with the community to determine the community's priorities regarding the first stage of the development;
4. Commence a review of the current plans and business case to determine a sustainable first stage of development that may include recreational boating facilities, dredging of a new channel, landside commercial development, a caravan park or tourist facility and public open space landscaping;
5. Allocate \$3 million in the 2017/18 Budget to bring the first phase of the project to detailed design; and
6. Consult with the community throughout the Strategic Community Plan process to develop options for expending the balance of the State Government's \$112 million capital funding for the Marina project or other community priorities.

CM201718/005 AMENDED RECOMMENDATION/ COUNCIL DECISION**MOVED: CR HOOPER****SECONDED: CR TAVO**

That with respect to the Spoilbank Marina project, Council:

- 1. Notes the correspondence received from The Honourable Alannah MacTiernan, Minister for Regional Development;**
- 2. Approve in principle the re-staging of the project to deliver a first stage of works to the community that is operationally affordable;**
- 3. Consult with the community to determine the community's priorities regarding the first stage of the development;**
- 4. Commence a review of the current plans and business case to determine a sustainable first stage of development that may include recreational boating facilities, dredging of a new channel, landside commercial development, a caravan park or tourist facility and public open space landscaping;**
- 5. Allocate \$3 million in the 2017/18 Budget from the Spoilbank Reserve, leaving a residual balance of \$34,562,936, to bring the first phase of the project to detailed design;**

- 6. Consult with the community throughout the Strategic Community Plan process to develop options for expending the balance of the State Government's \$112 million capital funding for the Marina project or other community priorities.**

CARRIED 7/1

For: Mayor Blanco, Cr Melville, Cr Gillingham, Cr Hooper, Cr Newbery, Cr Whitwell, Cr Tavo
Against: Cr Arif

EXECUTIVE SUMMARY

The Spoilbank Marina project was approved for \$112 million by the previous State Government, including 3 years' worth of operational funding for dredging. The current State Government has affirmed the funding commitment however has indicated they will not provide any operational funding for the project beyond the initial three years. The \$2 million in operational funding required annually would represent an eight per cent increase in rates which is unaffordable in the current economic climate. As such, an investigation of re-staging options, including extensive community consultation, is being proposed in order to create a more affordable first stage that meets the most current community wants and needs.

DETAIL

The Spoilbank Marina project was initially conceived in two stages, with the first stage costed at \$152 million, including \$112 million in confirmed funding from the previous State Government. The ongoing dredging and maintenance cost of the first stage is predicted to be over \$2 million per year. The \$112 million funding allocation from the State Government included three years of operational funding, however no agreement was made beyond that. The current Government has indicated that they will not provide any operational funding beyond these three years. As the \$2 million annually would equate to a rate increase of approximately 8 per cent, the full first phase is not currently affordable.

Now that correspondence has been received from the Minister outlining the Government's position, a response is required including a plan to both address the concerns regarding ongoing maintenance costs of the Marina and to give confidence that the Town has a plan for expending the funds.

Significant work has been done on the Marina project and expectations have been raised in the community about the development of the precinct. Given the lack of support from the State Government for ongoing operational funding, the current plans need to be reviewed in order to balance the operational sustainability of the development with the expectations of the community.

The most significant contributor to the ongoing operational costs of the Marina project is for dredging. A key constraint of any re-staging will therefore be reducing the dredged area. Furthermore, the first phase of the current Marina plan does not include any landside development other than sealed roads and landscaping. Bringing some landside development forward into the first stage has the potential to both activate the Marina to a greater extent and generate revenue that can be used to offset the ongoing maintenance costs.

Re-staging the Marina project will require significant community consultation to ensure that the elements constructed in the first stage are aligned to community wants and needs. Furthermore, if a more modest first stage is constructed, a conversation will need to occur with the community about how the balance of the \$112 million in State Government funding, which is committed to the Town of Port Hedland whether for the Marina or for other projects, should be allocated. This can be conducted during the Town's Strategic Community Plan process.

Any initial stage of the Marina will also need to be designed with a view to completing the full project as market conditions for associated commercial and residential developments improve. The full Marina plan involved the following elements:

Stage 1

- Breakwater and rock walls
- Dredging of marina and channel
- 50 boat pen marina
- Two lane boat ramp
- Landscaping
- Formalisation of roads
- Car parking

Subsequent stages

- 50 further boat pens and associated dredging
- 2 buildings comprising commercial tenancy spaces and community spaces
- Further landscaping
- Possible caravan park

Other options have been raised for consideration in any new staging, including a fuel bowser, boat wash-down facility and tie-down facilities for cyclones.

Options for high quality recreational boating facilities, identified in the original business case as a high community need, have been investigated, and can be completed as part of a staged approach to a full Marina development. Early indications from marine consultants show the annual maintenance cost of a high quality recreational boating facility and dredged channel at around \$250,000 annually, which could be accommodated within the Town's operational budget and has the potential to be offset by bringing forward commercial opportunities in the development.

Underpinning all further planning work will be the requirement to maintain the integrity of the full Marina plan, including options and trigger points for staging the full development over time. As the area becomes more active and commercially viable and the Town's rate base increases, further elements of the Marina will be brought online.

If Council decides to proceed with a re-staging of the Marina project to deliver a more modest first phase, extensive community consultation will need to be conducted to determine how the balance of the State Government funding related to the project will be expended, in order to ensure the funding remains in the Town. It is proposed to conduct this engagement as part of the Strategic Community Plan process to ensure the overall context of the Town's finances and the community's future needs are considered before any decision is made.

Previous Decisions

At the 22 June 2016 Ordinary Council Meeting (OCM), support for the Feasibility Study and Business case for a new Arts, Community and Cultural Centre at the Spoilbank Marina Waterfront Precinct was carried by Council.

*“201516/266 RECOMMENDATION/ COUNCIL DECISION**MOVED: CR ARIF**SECONDED: CR BLANCO**That, with respect to the Spoilbank Marina Waterfront Precinct Stage1, Council:*

- 1. Notes that the state government will contribute \$112M to the project (including \$72 Royalties for Regions funding);*
- 2. Notes that the business plan for the Spoilbank Marina Waterfront land development (including the request to advertise for public comment) will be presented to Council at its Ordinary Council Meeting September 2016;*
- 3. Notes the body of work carried out by the Town of Port Hedland and LandCorp to date and reconfirms its funding commitment of an estimated \$38.47M (estimated figure, final figure confirmed at the close of the 2015/16 financial) held in its Reserve account for the development of the Marina Waterfront Precinct (stage 1) at the Spoilbank (western side);*
- 4. Confirms that the abovementioned information is to be included in the LandCorp revised business case and update to the state government; and*
- 5. Notes that a valuation for the acquisition of the Gratwick Pool site (part Lot 1483 on Reserve 29069) is currently being requested from the Department of State Lands and will be reported back to Council as soon as the valuation is receipted (via an elected member briefing note).*

CARRIED 9/0”

Following the advertising of the business case, the public submissions were reviewed at the 14 December 2016 OCM.

*“CM201617/118 OFFICER RECOMMENDATION/ COUNCIL DECISION**MOVED: CR ARIF**SECONDED: CR TAVO**That with respect to the Spoilbank Marina Business Plan, Council:*

- 1. Notes the submissions that were received from the public regarding the proposed major land transaction being the Spoilbank Marina Waterfront Development;*
- 2. Resolves to proceed with the proposal as outlined in the Business Plan in its current form in accordance with section 3.59 of the Local Government Act 1995;*
- 3. Proceeds with finalisation of an agreement with LandCorp, as the project managers for the stage one development outlining the scope, programme and budget of the \$152M combined funding.*

CARRIED BY ABSOLUTE MAJORITY 8/0”

An increase in funding for the design and technical studies was carried by Council during the 22 March 2017 OCM. It was noted that without formal written confirmation of State funding the agreement with Landcorp would be suspended.

“CM201617/173 OFFICER RECOMMENDATION/ COUNCIL DECISION

MOVED: CR TAVO

SECONDED: CR ARIF

That Council:

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

CARRIED 7/0”

Engagement and Communications

Significant engagement and communications were conducted prior to the submission of the business case for the Marina. As re-staging would represent a significant change in direction for the timing and sequencing of the project, it is proposed to conduct extensive community engagement as part of the re-staging investigations to ensure the first elements constructed are in line with community wants and needs.

LEGISLATION AND POLICY IMPLICATIONS

There are no legislative implications of this decision for the Town at this stage.

FINANCIAL IMPLICATIONS

There is currently \$152 million in funding allocated to the project from the Spoilbank Reserve (\$40 million) and the State Government (\$112 million). Any re-staging of the project would have a significantly lower capital cost than this.

Stage one of the Marina as currently proposed in the business case has an ongoing operational cost of \$2 million per year, not including depreciation. Most of this cost is for dredging of the pen areas. This is considered unaffordable in the Town's current economic climate and with the Town's current rate base.

A high standard recreational boating option, which does not have Marina pens, but includes some landside commercial development has been costed at approximately \$50 million. The ongoing waterside maintenance costs would be \$250,000, again mainly for dredging of the channel.

STRATEGIC AND RISK IMPLICATIONS

Environmental

All identifiable environmental impacts arising from adoption of the officer's recommendation have previously been considered in the Spoilbank Marina Business Case.

Economic

The Spoilbank Marina project has the potential to be an economic contributor to the Town if the right mix of recreational and commercial developments are selected in the first stage.

Social

There are social benefits from having high quality recreational boating facilities including improved safety and amenity for boat owners. The Spoilbank is also a key recreational area for Town residents and improvements to amenity for land based activities will also enhance the social value of the area.

Financial

The key financial risk is the ongoing operational affordability of the Spoilbank development. The State Government has indicated they will not provide ongoing funding for the maintenance and dredging of the Marina which presents a significant risk to the Town's finances should the full development proceed. Any re-staging plans should have operational sustainability front of mind when determining which aspects to include in a first stage.

Strategic

The Spoilbank Marina has long been recognised as a key strategic project for the Town. The recommended action enables the project to proceed while limiting the Town's financial risk.

Risk

There is a risk rating of Medium (8) assigned to the risk that the Town proceeds with a plan that is unsustainable in the long term, and also a risk to the Town's reputation should Spoilbank development be stalled, as there is a strong community expectation around this project.

OPTIONS

Option 1 - Adopt Officers Recommendation

Option 2 – Amend Officers Recommendation

That with respect to the Spoilbank Marina project, Council:

1. Notes the correspondence received from The Honourable Alannah MacTiernan, Minister for Regional Development;
2. Return to the concept planning phase of the Marina development to review all options including a commercial slipway and working harbour development on the Spoilbank;
3. Allocate \$3 million in the 2017/18 Budget to bring the project to bring a new concept to Council for decision.

Option 3 – Do not adopt Officers Recommendation

That with respect to the Spoilbank Marina project, Council:

1. Notes the correspondence received from The Honourable Alannah MacTiernan, Minister for Regional Development;
2. Re-affirms the Town's commitment to the development of the \$112 million first stage of the Spoilbank Marina as outlined in the current Business Plan;
3. Consult with the community to determine how to apportion the \$2 million annual operational cost through rates, fees and charges;
4. Allocate \$3 million in the 2017/18 Budget to bring the project to the detailed design stage.

CONCLUSION

The Spoilbank Marina project has been promoted widely as the key project for the Town of Port Hedland. The change in State Government earlier this year and subsequent confirmation that no operational funds would be allocated to the project beyond the initial funding agreement have prompted a re-think of the project's staging in order to create a more affordable first stage. Committing to a lesser scale first stage, while maintaining the integrity of the full plan will help re-establish confidence in the project in the community while securing the available state Government funds.

ATTACHMENT 1 TO ITEM 12.1.1



Our ref:

Hon Alannah MacTiernan
Minister for Regional Development; Agriculture and Food;
Minister Assisting the Minister for State Development; Jobs and Trade

Mayor Camilo Blanco
Town of Port Hedland
PO Box 41
PORT HEDLAND WA 6721



Dear Mayor Blanco

SPOILBANK MARINA DEVELOPMENT

Thank you for the constructive discussion on 28 April 2017 regarding the Spoilbank Marina Development. I understand you have had subsequent meetings with Government agencies that have created some uncertainty about our position.

Our government is committed to matching the funding pledged for the project by the previous government.

I affirm our earlier discussion that the State Government will not be responsible for the ongoing maintenance costs of the Spoilbank Marina beyond the first three years.

The State Government is open to discussions with the Town of Port Hedland and the broader community about alternative approaches to the use of State Government and matching funds currently earmarked for this project.

This would be on the basis that the Town of Port Hedland accepts responsibility for lifecycle operating and maintenance costs associated with any future development or facilities, either associated with a marina development or alternative community infrastructure.

To ensure the community voice is accurately considered in this discussion, I will be hosting a community forum in Port Hedland in the coming months.

I look forward to working with you on this significant project.

Yours sincerely

HON ALANNAH MACTIERNAN MLC
MINISTER FOR REGIONAL DEVELOPMENT; AGRICULTURE AND FOOD;
MINISTER ASSISTING THE MINISTER FOR STATE DEVELOPMENT;
JOBS AND TRADE

03 JUL 2017

CM201718/006 COUNCIL DECISION**MOVED: CR TAVO****SECONDED: CR GILLINGHAM**

That Council adjourn the meeting in accordance with section 13.3 of the Town of Port Hedland Standing Orders Local Law 2014 until Wednesday 26 July 2017 at 7:25pm.

CARRIED 8/0

6:40pm The Mayor advised that the meeting is adjourned.

CM201718/009 COUNCIL DECISION**MOVED: CR WHITWELL****SECONDED: CR TAVO**

That Council resume the meeting that was adjourned in accordance with section 13.3 of the Town of Port Hedland Standing Orders Local Law 2014.

CARRIED 8/0

7:40pm The Mayor advised that the meeting is now resumed.

7:44pm Councillor Gillingham declared an impartiality interest in item 12.2.1 'Interim Statement of Financial Activity for the period ended 30 June 2017' as she is a committee member of the Pilbara Music Festival.

7:44pm Councillor Arif sought clarification on the fact that she did not declare an impartiality interest before item 12.1.1 'Spoilbank Marina Future Direction'.

CM201718/010 COUNCIL DECISION**MOVED: CR TAVO****SECONDED: CR MELVILLE**

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 Elected Members retrospective declarations of interest for item 12.1.1 'Spoilbank Marina Future Direction'.

CARRIED 8/0

7:45pm The Mayor advised that sections 9.4, 9.5 and 9.9 of the Standing Orders Local Law 2014 are suspended.

- 7:45pm The Manager Governance and Policy advised Councillors that all their declarations were submitted under part 3.4 of the agenda at the beginning of the meeting, and that although it is common practice for them to restate their declarations before each item is considered, their initial declarations are considered valid.

CM201718/011 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

- 7:46pm The Mayor advised that sections 9.4, 9.5 and 9.9 of the Standing Orders Local Law 2014 are resumed.

12.2 Corporate and Performance**12.2.1 Interim Statement of Financial Activity for the period ended 30 June 2017**

File No:	12/14/0003
Applicant/ Proponent:	N/A
Subject Land/ Locality:	N/A
Date:	17/05/2017
Author:	Chirantha Perera, Financial Accountant
Authorising Officer:	Linda Zietsman, Acting Manager Financial Services
Disclosure of Interest from Author:	Nil
Authority/Discretion:	<input type="checkbox"/> Advocacy
	<input type="checkbox"/> Executive
	<input type="checkbox"/> Legislative
	<input type="checkbox"/> Quasi-Judicial
	<input checked="" type="checkbox"/> Information Purposes

Attachments:

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

CM201718/012 OFFICER RECOMMENDATION/ COUNCIL DECISION**MOVED: CR MELVILLE****SECONDED: CR WHITWELL**

That with respect to the Statement of Financial Activity for the period ended 30 June 2017, Council:

1. **Receive the Monthly Financial Health Check;**

2. **Receive the Interim Statement of Financial Activity (and supporting information);**
3. **Note the accounts paid under delegated authority;**
4. **Receive the Credit Card Statements; and**
5. **Receive the Bank Account Summary.**

CARRIED 8/0

EXECUTIVE SUMMARY

This report presents the Interim Statement of Financial Activity for the period ended 30 June 2017. Supplementary information regarding the Town's financial activities is attached to this report.

Please note that the figures presented in this report and attachments are interim only and may change pending adjustments made as a result of end of year finalisation of accounts and completion of the Town's Annual Financial Reports for audit by RSM Australia Pty Ltd, the Town's external auditors. This interim report is presented excluding the Variance Analysis Statement due to year end Asset Capitalisation and Project closures not being finalised yet. The audited Annual Financial Statements will be presented to the Council in accordance with Australian Accounting Standards and *Local Government Act 1995*.

The net current assets and opening surplus figure presented in this report are consistent with the 2015/16 Annual Financial Statements that were adopted at the November Ordinary Council Meeting (OCM). Council adopted a revised 2016/17 Budget at the February OCM to accommodate and adjust the key performance indicators in line with the updated economic and fiscal outlook.

Operating expenditure is generally on track for the year to date (YTD), however overall tracking 10% under budget. This is mainly due to project delivery timelines of airport works which will be further reviewed and accrued (if applicable) as part of the preparation of the Annual Financial Statements. Operating income is overall on target for the YTD, with only 3% under budget due to timing lag of invoicing and collection.

Capital expenditure is 36% below the YTD budget. Major projects that are completed at year end will await final invoices to be presented for them to be recognised in the accruals.

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.

DETAIL

The attachments detail the Town's financial performance for the period ending 30 June 2017.

The net current asset position as at 30 June 2017 is \$4.300M. The net Municipal balance (after matured investments and restricted reserves are taken into account) as at 30 June 2017 is

\$2.248M. 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	242.872M
Restricted Cash – Reserves	240.623M
Unrestricted Cash Position as at 30 June 2017	2.248M

Previous Decisions

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

Engagement and Communications

All consultation and engagement is conducted internally.

LEGISLATION AND POLICY IMPLICATIONS

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

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 a municipal surplus of \$1,589. The mid-year budget review was undertaken throughout January and a budget variation was adopted at the 22 February 2017 OCM (resolution no. 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 AND RISK 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.

Strategic

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.

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 \$9.951M. 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 – Amended Officers Recommendation

That Council receive the Statement of Financial Activity for the period ended 30 June 2017 and request further information or clarification.

Option 3 – Do Not Adopt Officers Recommendation

CONCLUSION

The figures presented in this report and attachments are interim only. As at 30 June 2017, the net current asset position is \$4.300M compared to the current budget closing position for 30 June 2017 of 0.243M. The operating expenditure overall 10% under budget and the operating income overall on track with only 3% below budget. The capital expenditure is 36% under mainly due to project delivery timelines. The net current asset position will decrease as operating and capital budgets are expended via year-end accrual journals as part of the preparation of Annual Financial Statements.

MONTHLY FINANCIAL HEALTH CHECK



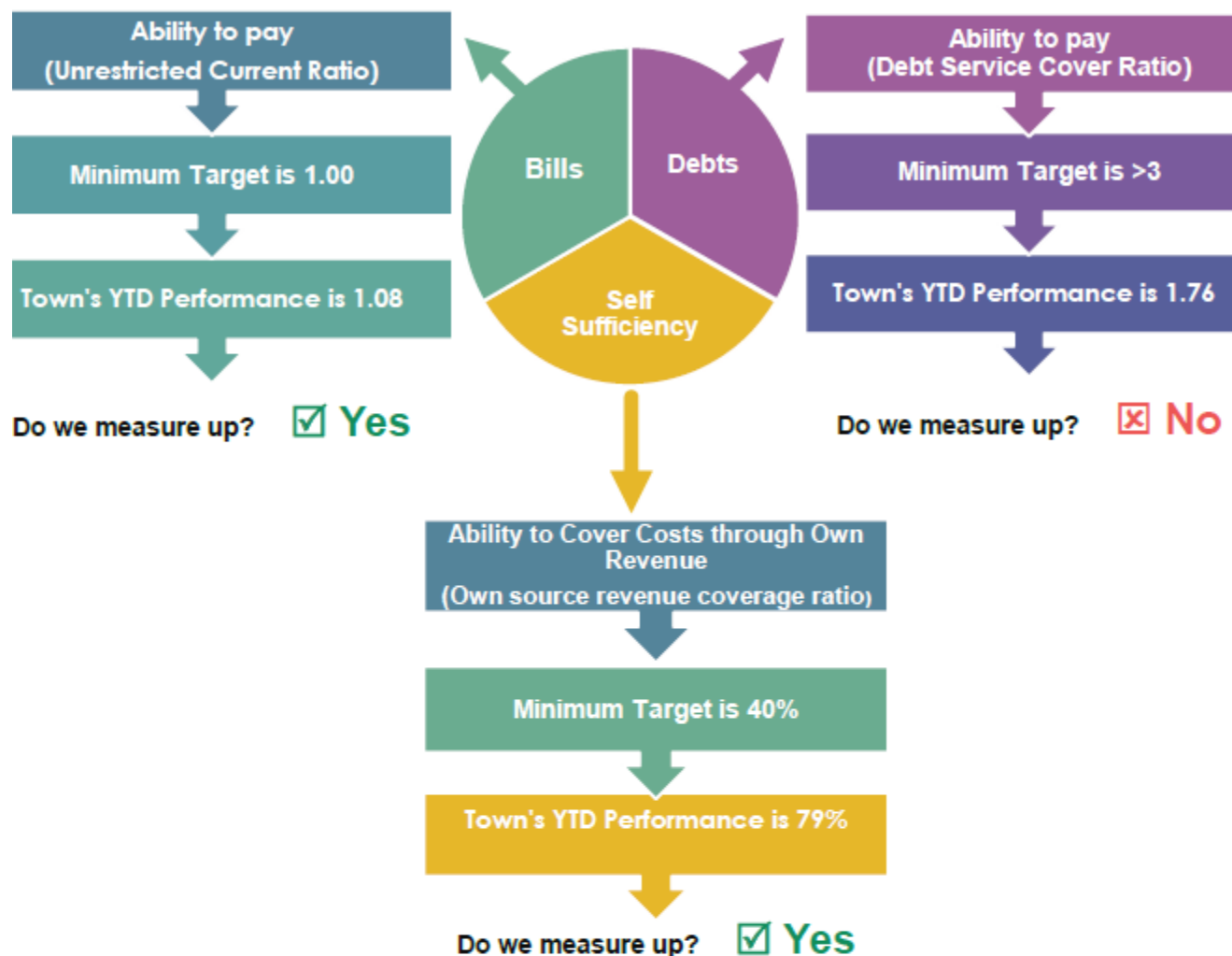
As at 30 June 2017

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



Financial Snapshot (Year to Date)	Actual (000's)
Operating Revenue	\$47,779
Operating Expenditure (Including Non-Cash Items)	(\$56,630)
Non-Cash Items	\$12,049
Capital Revenue	\$4,604
Capital Expenditure	(\$10,728)
Loan Repayments	(\$1,179)
Transfers to/from Reserves	\$2,754
Surplus Brought Forward 1 July 2016	\$5,650
Current Municipal Surplus Position at 30 June 2017	\$4,300
Current Budget Municipal Surplus Position at 30 June 2017	\$243

Financial health indicators



Cash in the bank



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, which has an impact on YTD debt service cover ratio.

► 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

- 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 -20%

Do we meet the target? ☒ No

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.

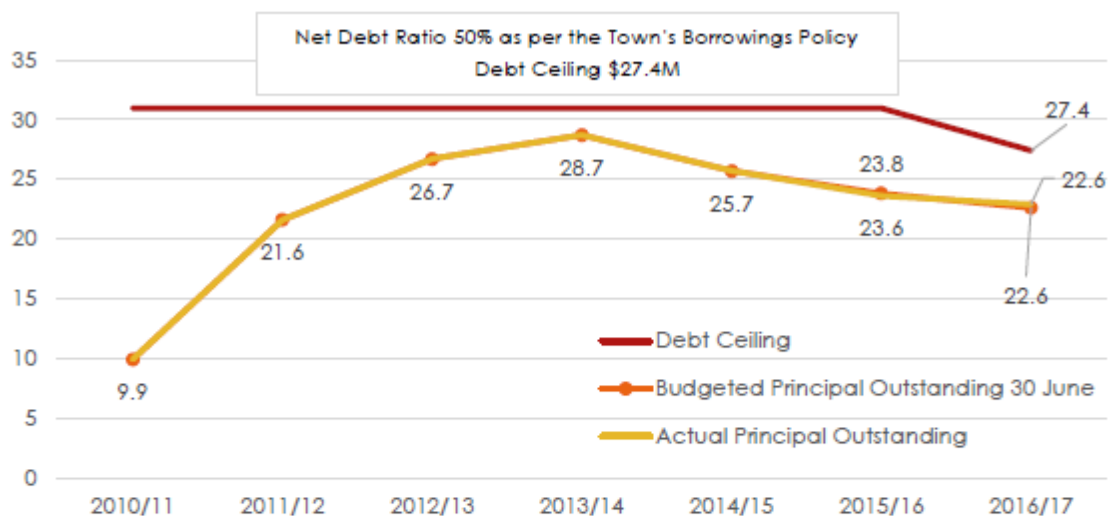
- A reduced Capital Works Program (including renewals) and an increase in the budgeted depreciation as a result of revaluations has had a two-fold effect on the asset sustainability ratio resulting in the ratio coming in just below the target.
- With a history of high levels of capital expenditure in 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 113%

Do we meet the target? ☒ Yes

Debt levels



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

Original Budget Operating Revenue = \$54.8M

Budgeted Net Debt Ratio = 47%

Actual Net Debt Ratio = 52%

Total Actual Principal Amount Outstanding 30 June 2017 = \$22.6M

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

Intergenerational Loans

Loan Purpose	Principal Amount Outstanding	Remaining Term
1. Marquee Park	\$4.38M	14/15 years
2. JD Hardie Upgrade	\$2.51M	14/16 years
3. Wanangkura Stadium	\$8.71M	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 4 TO ITEM 12.2.1**TOWN OF PORT HEDLAND****Summary of Credit Card Statements for the Month of June 2017****Attachment 4**

Account Name	Account Number	Card Holder	Debit Balance (\$)
Town of Port Hedland	██████-6321	David Pentz	\$ 4,462.15
Town of Port Hedland	██████-8364	Jessica Dodd	\$ 10,419.93
Town of Port Hedland	██████-8868	Jessica Rankin	\$ 2,269.97
Town of Port Hedland	██████-4948	Megan Cocciardi	\$ 7,437.27
Total			\$ 24,589.32

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: 400.00 CR
Total debits: 4,462.15 DR
Closing balance: 0.00 CR

Date from: 01 June 2017
Date to: 30 June 2017

Transaction details

Date	Narrative	Reference	Debit amount	Credit amount	EOD balance
15/06/2017	CREDIT CARD PURCHASE QANTAS AIRW		47.20 DR		
15/06/2017	CREDIT CARD PURCHASE VIRGIN AUST 7952139453804		80.00 DR		
15/06/2017	CREDIT CARD PURCHASE TRAVEL RESERVATION AU		151.20 DR		
15/06/2017	CREDIT CARD PURCHASE LISCLIN ASSOCIATES P		283.80 DR		
15/06/2017	CREDIT CARD PURCHASE WOTIF		883.20 DR		1,445.40 DR
20/06/2017	CREDIT CARD PURCHASE IBIS STYLES CANBERRA		790.00 DR		
20/06/2017	CREDIT CARD PURCHASE QANTAS AIRW		952.40 DR		1,742.40 DR
21/06/2017	CREDIT CARD PURCHASE VIRGIN AUST 7958226706711		4.15 DR		
21/06/2017	CREDIT CARD PURCHASE QANTAS AIRW		102.89 DR		
21/06/2017	CREDIT CARD PURCHASE VIRGIN AUST 7952139593055		319.00 DR		426.04 DR
22/06/2017	CREDIT CARD PURCHASE VIRGIN AUST 7958226723739		5.14 DR		
22/06/2017	CREDIT CARD PURCHASE VIRGIN AUST 7952139625642		395.00 DR		400.14 DR
23/06/2017	CREDIT CARD PURCHASE Aloft Perth FDI		176.17 DR		176.17 DR
26/06/2017	CREDIT CARD REFUND IBIS STYLES CANBERRA			400.00 CR	
26/06/2017	CREDIT CARD PURCHASE PORT HEDLAND AIRPORT		85.00 DR		
26/06/2017	CREDIT CARD PURCHASE IBIS STYLES CANBERRA		187.00 DR		128.00 CR



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: 132.45 CR
Total debits: 10,419.93 DR
Closing balance: 0.00 CR

Date from: 01 June 2017
Date to: 30 June 2017

Transaction details

Date	Narrative	Reference	Debit amount	Credit amount	EOD balance
01/06/2017	CREDIT CARD PURCHASE FACEBK *B7NTMCA5Y2		5.39 DR		
01/06/2017	CREDIT CARD PURCHASE WOOLWORTHS 4316		5.71 DR		
01/06/2017	CREDIT CARD PURCHASE FACEBK *F7NTMCA5Y2		43.50 DR		
01/06/2017	CREDIT CARD PURCHASE RAIKAS CAFE PTY LTD		66.40 DR		
01/06/2017	CREDIT CARD PURCHASE QANTAS AIRW		793.12 DR		
01/06/2017	CREDIT CARD PURCHASE QANTAS AIRW		1,255.11 DR		
01/06/2017	CREDIT CARD PURCHASE QANTAS AIRW		1,255.11 DR		
01/06/2017	CREDIT CARD PURCHASE QANTAS AIRW		1,312.11 DR		4,736.45 DR
02/06/2017	CREDIT CARD PURCHASE VIRGIN AUST 7958226455094		4.15 DR		
02/06/2017	CREDIT CARD PURCHASE VIRGIN AUST 7952139148400		319.00 DR		323.15 DR
05/06/2017	CREDIT CARD PURCHASE QANTAS AIRW		59.00 DR		
05/06/2017	CREDIT CARD PURCHASE RAIKAS CAFE PTY LTD		282.00 DR		341.00 DR
06/06/2017	CREDIT CARD PURCHASE WOOLWORTHS ON LINE		43.61 DR		
06/06/2017	CREDIT CARD PURCHASE Dropbox GNF7QD5S9FC8		85.00 DR		128.61 DR
09/06/2017	CREDIT CARD PURCHASE MAILCHIMP *MONTHLY		67.36 DR		
09/06/2017	CREDIT CARD PURCHASE WOOLWORTHS ON LINE		245.35 DR		
09/06/2017	CREDIT CARD PURCHASE WOOLWORTHS ON LINE		264.76 DR		

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Transaction History Report (Continued)

Date	Narrative	Reference	Debit amount	Credit amount	EOD balance
09/06/2017	CREDIT CARD PURCHASE QANTAS AIRW		549.10 DR		1,126.57 DR
12/06/2017	CREDIT CARD PURCHASE VIRGIN AUST 7958226570799		6.83 DR		
12/06/2017	CREDIT CARD PURCHASE SONIC HEALTHPLUS		374.00 DR		
12/06/2017	CREDIT CARD PURCHASE VIRGIN AUST 7952139351335		525.00 DR		905.83 DR
13/06/2017	CREDIT CARD PURCHASE TRAVEL RESERVATION AU		132.45 DR		
13/06/2017	CREDIT CARD PURCHASE SONIC HEALTHPLUS		500.50 DR		632.95 DR
14/06/2017	CREDIT CARD PURCHASE SULLIVAN NICOLAIDES PA		135.00 DR		
14/06/2017	CREDIT CARD PURCHASE IBIS STYLES CANBERRA		663.00 DR		
14/06/2017	CREDIT CARD PURCHASE IBIS STYLES CANBERRA		709.80 DR		1,507.80 DR
16/06/2017	CREDIT CARD REFUND TRAVEL RESERVATION AU			132.45 CR	132.45 CR
29/06/2017	CREDIT CARD PURCHASE WOOLWORTHS 4316		57.57 DR		57.57 DR
30/06/2017	CREDIT CARD PURCHASE SONIC HEALTH PLUS PL		660.00 DR		660.00 DR

End of report



NAB Connect

Transaction History Report

Account details

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

Account balance summary

Opening balance: 0.00 CR
Total credits: 0.00 CR
Total debits: 2,269.97 DR
Closing balance: 0.00 CR

Date from: 01 June 2017
Date to: 30 June 2017

Transaction details

Date	Narrative	Reference	Debit amount	Credit amount	EOD balance
01/06/2017	CREDIT CARD PURCHASE WOOLWORTHS 4316		101.05 DR		101.05 DR
02/06/2017	CREDIT CARD PURCHASE COLES 0385		35.65 DR		
02/06/2017	CREDIT CARD PURCHASE COLES 0385		52.13 DR		87.78 DR
05/06/2017	CREDIT CARD PURCHASE QUEST KINGS PARK ROA		510.34 DR		510.34 DR
19/06/2017	CREDIT CARD PURCHASE DEPT OF TRANSPORT		24.20 DR		24.20 DR
20/06/2017	CREDIT CARD PURCHASE REUTLINGER AUSTRALIA P		111.15 DR		111.15 DR
27/06/2017	CREDIT CARD PURCHASE VIRGIN AUST 7958226767902		8.29 DR		
27/06/2017	CREDIT CARD PURCHASE VIRGIN AUST 7952139706793		638.00 DR		646.29 DR
30/06/2017	CREDIT CARD PURCHASE VIRGIN AUST 7958226832885		8.28 DR		
30/06/2017	CREDIT CARD PURCHASE WOOLWORTHS ON LINE		143.88 DR		
30/06/2017	CREDIT CARD PURCHASE VIRGIN AUST 7952139826352		637.00 DR		789.16 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: 7,437.27 DR
Closing balance: 0.00 CR

Date from: 01 June 2017
Date to: 30 June 2017

Transaction details

Date	Narrative	Reference	Debit amount	Credit amount	EOD balance
01/06/2017	CREDIT CARD PURCHASE FACEBK LC6ZWCJXK2		244.32 DR		244.32 DR
08/06/2017	CREDIT CARD PURCHASE DEPT OF RACING GAMIN		110.00 DR		110.00 DR
12/06/2017	CREDIT CARD PURCHASE ASIC		9.00 DR		9.00 DR
13/06/2017	CREDIT CARD PURCHASE QANTAS AIRW		820.60 DR		820.60 DR
15/06/2017	CREDIT CARD PURCHASE WOOLWORTHS 4316		30.00 DR		30.00 DR
16/06/2017	CREDIT CARD PURCHASE HEDLAND EMPORIUM PTY		4.90 DR		
16/06/2017	CREDIT CARD PURCHASE HEDLAND EMPORIUM PTY		100.00 DR		104.90 DR
21/06/2017	CREDIT CARD PURCHASE WOOLWORTHS ON LINE		308.56 DR		308.56 DR
23/06/2017	CREDIT CARD PURCHASE POST SOUTH HEDLAND		83.00 DR		
23/06/2017	CREDIT CARD PURCHASE POST SOUTH HEDLAND		83.00 DR		
23/06/2017	CREDIT CARD PURCHASE POST SOUTH HEDLAND		83.00 DR		
23/06/2017	CREDIT CARD PURCHASE POST SOUTH HEDLAND		83.00 DR		332.00 DR
26/06/2017	CREDIT CARD PURCHASE WOOLWORTHS 4316		38.66 DR		38.66 DR
27/06/2017	CREDIT CARD PURCHASE WOOLWORTHS ON LINE		249.50 DR		
27/06/2017	CREDIT CARD PURCHASE COMPASSESSGATEWAY		968.26 DR		1,217.76 DR
28/06/2017	CREDIT CARD PURCHASE QANTAS AIRW		1,377.80 DR		1,377.80 DR
29/06/2017	CREDIT CARD PURCHASE JAM JAM FESTIVE		268.75 DR		268.75 DR

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Transaction History Report (Continued)

Date	Narrative	Reference	Debit amount	Credit amount	EOD balance
30/06/2017	CREDIT CARD PURCHASE POST SOUTH HEDLAND		83.00 DR		
30/06/2017	CREDIT CARD PURCHASE POST SOUTH HEDLAND		83.00 DR		
30/06/2017	CREDIT CARD PURCHASE POST SOUTH HEDLAND		83.00 DR		
30/06/2017	CREDIT CARD PURCHASE QANTAS AIRW		140.00 DR		
30/06/2017	CREDIT CARD PURCHASE WHENIWORK.COM		2,185.92 DR		2,574.92 DR

End of report

ATTACHMENT 5 TO ITEM 12.2.1



NAB Connect

Account Balance History Report

Details

Date range: 30-Jun-2017 to 30-Jun-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
30/06/2017	14	6,164,356.80	32	5,781,480.64	213,332.18 CR

End of report



NAB Connect

Account Balance History Report

Details

Date range: 30-Jun-2017 to 30-Jun-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
30/06/2017	2	5,649,820.48	4	6,162,526.94	4,293,548.74 CR

End of report



NAB Connect

Account Balance History Report

Details

Date range: 30-Jun-2017 to 30-Jun-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
30/06/2017	1	500.00	0	0.00	425,326.06 CR

End of report



NAB Connect

Account Balance History Report

Details

Date range: 30-Jun-2017 to 30-Jun-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
30/06/2017	0	0.00	0	0.00	1,000.00 CR

End of report

12.3 Development, Sustainability and Lifestyle

7:47pm Councillor Melville declared an impartiality in item 12.3.1 'Master Plan and Business Plan – McGregor Street Sporting and Recreation Precinct' as he is a member of the Turf Club.

12.3.1 Master Plan and Business Plan - McGregor Street Sporting and Recreation Precinct

File No: 05/05/0130
Subject Land/ Locality: McGregor St, Port Hedland
Date: 30 June 2017
Author: Paul Howrie, Manager Community Development
Authorising Officer: Robert Leeds, Director Development, Sustainability and Lifestyle
Disclosure of Interest from Author: Nil
Authority/Discretion: ☐ Advocacy
☒ Executive
☐ Legislative
☐ Quasi-Judicial
☐ Information Purposes

Attachments:

1. Port Hedland Turf Club Structural Assessment (under separate cover)
2. Port Hedland Turf Club Concept Design (under separate cover)
3. Port Hedland Needs assessment Draft report 2012 (under separate cover)
4. Aerial map of location

CM201718/013 OFFICER RECOMMENDATION 1/ COUNCIL DECISION

MOVED: CR TAVO

SECONDED: CR WHITWELL

That with respect to the McGregor Street Sporting and Recreation Precinct, Council:

1. **Approve the development of a Master Plan and Business Plan which encompasses, but is not limited to, the buildings, open space and active reserves from the Port Hedland Skate Park, including the soccer / rugby ovals, tennis courts, canine area, turf club, Jim Caffey Pavilion through to Wilson St, incorporating the infield and equestrian area of the racetrack.**
2. **Allocate \$100,000 in the 2017/18 Budget to finalise a Master Plan and Business Case for consideration by Council, funding agencies and industry to fulfill the requirements of point one (1) above.**

CARRIED 8/0

MOTION

MOVED: CR TAVO

SECONDED: CR GILLINGHAM

That with respect to the Port Hedland Turf Club located in the McGregor Street Reserve, Council:

1. Notes the procurement of contractors to undertake essential remedial works to relevant structures or buildings with an approximate value of \$50,000, prior to commencement of the Annual Cyclone season (1 November 2017).

MOTION LOST 3/5

For: Mayor Blanco, Cr Gillingham, Cr Tavo

Against: Cr Melville, Cr Hooper, Cr Arif, Cr Newbery, Cr Whitwell

CM201718/014 OFFICER RECOMMENDATION 2/ COUNCIL DECISION**MOVED: CR NEWBERY SECONDED: CR ARIF**

That with respect to the Port Hedland Turf Club located in the McGregor Street Reserve, Council:

1. **Notes the procurement of contractors to undertake essential remedial works to relevant structures or buildings with an approximate value of \$50,000, prior to commencement of the Annual Cyclone season (1 November 2017).**
2. **Waive the casual hire fees payable by the Port Hedland Turf Club for the 2017 Race season, for the use of facilities within the McGregor Street Reserve, based on the appropriateness of the infrastructure.**

CARRIED 5/3

For: Cr Melville, Cr Hooper, Cr Arif, Cr Newbery, Cr Whitwell

Against: Mayor Blanco, Cr Gillingham, Cr Tavo

EXECUTIVE SUMMARY

At the Ordinary Council Meeting in April 2017, Council resolved not to support the disposal of a portion of Reserve 8214 to the Port Hedland Turf Club (PHTC) under a lease, as they wanted further information on the disposal.

Upon this request from Elected Members, officers have researched the history of past council decisions, reviewing previous McGregor Street Reserve (514) concept designs and building condition reports on the facilities, under the proposed leased area. This brought to light a requirement of the Town to tend to the facilities due to their appropriateness.

However, just focusing on one of the user groups' facilities within the wider McGregor St Sporting and Recreation Precinct, does not provide a thorough review of other buildings and infrastructure which may have similar issues, or be in need of renewal. It is therefore recommended that a Master Plan and Business Plan of the whole Precinct is undertaken, to ascertain opportunities for renewal, collocation, or large scale redevelopment of the Precinct. In doing this it is still recommended that the components of the Turf Club infrastructure requiring urgent attention be addressed prior to the cyclone season. However, no major upgrade of any of the facilities or infrastructure within the wider Precinct should be undertaken, until such time as the Master Plan and Business Plan are complete.

Given that the Precinct has been the subject of previous studies, it is suggested that these be used as a foundation for the new Master Plan, to minimise costs and to build on already established consultation and design concepts.

DETAIL

Previous Decision

At the April 2017 Ordinary Council Meeting (OCM), Elected Members considered an application to dispose of Crown Reserve 8214, known as the McGregor Street Reserve to the Port Hedland Turf Club Inc. in line with the Town's Community Leasing Policy. The resolution is outlined below:

CM201617/197 COUNCIL DECISION

MOVED: CR TAVO

SECONDED: CR ARIF

That Council not support the disposal of a portion of Reserve 8214 known as the 'McGregor Street Reserve' (as depicted in Attachment 1) to the Port Hedland Turf Club Incorporated.

CARRIED 6/1

For: Mayor Blanco, Cr Gillingham, Cr Hooper, Cr Arif, Cr. Whitwell, Cr Tavo

Against: Cr Melville

Reason: Council would like further information on the disposal.

This report has been prepared in response to the request from Elected Members for more information. However whilst developing the report, it became evident that a wider review of the overall McGregor Street Sport and Recreation Precinct should be undertaken, so consideration has been given to this as well.

Port Hedland Turf Club Tenure

The Port Hedland Turf Club (PHTC) is the primary user of the facilities and as outlined in the April 2017 OCM report, they have no lease over the area. The group hires the facilities for each race meet under the Town's casual hire policy, for a fee as set each year during the budget adoption process.

Under this arrangement the PHTC has no obligation to maintain or improve the facilities included in the hire. Despite this, the PHTC has estimated it provides an average of 20 hours per week in-kind labour to maintain the appearance and condition of facilities, including some of the track.

Annualised, this would amount to \$34,000 based on the minimum hourly casual labour rate of \$33 p/hr. In addition, the PHTC itself spends several thousand dollars a year on the maintenance, improvement and upkeep of the facility.

Currently, the PHTC pay an event fee of \$1,800 each race meet or \$10,800 annually.

Site Details and Building Condition

Crown Reserve 8214 encompasses the majority of the PHTC track, with the main facilities to support the Turf Club operations, located wholly within the Reserve. The buildings are all owned by the Town and are listed on the asset register, with a value of \$1.162 million dollars (per AVP valuation report 2017).

The PHTC site includes:

- 1950m irregular oval circuit including a 100m chute on the south western bend for 1600m races;
- A part turf track (650m along main straight and western bend) and part dirt;
- Boundary including three synthetic wickets and a four wicket practice net facility located centrally within the track;
- 50m x 6m sheltered horse bays;
- Temporary Jockeys Facility;
- Pavilion with outdoor licensed area, servery and small office accommodation;
- Undercover tote area; and
- Turfed spectator area along the length of the main straight.

The proposed leased area included the footprint of the buildings and the fenced off areas between the grey water dump site and public ablutions to the Jim Caffey Hall. The track and the inside oval was to remain under Town control.

During 2010, the Town of Port Hedland had a structural assessment undertaken of all assets located under this proposed leased area (Attachment 1). The report concludes:

- Turf Club facilities have reached the end of their design life and the Town needs to make a decision on whether to proceed with remediation measures to ensure compliance of current facilities or to progress with redevelopment of the assets; and
- The majority of structures would be unable to meet the current Australian Building Code standards or withstand a direct cyclonic event.

Since the report was issued some structures have been demolished or removed including a block of toilets and judge's platform. Ablutions are now provided on a temporary basis annually by the Town at a cost of \$20,000 - \$25,000 each year and the platform has been replaced by temporary scaffolding structure at the cost of the PHTC.

Town supported Maintenance and Upkeep

Annually, the Town adopts a budgeted maintenance spend for Reserve 8214 of around \$150,000, of which the below relates directly to the PHTC footprint.

Item	Annual Cost
Mowing Grassed Areas (track only)	\$27,383
Toilet Hire	\$25,000
Repairs	\$17,770
Cyclone Pre/ Post	\$4,667

Waste Management	\$3,827
Total	\$78,647

Casual Lease Hire Policy

Under the terms of Council's Casual Lease Hire Policy, Council has the following responsibilities:

"Pre-hire inspections will be conducted to ensure reserves and facilities are in reasonable and clean condition".

The PHTC's only repair or maintenance obligation to the facilities relate to covering the cost of any damage caused during the hire term, despite this, they do however undertake some on-going maintenance.

Under lease, the PHTC would be responsible for the repair and maintenance of the facilities within the proposed footprint. Before entering into a lease however, some rectifications works would need to be undertaken on the facility.

Previous Equestrian Needs and Concept Design

In 2012, the Town of Port Hedland engaged A Balanced View Leisure Consultancy Services to undertake a needs assessment and feasibility for the provision of equestrian facilities within the Town of Port Hedland municipality. (Attachment 3) Council initially considered the needs assessment at its September 2012 OCM and resolved as below:

201213/113 OFFICER'S RECOMMENDATION/COUNCIL DECISION

MOVED: CR DACCACHE

SECONDED: CR JACOB

That Council:

- 1. Notes the Need Assessment report as presented by ABV Leisure Consultancy Services;*
- 2. Endorses the recommendation of the consultant for the Port Hedland Race Track to remain at the existing site;*
- 3. Notes ABV Leisure Consultancy Services will proceed with phases two and three of the project, being the Concept Design and Business/Implementation Plan on the understanding that the race track will remain in the same location;*
- 4. Notes that the consultant ABV Leisure Consultancy Services liaises with the Water Corporation and Landcorp regarding any potential conflict for the SHOATA site and any environmental buffer zones.*

CARRIED 8/0

The concept design and feasibility for redevelopment of the site was considered by the Town at its December 2013 OCM. The proposed redevelopment contemplated a multi-purpose facility, including supporting infrastructure (stables, parking etc.) with active and passive recreational facilities; playground, equestrian and canine arenas, walking/exercise trail and floodlighting to the sporting fields. The estimated cost for the development was \$26.17 million and ongoing operational/ management costs of \$877,000 p/annum (operating deficit of approx. \$280,000 based on operating model).

In considering the report, Council resolved as follows:

*201314/190 OFFICER'S RECOMMENDATION/ COUNCIL DECISION**MOVED: CR GILLINGHAM**SECONDED: CR DACCACHE**That Council:*

- 1. Acknowledges for information purposes and future precinct planning the Needs Assessment, Concept Design and Implementation Plan for the Port Hedland Turf Club (Draft Final Report); and*
- 2. Notes that the Needs Assessment, Concept Design and Implementation Plan for the Port Hedland Turf Club Report will be finalised once the provision of key elements (including community meeting facilities) within the overall precinct (Administration / Civic Centre and McGregor Reserve) is further considered and clarified.*

CARRIED 7/0

It appears that no further action has been taken with respect to the finalisation of the report following this Council resolution. The Town has however continued to pursue a longer-term community facilities plan which focuses on consolidating recreation and sporting facilities in South Hedland. This diminishes the need to develop a building of the scale and design previously presented to Council on the McGregor Street reserve.

The PHTC took the initiative and prepared some concept plans in 2016 (Attachment 2). This development concept is likely to have a capital cost below \$5 million and still provides a multi-functional purpose which would support use by other clubs in addition to the PHTC (i.e. scouts, tennis club, rugby club etc.).

Engagement and Communications

The needs assessment for equestrian facilities incorporated a broad range of community and stakeholder consultation. The key findings of this consultation were as follows:

- The current location for the Turf Club is preferred by the community
- Turf club facilities are in bad condition
- The community strongly agreed with the following statements about the Turf Club:
 - Important local asset
 - Impressive visual entry statement to the Town
 - Has an important social role
 - Could be an important shared sporting/community facility
 - Should remain within the Town
 - Is a potential location for a number of community activities.

COMMENT

The background information and previous reports of consultants demonstrate:

- The current assets at the Turf Club are the Town's responsibility to provide and maintain;
- The requirement for the PHTC to pay a full casual hire fee for buildings should be revisited considering:
 - The PHTC provides in-kind and cash contributions to maintain assets where it has no obligation to do so; and
 - The quality and standards of the buildings being leased are poor;

- The Turf Club buildings pose a safety and financial risk to the Town of Port Hedland during cyclone season;
- The provision of facilities to support Port Hedland's annual race season is a key pillar to the social fabric of the community and without a strategy and plan to improve facilities at the reserve future seasons may not be possible; and
- The cost difference between rectifications of existing buildings compared to the redevelopment of facilities is likely to be marginal.

The Town of Port Hedland needs to quickly revisit the options for the improvement of infrastructure at the Turf Club to meet legislative and community standards. This should include:

1. A short-term solution to ensure the facilities are made appropriate until a larger scale improvement program can be finalised and funded for the whole Precinct;
2. Consultation with key community user groups of the reserve and surrounding area including the PHTC, Scouts, Hedland Taekwondo Club, Port Hedland Tennis Club and possibly cricket clubs, as well as other clubs who may look to set up a base within the Precinct;
3. Planning and design for the redevelopment of facilities to meet current industry and building standards;
4. A well-developed business case for redevelopment which addresses the capital and operational funding, governance and tenure.

Whilst much of the commentary has focused around the Turf Club, which is important, the other facilities on the wider Precinct are also ageing and in need of rejuvenation. It is not recommended that any significant renewal be undertaken on any of the facilities or infrastructure on the McGregor St Sporting and Recreation Precinct, until it is ascertained if there are some economies of scale with regards to collocation of facilities, need for other sports to be based in Port Hedland, or whether the existing facilities should be individually upgraded.

It is noted that other sporting and community facilities are located in Port Hedland including those on or near the Colin Matheson Oval. Any budgeted works on these facilities for renewal should continue to be undertaken, until such time as a Master Plan and Business Plan is undertaken for that Precinct.

Given the level of amenity and the appropriateness of the Turf Club buildings which are within the broader McGregor St Sport and Recreation Precinct, it is recommended that this takes priority. Similarly, another process should also be undertaken for the Kevin Scott and Marie Marland precinct in South Hedland, but at this stage, it is suggested that the McGregor St Precinct is a higher priority based on the issues surrounding the Turf Club infrastructure.

LEGISLATION AND POLICY IMPLICATIONS

The Town of Port Hedland has an obligation to ensure its buildings comply with the minimum standards set out under the Building Code of Australia through the *Building Act 2011*. Based on the information included in the RSA structural report it appears evident the appropriateness of the Turf Club buildings needs to be addressed.

The Town of Port Hedland also has an adopted Asset Management Policy, Strategy and Plan. The principle objective is for the town to meet its service delivery obligations to ensure, amongst other things “*Assets are managed in accordance with relevant legislation*”. Upgrades to these facilities are required to meet this standard.

FINANCIAL IMPLICATIONS

It is recommended Council pursue community facility planning and business case development for the replacement of assets at the McGregor Street Sporting and Recreation Precinct. The focus of this will be to refine previous concept plans to finalise an affordable and deliverable outcome.

It is recommended Council accommodate \$150,000 to finalise a Master Plan and Business Plan within the 2017/2018 annual budget.

There are potential financial implications to the Town which cannot be quantified at this point. This includes insurance/ damages claims from any incident as a result of debris in a cyclone event or use of unsafe buildings if some immediate rectifications are not made to the Turf Club buildings /infrastructure. There are 16 buildings / structures on the site in total, and it is estimated that each building will cost approximately \$3,000 to rectify, this equates to roughly \$48,000 in total. There are funds available in the current budget to accommodate these costs.

Should Council agree to waiver or reduce the hire fees of \$10,800 which the Turf Club pays to hire the buildings, then this will also have financial implications.

STRATEGIC AND RISK IMPLICATIONS

Environmental

There are no significant identifiable environmental impacts arising from adoption of the officer's recommendation. There is a probability that some buildings onsite contain asbestos.

Economic

Having improved facilities across the McGregor St Sport and Recreation Precinct, could see more out of town sporting and recreational groups compete in town, and have a positive economic impact.

Additionally, the annual race season is a small but important contributor to the local economy. Facilities that ensure the longevity of Port Hedland's race season and offer capacity to grow will sustain this local economic driver. A loss of the race season temporarily or permanently however would damage Port Hedland's local economy.

Social

The sporting and recreational activities held within the Precinct are important to the Town. The area is used for key festivals and events, along with senior and junior sports. The Port Hedland Turf Club and annual race season are over 100 years old. It is a foundation of the social fabric of the community. The Port Hedland Cup Day is one of the largest social events on the local community's calendar. Protecting the legacy of the Turf Club and race season is therefore important to the identity and livability of Port Hedland.

Strategic

Section 1.1 - A Unified Community Across our Townships of the 2014-2024 Strategic Community Plan include the following strategy:

- Ensure all members of the community can access our services and facilities

- Provide safe and accessible community facilities, services, events and open spaces that connect people and neighbours

Providing a plan to improve the existing facilities in a timely manner will ensure the Town is achieving these strategies. Furthermore, a reduction in hire fees to the PHTC until improved facilities are provided would be an appropriate reflection of the quality of the facilities provided.

Risk

There is a risk rating of High (10) assigned to the risk that:

Should Council resolve not to adopt the Officers recommendations then there is potential for the PHTC to be unable to continue to operate in the future. The PHTC is currently the pillar of the Northwest Race Season and both the Norwest Jockey Club and the Broome Turf Club depend on Port Hedland to provide opportunities for racing in attracting trainers and jockeys to the area. Without the Port Hedland Race Season the remaining race meets and clubs that are built around this may be in jeopardy.

OPTIONS

Option 1 - Adopt Officer's Recommendations

Option 2 - Do not adopt Officer's Recommendations

CONCLUSION

The facilities provided at the McGregor Street Sport and Recreation Precinct need renewal, or replacement as they are getting close to the end of their life.

There is a need to progress the original Master Planning and Feasibility for redevelopment of facilities albeit at a more manageable scale. In addition, specific works are required to the Turf Club buildings / infrastructure in the immediacy and prior to cyclone season, until a longer-term solution is provided.

Finally, Council may like to consider a reduction or full waiver of the casual hire fees for the Turf Club, considering the quality of the facilities.

ATTACHMENT 4 TO ITEM 12.3.1



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 – 4 July 2017**CM201718/015 OFFICER RECOMMENDATION/ COUNCIL DECISION****MOVED: CR WHITWELL****SECONDED: CR MELVILLE**

That Council receive the Minutes of the Ordinary Meeting of the Audit, Risk and Governance Committee held on Tuesday 4 July 2017 at 5:30pm inclusive of the following decisions:

12.1.1 Bi-monthly Status Reports of the Audit, Risk and Governance Committee**12.1.2 Quarterly Better Practice Review****12.1.3 Funding and Donations for the period of 1 April to 30 June 2017****CARRIED 8/0**

Item 14 Motions of Which Previous Notice Has Been Given

Nil

Item 15 New Business of an Urgent Nature

Nil

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

Nil

Item 17 Closure

17.1 Date of Next Meeting

The next Ordinary Meeting of Council will be held on Wednesday 23 August 2017, commencing at 5:30pm, with the Public Agenda Briefing being held on Wednesday 16 August 2017, commencing at 5:30pm.

17.2 Closure

There being no further business, the Mayor declared the meeting closed at 8:17pm.