



Town of  
**Port Hedland**



# Ordinary Meeting of Council Minutes

Council Chambers, McGregor St, Port Hedland

5:30pm  
Tuesday 30 April 2019

Distribution Date:  
10 May 2019

David Pentz  
Chief Executive Officer

## Our Vision

*To be Australia's leading  
Port Town embracing  
community, culture  
and environment*



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**Item 1 Opening of Meeting**

The Deputy Mayor declared the meeting open at 5.30 pm.

**Item 2 Acknowledgement of Traditional Owners and Dignitaries**

The Deputy Mayor acknowledged the traditional custodians, the Kariyarra people, and recognised 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**

Deputy Mayor Louise Newbery  
 Councillor Julie Arif  
 Councillor Richard Whitwell  
 Councillor Peter Carter  
 Councillor George Daccache  
 Councillor Tricia Hebbard  
 Councillor Warren McDonogh

David Pentz	Chief Executive Officer
Robert Leeds	Director Development, Sustainability and Lifestyle
Peter Chandler	Manager Project Design and Delivery
Anthea Bird	Director Corporate and Performance
Josephine Bianchi	Manager Governance
Wendy Barnard	Corporate Support Officer/Minute Taker

Public	10
Media	1
Officers	6

**3.2 Attendance by Telephone / Instantaneous Communications**

Nil

**3.3 Apologies**

Mayor Camilo Blanco

**3.4 Approved Leave of Absence**

Councillor Telona Pitt

3.5 Disclosures of Interest

Name	Item no.	Interest	Nature
Councillor Arif	11.2.6 Award of Tender 2018-45 'Provide Operational Services for Port Hedland Visitors Centre'	Financial	Councillor Arif acts as tour guide at the Visitor's Centre and has future bookings.
Councillor Daccache	15.1 Port Hedland International Airport Legal Entity Structure	Financial	Councillor Daccache has family members who are employed at the airport.

Item 4 Applications for Leave of Absence

<p>CM201819/170 COUNCIL DECISION</p> <p>MOVED: CR CARTER</p> <p style="text-align: right;">SECONDED: CR ARIF</p> <p>That Council:</p> <p>1. Approve the following applications for leave of absence:</p> <p style="margin-left: 20px;">a. Councillor Hebbard                      26 June 2019 – 21 July 2019</p> <p style="margin-left: 20px;">b. Councillor McDonogh                      20 June 2019 – 26 June 2019</p> <p>2. Cancel the following application for leave of absence:</p> <p style="margin-left: 20px;">a. Councillor Daccache                      8 May 2019 – 18 May 2019</p> <p style="text-align: right;"><i>CARRIED 7/0</i></p>	
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Item 5 Response to Previous Questions

5.1 Response to Questions taken on notice from Public at the Ordinary Council Meeting held on Wednesday 27 March 2019

Nil

## 5.2 Response to Questions taken on notice from Elected Members at the Ordinary Council Meeting held on Wednesday 27 March 2019

### 5.3.1 Cr Julie Arif

*My question relates to the Town's response to Councillor Daccache's question [item 5.2.1 of the 27 March 2019 Ordinary Council Meeting minutes]. I think Councillor Daccache queried this as he did not believe the information that was given. I would like to know where this information came from, because I was the manager at the time and most of those services were provided solely by the manager of the [Port Hedland] Retirement Village.*

The Manager Financial Services advises that the information provided to Cr Daccache was related to the 2018/19 financial year. The Town has further reviewed the information and the costs associated with the 2016/17 financial year totalled \$31,665.35 and related to fire equipment servicing and general maintenance including roof repairs.

## Item 6 Public Time

*Important note:*

*'This meeting is being recorded on audio tape and streamed live online 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 chairperson 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 Deputy Mayor opened Public Question Time at 5.36pm.

### 6.1 Public Question Time

#### 6.1.1 Ms Janet Newbery

*I live opposite the racecourse track [on McGregor Street in Port Hedland] and I would like to ask, on behalf of the people who live on that street, why nothing is being done about the grass that is coming through the woodchips. This is the main road coming from the shopping centre and the woodchips look horrible, can you please do something about it?*

Details of this response was deemed incorrect. Please refer to page 7 of the 26 June 2019 minutes for the correct response

*A few months ago, before Christmas, we were told that there would be special bins for recycling, can you advise what has happened to them?*

The Deputy Mayor thanked Ms Newbery for her questions.

The Deputy Mayor closed Public Question Time at 5.38pm.

The Deputy Mayor opened Public Statement Time at 5.38pm.

## 6.2 Public Statement Time

### 6.2.1 Mr Brian Richardson

The Deputy Mayor read a statement from Brian Richardson, dated 28 April 2019.

*“The recent coincident high wind/tide event has confirmed the vulnerability of Port Hedland to coastal erosion and flooding as described and predicted in the CHRMAP. The whole of Port Hedland cannot be protected from the forces of nature but action is required immediately to protect the most at-risk areas which includes the Good Street foreshore (East End) where residential properties and infrastructure are threatened.*

*Port Hedland dodged the 2019 ‘Veronica bullet’ but next cyclone season we may not be so lucky.*

*Sand replenishment programs should commence immediately with geotextile sandbag or rock walls designed and constructed when funding permits. Port Hedland is too important to be permitted to wash into the sea.”*

The Deputy Mayor closed Public Statement Time at 5.40pm.

## 6.3 Petitions/Deputations/Presentations/Submissions

Nil

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**Item 7 Questions from Members without Notice**

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**7.1.1 Cr Daccache**

*I am concerned about the response to the question from Councillor Julie Arif (item 5.31 of these minutes) regarding the amount of \$31,665.35. The original question was from Ms Lauren Shannon at the 13 February 2019 Ordinary Council Meeting and it was raised again at the 27 March 2019 Ordinary Council Meeting. The response to Ms Lauren Shannon's question listed six items on which the money was spent:*

- *Air Conditioning servicing for all units*
- *Cockroach treatment and rodent baiting*
- *General maintenance including lighting, footpath renewal, ablution repairs, reticulation repairs, plumbing repairs, electrical repairs, etc.*
- *Electrical safety audit*
- *Emptying skip bins*
- *Parts and materials purchased for maintenance*

*The explanation included in today's response to Councillor Arif's question listed only two items: fire equipment servicing and general maintenance including roof repairs. Could you explain the change? I would like an apology to the volunteers that ran the Retirement Village for a number of years, because the response did not acknowledge their contribution. I would also like to see the receipts or invoices for the six items listed above.*

The Deputy Mayor advised that the Chief Executive Officer would provide a response.

*I received a letter from the Electoral Commissioner that states: "I am now in receipt of formal notification of the outcome of the police investigation. I have been advised that following a comprehensive investigation, there appears to be no likelihood of a successful prosecution."*

*This refers to the fraud and corruption allegations that the Mayor made against the five Elected Members that were elected in 2017. Could you ask the Mayor if he now considers the matter closed?*

*Also, the newspaper has published a story that the Chief Executive Officer has resigned his position. Could the Chief Executive Officer confirm that he resigned of his own free will?*

The Chief Executive Officer advised that, as he stated in the email he sent to Elected Members, he did not resign, he did not request an extension on his contract.

*You voluntarily chose not to extend your contract. Thank you for the clarification.*

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**Item 8 Announcements by Presiding Member without Discussion**

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Mayor’s Meetings for the month of March 2019:

Date	Meeting	Topic
4/3/2019	Dinner with Legend Media Group	Tourism
6/3/2019	Confidential Briefing with Elected Members	As per Agenda
7/3/2019	Community Grants Info Session	Community Grants
11/3/2019	Confidential Item and FY20 rates modelling	PHIA and rates
12/3/2019	Meeting with Fusion Transport	Tyre/rubber recycling
13/3/2019	Agenda Feedback Session	As per agenda
22/3/2019	Incident Support Group Meeting	Storm tide data
25/3/2019	TC Veronica State and Local Recovery Meeting (teleconference)	TC Veronica
27/3/2019	Local Recovery Coordination Committee	TC Veronica
27/3/2019	PRC Wind up teleconference	PRC
27/3/2019	Annual General Meeting	As per agenda
27/3/2019	March OCM	As per agenda
28/3/2019	Melissa Price Meeting	Post TC Veronica Damage
28/3/2019	Review of Revenue, Operational Expenditure and Projects – Per LTFP and additions	As per agenda
29/3/2019	Edith Cowan Uni – phone call	TC Veronica

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

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

- Deputy Mayor Louise Newbery
- Councillor Julie Arif
- Councillor Richard Whitwell
- Councillor Peter Carter
- Councillor George Daccache
- Councillor Tricia Hebbard
- Councillor Warren McDonogh

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Item 10 Confirmation of Minutes of Previous Meeting

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10.1 Confirmation of Minutes of the Ordinary Council Meeting held on Wednesday  
27 March 2019

CM 201819/171 OFFICER'S RECOMMENDATION/COUNCIL DECISION

MOVED: CR ARIF

SECONDED: CR MCDONOGH

That Council confirm that the Minutes of the Ordinary Council Meeting held  
on Wednesday 27 March 2019 are a true and correct record.

*CARRIED 7/0*

*Disclaimer*

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

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**Item 11 Reports of Officers**

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**11.1 Corporate and Performance****11.1.1 Regional Cooperation and Development Forum and National General Assembly 2019 (File No. 14/04/0002)**

Author	Corporate Support Officer
Authorising Officer	Director Corporate and Performance
Disclosure of Interest	The Author and Authorising Officer declare that they do not have any conflicts of interest in relation to this item.

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**CM201819/172 OFFICER'S RECOMMENDATION/COUNCIL DECISION**

MOVED: CR ARIF

SECONDED: CR DACCACHE

That Council:

1. Nominate and approve two Elected Members (Cr Daccache and Cr Carter) to attend the 2019 Regional Cooperation and Development Forum and National General Assembly of Local Government on behalf of the Town of Port Hedland from 16 to 19 June 2019 in Canberra;
2. Nominate and approve an Elected Member (Cr Whitwell) as a proxy to attend the 2019 Regional Cooperation and Development Forum and National General Assembly of Local Government on behalf of the Town of Port Hedland if the originally nominated Elected Members cannot attend;
3. Approve an Officer to attend the 2019 Regional Cooperation and Development Forum and National General Assembly of Local Government on behalf of the Town of Port Hedland;
4. Request the Chief Executive Officer or his delegate arrange meetings with the following Ministers, after the Federal election on 18 May 2019:
  - a) Minister for Immigration, Citizenship and Multicultural Affairs
  - b) Minister for Infrastructure, Transport and Regional Development
  - c) Minister for Education
  - d) Minister for Energy
5. Note the two motions (Attachment 2) to be raised at the National General Assembly that the Town of Port Hedland has submitted to the Australian Local Government Association in relation to job creation and anti-social behaviour.

*CARRIED 7/0*

## PURPOSE

The purpose of this report is for Council to consider nominating representatives to attend the 2019 Regional Cooperation and Development Forum (Forum) and National General Assembly of Local Government (NGA), which is to be held in Canberra from 16 to 19 June 2019.

## DETAIL

The Forum and NGA provide the opportunity for Mayors and Councillors from across the country to network with peers, encounter new industry situations, share experiences and gain information and tactics. It will also contribute towards self and professional development of the attendees.

The themes for the 2019 Forum are “Boom or Bust: The Regional Yo-Yo Diet” and “Connected Communities.”

The theme for the 2019 NGA Conference is “Future Focused”. The Conference will consider what Councils can do today to get ready for the challenges, opportunities and changes that lie ahead.

The provisional programs can be found in Attachment 1.

In 2018, Mayor Blanco and Deputy Mayor Newbery attended the Forum and NGA in Canberra (17-20 June).

It has been the practice in previous years for Elected Members to meet with Ministers and officers will endeavour to arrange meetings so that they do not conflict with the Assembly times.

Two motions have been submitted to the NGA to influence the national policy agenda. The first one suggests that appropriate policies are put in place to support centres in and around mining areas in terms of population growth, investment and job creation. The second motion calls for the Federal Government to continue extensive consultation with relevant stakeholders with a view of creating and implementing appropriate policies to manage anti-social behaviour to support people, families and communities in places where high levels of welfare dependence and drug and alcohol abuse co-exist with high levels of social harm.

The motions will be reviewed by ALGA Board’s NGA Sub-Committee, as well as by state and territory local government associations to determine their eligibility for inclusion in the NGA Business Papers. The criteria used for assessment are the importance and relevance of the issue to local government.

As the Kimberly Pilbara Forum is on 10 June in Broome, it may be prudent to elect different representatives for that Forum to lessen risks associated with fatigue and to give all representatives an equal opportunity to attend.

## LEVEL OF SIGNIFICANCE

In accordance with Policy 4/009 'Significant Decision Making', this matter is considered to be of low significance, due to the minimal impact to the community and public interest.

## CONSULTATION

Consultation with internal or external parties in the preparation of this report has been limited to information gathering.

## LEGISLATION AND POLICY CONSIDERATIONS

Policy 4/008 'Elected Member Entitlements' is relevant to this agenda item and provides the specifics as to the entitlements for Elected Members when attending training, conferences and events.

Policy 4/010 'Elected Members Travel and Training' is applicable as it sets out parameters associated with the booking of travel, registration fees and accommodation arrangements.

Section 2.5 'Reimbursements' of the Town's policy 4/010 'Elected Members Travel and Training' is applicable as it sets out parameters associated with meals and incidentals not provided at the Forum.

In accordance with section 2.2 'Travel' of the Town's policy 4/010 'Elected Members Travel and Training' Council approval must be granted for travel outside of Western Australia.

The 'Purchasing Policy' (2/007) is also applicable to this agenda item in ensuring the prudent expenditure of financial resources.

There are no legislative considerations in relation to this agenda item.

## FINANCIAL AND RESOURCES IMPLICATIONS

Costs associated with this agenda item are appropriated from the travel budgets allocated to Elected Members.

The Forum commences on Sunday 16 June 2019 at 8am, followed by an opening reception at 5.30pm. The NGA ends on Wednesday, 19 June 2019. One day of travel either side is considered in the approximate costings for the attendance.

The following table outlines the approximate costs per person:

Detail	Approx. Total Cost	Notes
Accommodation	\$1,050	Based on 5 nights in Studio Apartments at Waldorf Apartments at \$210 per night. Arriving Saturday, 15 June and leaving Thursday, 20 June
Flights	\$990	Flights from Port Hedland to Canberra with Virgin for same day travel on Saturday 15 June and Thursday 20 June, with stops in Perth and Sydney.
Regional Forum	\$245	If attending the NGA
NGA Early Bird Registration Fee	\$989	Early Bird special if paid prior to 10 May 2019
Networking Dinner (optional)	\$110	17 June 2019, 7 – 11pm in Australian War Memorial, Anzac Hall.
General Assembly Dinner (optional)	\$140	Tuesday, 18 June, 7 – 11pm.
<b>Total</b>	<b>\$3,524</b>	

Please note that there will be additional fees for registration if not paid by 10 May 2019.

All incidental costs must be covered by the Elected Member, and receipts submitted for reimbursement. As some meals are included in the conference registration fee, meals that are not included in the registration fee will be paid for in accordance with the Town's internal policies. The costs associated with meal allowances and cab charges are in addition to the costs included in table above.

At the time of writing this report, the following budget balances are noted:

Budget Line (General Ledger)	Annual Budget Total	Remaining Balance at time of report
Elected Members – Individual Training and Development (E0401100.405)	\$33,500.00	\$17,095.59
Elected Members – Accommodation and Travel Expenses (E0401100.370)	\$35,000.00	\$8,955.50

Registration fees are to be deducted from the relevant 'Individual Training and Development' budget, and accommodation, travel and incidentals will be deducted from the relevant 'Accommodation and Travel' budget.

If Council approves attendance of two Elected Members at the NGA and two Elected Members at the Pilbara Kimberly Forum (PK Forum) (separate agenda item), the remaining balances will be as follows:

Budget Line (General Ledger)	NGA and PK Forum Cost	Remaining Balance
Elected Members – Individual Training and Development	\$3,258.00	<b>\$13,837.59</b>
Elected Members – Accommodation and Travel Expenses	\$6,485.40	<b>\$2,470.10</b>

In accordance with 2/007 ‘Purchasing’ policy, the Town must ensure the efficient and prudent expenditure of financial resources.

### STRATEGIC AND SUSTAINABILITY IMPLICATIONS

The following section of the Town’s Strategic Community Plan 2018-2028 are applicable in the consideration of this item:

- 2.b.1** Forums are regularly provided to support industry and businesses, including Aboriginal and disability enterprises, in engaging with the community and stakeholders
- 2.b.2** The Town’s economic development strategy is supported through engagement with key economic groups
- 2.c.1** Business and government agencies and other relevant stakeholders are engaged to:
  - Identify strategic employment and economic development priorities
  - Assess and address market failures affecting the cost of living
  - Assess and address cost of doing business challenges
- 3.b.3** Sustainable energy, waste and water management practices are provided and promoted
- 3.b.4** Innovation and resilience of the built form are encouraged, assessed and implemented
- 4.a.1** Town of Port Hedland is represented and advocated for in International, Federal, State and regional forums and policy development
- 4.a.2** Town of Port Hedland is marketed and promoted locally, state-wide, nationally and internationally to tourists and investors
- 4.a.3** A positive narrative and unique brand is developed and promoted
- 4.b.4** Constructive forums are provided for discussion and the representation of the diversity of views and needs that impact on the Town’s developments, programs and policies

There are no significant identifiable environmental, social or economic impacts in relation to this item.

## RISK MANAGEMENT CONSIDERATIONS

As per the risk matrix contained in policy 1/022 'Risk Management', the level of risk is considered to be Low (4) calculated as a likelihood of unlikely (2) and a consequence of minor (2) should the Elected Members attend and not gain any benefit.

## OPTIONS

*Option 1 - Adopt Officer's Recommendation*

*Option 2 – That Council does not approve the representation of the Town of Port Hedland by any Elected Member at the Forum and/or NGA.*

*Option 3 - That Council does not approve the representation of the Town of Port Hedland by any officer at the Forum and/or NGA.*

*Option 4 - That Council does not approve the representation of the Town of Port Hedland by any Elected Member or officer at the Forum and/or NGA.*

## CONCLUSION

Representation of the Town of Port Hedland in the national arena at the NGA would demonstrate the Town's commitment to satisfy and service its diverse community as the world's largest bulk export port and its unique challenges.

## ATTACHMENTS

1. NGA19 Registration Brochure (Under Separate Cover)
2. ALGA proposed motions

*ATTACHMENT 2 TO ITEM 11.1.1***Motion 1**

That this National General Assembly advocate to the Federal Government, through the Minister for Regional Development, that appropriate policies are put in place to support centres located in and around mining areas in terms of population growth, investment and job creation.

**National Objective**

A 2017 Deloitte report commissioned by the Minerals Council of Australia, has found the mining and mining equipment, technology and services (METS) sector has accounted for 15 per cent of Australia's gross domestic product (GDP), highlighting its significant contribution to Australia's economy. The report found the mining and METS sector contributed \$236.8 billion in 2015-16. Both sectors support 1.1 million jobs nationwide – around 10 per cent of overall employment. Although the sector makes a major contribution nationwide, there are particular regions where this is more significant, particularly in Western Australia. The mining and METS sector accounted for a \$37.8 billion economic contribution to WA's Pilbara region – 88 per cent of total regional economic activity. It also accounted for nearly 94,000 jobs both directly and indirectly in the area.

**Summary of Key Arguments**

To support the national objective of this proposed motion Port Hedland can be utilised as a main example. Port Hedland is the largest bulk exporting port in the world, and is recognised for its efficiency, productivity and innovation. The annual throughput at the Port is around 500 million tonnes, with the Pilbara's Port Dampier and Port Hedland accounting for around 75% of the State's and 50% of all global seaborne iron ore exports. Port Hedland activity contributes \$2.3 billion in tax to the WA Government and a further \$2.4 billion to the Commonwealth. Port Hedland's gross regional product is approaching \$5 billion: it was just over \$2 billion 10 years ago. Port activity sustains almost 5000 full time equivalent jobs (direct and indirect), which is half of the total of the town of Port Hedland.

In accordance with 'An Economic Study of Port Hedland Port' (November 2017, ACIL Allen Consulting) the Port Hedland Port Supply Chain accounted for \$18.5 billion in indirect economic output in the Western Australian economy in 2015-16. Port Hedland and other mining centres in the Pilbara can be considered as functioning as the 'economic powerhouse of the Nation' due to extensive mineral and hydrocarbon assets and close proximity to existing and emerging high demand Asian markets. However, more recently there has been a significant contraction in both mineral prices and subsequently economic, employment and community investment in the Pilbara Region is entering a new phase.

Port Hedland and its residents are not immune to the same set of challenges which plague WA's non metropolitan regions; namely – lack of an understanding of the realities and potential of the region by policy makers in Perth and Canberra; lack of strong local leadership and vision; few economies of scale as a direct result of the sheer size, scale and remoteness of regional WA; high cost of doing business; inadequate economic and social infrastructure (in particular transport, communications, health and education); lack of ability to attract and retain a sustainable population; a growing ageing population; unequal opportunities and a lack of involvement in regional development by Aboriginal people; sub-optimal land use; and poor partnerships and low levels of engagement between community, business and government (CEDA, 2016).

These aforementioned challenges create broad impacts; namely – impediments to regional growth and development; reduction of regional amenity and liveability; hampering of the development and execution of practical responses to realise the unique potential of characteristic regional assets; a poorly skilled local workforce and regional 'brain drain'; contribution to the continuous exodus of families and young people due to a lack of education, training and employment opportunities; a strain on already stretched services; and poor health, education and employment outcomes, particularly for Aboriginal people.

In summary local government needs state and federal support to put appropriate policies in place to ensure continued and sustainable population growth, investment and job creation.

## Motion 2

That this National General Assembly call on the Federal Government to continue extensive consultation with local and state governments, the community sector, medical experts and other relevant stakeholders with a view of creating and implementing appropriate policies to manage anti-social behaviour to support people, families and communities in places where high levels of welfare dependence and drug and alcohol abuse co-exist with high levels of social harm.

## National Objective

Like all communities, those in regional and remote areas are made up of people from a range of backgrounds. They have different strengths and aspirations, and face many different challenges. But regional and remote communities also face a range of geographically specific issues that can make them more vulnerable to alcohol and other drug harms. These include social isolation, infrastructure limitations, the increased prevalence of natural disasters such as fire, drought and flood, and stressors such as the closure of a region's major employer, or even the death of a much loved community member.

All tiers of government need to work with and help communities to improve their ability to deal with adversity, conflict and change. This includes increasing community resilience and social cohesion to provide opportunities to tackle alcohol and other drug use.

## Summary of Key Arguments

The Pilbara region and Port Hedland can be used as an example to illustrate the national objective of this proposed motion, inasmuch as they do not escape the social challenges found in any community. However, the region's isolation and tough environment exacerbate certain problems. Drug and alcohol issues are prevalent in both the Aboriginal and non-Aboriginal community and usage and associated negative impacts are escalating. Incidents of domestic violence and anti-social behaviour are also increasing and, more often than not, the two factors are interrelated. Increasing suicide rates amongst Aboriginal youth have sparked State inquiries.

The Pilbara displays two main indicators of health inequality in WA – socio-economic disadvantage and a large Aboriginal population. Hedland Health Campus is one of the Region's major health service providers; however, access to mental health and specialist services is still limited, or non-existent. The delivery of health services to remote Aboriginal communities involves high costs. Aboriginal Medical Services operating in the Town are often presented with complex health issues which they do not have the adequate resources to address.

Data on health care shows a decline in positive outcomes and quality of service with increasing distance from metropolitan areas. For example, a recent study by the WA Primary Health Alliance found that the Pilbara is the site of the second-highest number of preventable hospitalisation cases in WA, with South Hedland cited as a hotspot for seven of the top 10 conditions by volume (of people). Investment in digital technology, for example, telehealth and e-health records could help to deliver better health services to the Region.

The delivery and maintenance of infrastructure in remote Aboriginal communities is particularly challenging due to high costs and complicated logistics associated with long travel distances and harsh physical environments.

Adequate health, education and employment options and opportunities are critical to liveability. Ultimately, the majority of people do not, or cannot, stay in places with poor amenity resulting from inadequate infrastructure and opportunities. A consequence of this is that transient communities find it harder to build social capital and connection, and this results in a prevalence of social issues such as substance abuse and domestic violence. There is a common misconception that within the Pilbara region these social issues are generally isolated to the Aboriginal community. This is not the case.

A number of initiatives to tackle social issues associated with excessive drug and alcohol consumption have been suggested and or trialled in various parts of Australia. Some examples being income management measures, such as drug testing and cashless debit cards for welfare recipients, changes to liquor control legislation and banned drink registers.

The intent of this motion is to ensure that the Federal government continues to work with State and local government, and all other relevant stakeholders, to create and implement a holistic policy framework to deal with the issues and associated anti- social behaviour described above.

**11.1.2 Pilbara Kimberley Forum 2019 (File No. 02/04/0002)**

Author Senior Governance Advisor  
Authorising Officer Director Corporate and Performance  
Disclosure of Interest The Author and Authorising Officer declare that they do not have any conflicts of interest in relation to this item.

## OFFICER'S RECOMMENDATION

That Council;

1. Nominate and approve two Elected Members to attend the Pilbara Kimberley Forum 2019 on behalf of the Town of Port Hedland on 10 June 2019 in Broome;
2. Request that the CEO appoint an Officer to attend the Pilbara Kimberley Forum 2019 on behalf of the Town of Port Hedland.

## CM201819/173 COUNCIL DECISION

MOVED: CR CARTER

SECONDED: CR DACCACHE

That Council;

2. Nominate and approve three Elected Members (Cr Arif, Cr Daccache and DM Newbery with Cr Whitwell as a proxy), to attend the Pilbara Kimberley Forum 2019 on behalf of the Town of Port Hedland on 10 June 2019 in Broome; and
2. Request that the CEO appoint an Officer to attend the Pilbara Kimberley Forum 2019 on behalf of the Town of Port Hedland.

*CARRIED 7/0*

## PURPOSE

The purpose of this report is for Council to consider nominating representatives to attend the Pilbara Kimberley Forum 2019, to be held in Broome on 10 June 2019.

## DETAIL

The Pilbara Kimberley (PK) Forum is a yearly event jointly hosted by the Pilbara and Kimberley regions on alternate years. This year's PK Forum is to be held in Broome, at the Mangrove Hotel on 10 June 2019.

*General Theme*

The PK Forum will be centred on the theme of ‘Energize Tomorrow’ (Attachment 1) and will be a day of inspiration to consider new opportunities such as:

- increasing diversification in mining;
- changes to State Government policies;
- alternative energy development being actively pursued; and
- what they could mean to the regional economy.

The Forum will also allow for networking, discussions on key issues facing the Pilbara and Kimberley regions, and how local government can position itself to ensure that appropriate systems and infrastructure are in place.

*Proposed Program*

The proposed program will comprise the following sessions:

- Speed Dating with the Industry: The New Energy Economy  
This session will focus on industry, being energy related operations in North-Western Australia – lithium and dysprosium, unconventional gas and solar. The intent for presenters in this session is to provide background, the scale of the operations in terms of the economic contribution, duration and jobs and participation on a panel to discuss the opportunities and challenges being faced. The following companies have been invited to present:
  - Northern Minerals
  - Buru Energy
  - Theia Energy
  - Pilbara Solar
- Partners and Opportunities  
In this session, key government stakeholders in both the Pilbara and the Kimberley are brought together to discuss the scale of the opportunity from their perspective along with the risks and what they think needs to be done going forward. The following key government stakeholders have been invited to present:
  - Department of Mines, Industry Regulation and Safety
  - Department of Jobs, Tourism, Science and Innovation
  - Regional Development Commissions
- Towards Tomorrow  
This session will look into the experience of growth in the Pilbara and the lessons learned. This discussion will be followed by a case study of what could be done in the Kimberley in terms of a scalable response.
- President’s Collaboration  
The last session of the day is a discussion of the day’s proceedings with take away messages by key local government leaders.

### *Registration*

The early bird registration fee is \$395 per person. Registrations that occur after 10 May 2019 will cost \$495 per person.

In 2018, Deputy Mayor Newbery and Councillor Pitt attended the Pilbara Kimberley Forum 2018 on behalf of the Town of Port Hedland on 1 and 2 May 2018 in Perth. It is recommended that two Elected Members are nominated to attend this year's PK Forum.

### LEVEL OF SIGNIFICANCE

In accordance with Policy 4/009 'Significant Decision Making', this matter is considered to be of low significance, minimal impact to the community and public interest.

### CONSULTATION

Consultation with internal or external parties in the preparation of this report has been limited to information gathering.

### LEGISLATION AND POLICY CONSIDERATIONS

Section 2.2 'Travel' of the Town's policy 4/010 'Elected Members Travel and Training' is applicable as it sets out parameters associated with the booking of travel registration fees and accommodation arrangements.

Section 2.5 'Reimbursements' of the Town's policy 4/010 'Elected Members Travel and Training' is applicable as it sets out parameters associated with meals and incidentals not provided at the Forum. Where a Town of Port Hedland vehicle is available and Elected Members choose to use their own vehicle, then costs will be reimbursed on actual fuel costs supported by appropriate tax invoices. Elected Members will be reimbursed if claims are submitted no later than 14 days of returning from the Forum.

There are no legislative considerations in relation to this agenda item.

### FINANCIAL AND RESOURCES IMPLICATIONS

The Forum will involve travel between Port Hedland and Broome, and accommodation for two (2) night stay to participate in the one (1) day Forum. The costs for registration, travel and accommodation are appropriated from the travel budget allocated to Elected Members.

The following table outlines the approximate costs per person attending the PK Forum:

Detail	Approx. Total Cost	Notes
Accommodation	\$537.00	Two nights stay at the Mangrove Hotel at \$268.50 per night.
Travel via Town of Port Hedland vehicle	\$0.00	Town of Port Hedland fuel card to be used. Cost will not be deducted from Elected Members – Accommodation and Travel Expenses.
Travel via own vehicle	\$190.80	In accordance with the Town’s policy 4/010 ‘Elected Members Travel and Training’: Fuel costs will be reimbursed on actual costs supported by appropriate tax invoices Estimated fuel cost reimbursement calculated in accordance with Fuel Watch on Tuesday, 2 April 2019: <ul style="list-style-type: none"> <li>• BP Port Hedland at \$1.59 (diesel)</li> <li>• 120L (60L tank, calculated each way)</li> <li>• 1223.4 km (611.7km x2)</li> </ul>
Registration Fee	\$395.00	\$395 early bird (to the 10 May 2019). \$495 after 10 May 2019.
Detail	Approx. Total Cost	Notes
Meals	\$224.90	<p><u>Sunday 9 June:</u> Lunch \$30.45 Dinner \$51.85 Incidentals \$19.35 <b>Total: \$101.65</b></p> <p><u>Monday 10 June:</u> Breakfast \$27.05 <i>Lunch and Dinner is provided at the Forum.</i> Incidentals \$19.35 <b>Total: \$46.40</b></p> <p><u>Tuesday 11 June:</u> Breakfast \$27.05 Lunch \$30.45 Incidentals \$19.35 <b>Total: \$76.85</b></p>
<b>Total</b>	<b>\$1347.70</b>	<b>Per person attending the PK Forum</b>

At the time of writing this report, the following budget balances are noted:

Budget Line (General Ledger)	Annual Budget Total	Remaining Balance at time of report
Elected Members – Individual Training and Development	\$33,500.00	\$17,095.59
Elected Members – Accommodation and Travel Expenses	\$35,000.00	\$8,955.50

The registration fee is to be deducted from the relevant ‘Individual Training and Development’ budget, and accommodation, travel and incidentals will be deducted from the relevant ‘Accommodation and Travel’ budget.

If Council approves attendance of two Elected Members at the PK Forum, and two Elected Members at the National General Assembly (NGA) (separate agenda item), the remaining balances will be as follows:

Budget Line (General Ledger)	NGA and PK Forum Cost	Remaining Balance
Elected Members – Individual Training and Development	\$3,258.00	\$13,837.59
Elected Members – Accommodation and Travel Expenses	\$6,485.40	\$2,470.10

In accordance with 2/007 ‘Purchasing’ policy, the Town must ensure the efficient and prudent expenditure of financial resources.

**STRATEGIC AND SUSTAINABILITY IMPLICATIONS**

The following sections of the Town’s Strategic Community Plan 2018-2028 are applicable in the consideration of this item:

- 2.b.1** Forums are regularly provided to support industry and businesses, including Aboriginal and disability enterprises, in engaging with the community and stakeholders
- 2.b.2** The Town’s economic development strategy is supported through engagement with key economic groups
- 2.c.1** Business and government agencies and other relevant stakeholders are engaged to:
  - Identify strategic employment and economic development priorities
  - Assess and address market failures affecting the cost of living
  - Assess and address cost of doing business challenges
- 3.b.3** Sustainable energy, waste and water management practices are provided and promoted
- 3.b.4** Innovation and resilience of the built form are encouraged, assessed and implemented
- 4.a.1** Town of Port Hedland is represented and advocated for in International, Federal, State and regional Forums and policy development

- 4.a.2 Town of Port Hedland is marketed and promoted locally, state-wide, nationally and internationally to tourists and investors
- 4.a.3 A positive narrative and unique brand is developed and promoted
- 4.b.4 Constructive Forums are provided for discussion and the representation of the diversity of views and needs that impact on the Town's developments, programs and policies

There are no significant identifiable environmental, social or economic impacts relating to this item.

#### RISK MANAGEMENT CONSIDERATIONS

There is a financial risk associated with this item, as unforeseen vehicle maintenance costs could arise due to Elected Members travelling in separate vehicles to and from Broome. This could also result in additional costs for accommodation at the Mangrove Hotel. The risk rating is considered to be low (2), which is determined by a likelihood of unlikely (2) and a consequence of insignificant (1).

There is a reputational risk associated with this item, as personal development of Elected Members could be disadvantaged. This could also lead to public embarrassment, as Elected Members won't be able to answer questions relating to energy operations in North-Western Australia satisfactorily. The risk rating is considered to be low (3), which is determined by a likelihood of rare (1) and a consequence of moderate (3).

This risk will be eliminated by the adoption of the officer's recommendation.

#### OPTIONS

*Option 1 – Adopt officer's recommendation*

*Option 2 – That Council does not approve the representation of the Town of Port Hedland by any Elected Members at the Forum.*

*Option 3 – That Council does not approve the representation of the Town of Port Hedland by an officer at the Forum.*

*Option 4 - That Council does not approve any representation of the Town of Port Hedland at the Forum.*

*Option 5 – That Council increases the number of attendees representing the Town of Port Hedland at the Forum.*

## CONCLUSION

The Town of Port Hedland will benefit from our Elected Members attending the Pilbara Kimberley Forum in June 2019, as attendance will allow them to participate in discussions covering how local governments can position themselves to effectively capture benefits throughout the value chain to drive positive economic and social outcomes. It would also demonstrate the Town's commitment to satisfy and service its diverse community as the world's largest bulk export port and its unique challenges.

## ATTACHMENTS

1. Pilbara Kimberley Forum 2019 Program

ATTACHMENT 1 TO ITEM 11.1.2



**ENERGIZE  
TOMORROW**  
10 June 2019, Broome WA

**Program Overview**

8AM Registrations Open

9am Welcome to the Kimberley

9:20 Minister's Presentation

10am Global Context

10:30 MORNING TEA

11am Speed Dating with the Industry:  
The New Energy Economy

This fast paced session will bring you an overview of projects planned for both the short and medium term in both traditional and non-traditional sectors.

12:30 LUNCH

1:30 Partners and Opportunities

The key stakeholders who will "make it happen" will share the stage to discuss the prospects and government at all levels can support the realisation of opportunities north of the 26th Parallel.

3pm AFTERNOON TEA

3:30 Towards Tomorrow

What are the key ingredients for translating opportunities into reality? This session considers the key ingredients for translating opportunities into reality, including delivering infrastructure that is vital for business.

4:30 President's Collaboration

Join the conversation with local government leaders who will share their take away messages.

5pm Close of Sessions

6pm Networking Drinks and Forum Dinner  
Mangrove Hotel Broome

**11.1.3 Conduct of the 2019 Local Government Ordinary Elections  
(File No. 13/07/0023)**

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Author	Governance Officer
Authorising Officer	Director Corporate and Performance
Disclosure of Interest	The Author and Authorising Officer declare that they do not have any conflicts of interest in relation to this item.

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## OFFICER'S RECOMMENDATION

That Council;

1. Declare the Western Australian Electoral Commission to be responsible for the conduct of the 2019 Local Government Ordinary Election together with any other elections or polls which may also be required, in accordance with section 4.20(4) of the *Local Government Act 1995*;
  2. Decide that the method of conducting the 2019 Local Government Ordinary Election will be as a postal election in accordance with section 4.61(2) of the *Local Government Act 1995*;
  3. Note that there will be one polling place on election day at the Civic Centre, Port Hedland; and
  4. Approve the allocation of \$50,000 during deliberations of the 2019/20 Annual Budget for the associated costs of the 2019 Local Government Ordinary Election.
-

## CM201819/174 COUNCIL DECISION

MOVED: CR ARIF

SECONDED: CR DACCACHE

That Council;

1. Declare the Western Australian Electoral Commission to be responsible for the conduct of the 2019 Local Government Ordinary Election together with any other elections or polls which may also be required, in accordance with section 4.20(4) of the *Local Government Act 1995*;
2. Decide that the method of conducting the 2019 Local Government Ordinary Election will be as an in-person election in accordance with section 4.61(7) of the *Local Government Act 1995*;
3. Note that there will be the following polling places on election day:
  - (a) Civic Centre, Port Hedland;
  - (b) South Hedland (location yet to be determined); and
  - (c) Yandeyarra.
4. Approve the allocation of \$45,000 during deliberations of the 2019/20 Annual Budget for the associated costs of the 2019 Local Government Ordinary Election.

*CARRIED BY ABSOLUTE MAJORITY VOTE 7/0*

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## PURPOSE

The purpose of this report is for Council to consider the appointment of the West Australian Electoral Commission to conduct the 2019 Local Government Ordinary Election via postal vote on behalf of the Town of Port Hedland, and to consider an allocation of \$50,000 during preparation of the 2019/20 annual budget for election costs.

## DETAIL

Local Government elections take place on the third Saturday in October of every two years, as prescribed by the Local Government Act 1995. Elections may be conducted either in person, or by way of a postal vote.

The Town of Port Hedland (the Town) has previously engaged the Western Australian Electoral Commission (WAEC) to conduct its Local Government elections held in 2011, 2013, 2015, 2016 and 2017 respectively.

The next Local Government Ordinary Election will be on 19 October 2019, to fill vacancies for the positions of four Councillors. The term of office for the successful candidates will be four years, concluding in October 2023.

*Composition of Council*

Currently, the Town has nine Elected Members, consisting of one Mayor and eight Councillors. Four of the Councillors' terms will be ending on 19 October 2019. These Councillors being:

- Deputy Mayor Newbery;
- Councillor Arif;
- Councillor Whitwell; and
- Councillor Hebbard.

Councillors Arif, Newbery and Whitwell were elected in October 2015 for a term of four years. Councillor Hebbard was elected in October 2017 for a term of two years to fill the remaining term of a vacancy that was created when [former] Councillor Blanco was elected as Mayor in November 2016 following the resignation of [former] Mayor Howlett in August 2016.

*Method of voting*

Section 4.61(1) of the *Local Government Act 1995* states:

*“The election can be conducted as a —*

*Postal election which is an election at which the method of casting votes is by posting or delivering them to an electoral officer on or before election day; or*

*Voting in person election which is an election at which the principal method of casting votes is by voting in person on election day but at which votes can also be cast in person before election day, or posted or delivered, in accordance with regulations.”*

*Postal Election*

The Town's preferred method of voting is via postal election. This method promotes an appropriate level of transparency by removing the Town's staff from the election's administrative process and ensures that the election is conducted independently and with impartiality.

Postal elections allow voters the convenience of posting their vote in the mail before election day. Alternatively, voters can hand-deliver their postal votes in person at the Civic Centre prior to election day, or at a polling place on election day. WAEC statistics show that approximately 50% of those voting return their ballot papers within a week of receiving them.

Currently there are 85 (69%) local governments that conduct postal elections in WA. Votes that are cast in a postal election are counted and electronically recorded as they are received by Australia Post, before they are delivered to Port Hedland.

Postal voting was introduced in Port Hedland in 2011, as statistics provided by the WAEC have shown that this is a method which generally increases voter participation in a non-compulsory election.

The current quote from WAEC is based upon a 40% participation rate.

Data below shows that participation has increased from 25.4% to 37.5% since 2007.

Year	Type of Election		Conduct of Election	Electors	Votes	Participation rate
2007	Ordinary	Councillor	In person	5,439	1,384	25.4%
2009	Ordinary	Mayoral	In person	5,621	932	16.2%
2011	Ordinary	Councillor	Postal	5,546	1,544	27.2%
2012	Extraordinary	Councillor	Postal	5,532	1,427	25.8%
2013	Ordinary	Mayoral	Postal	5,822	2,052	35.2%
2015	Ordinary	Councillor	Postal	5,755	1,716	29.8%
2016	Extraordinary	Councillor	Postal	5,735	1,460	25.5%
2016	Extraordinary	Mayoral	Postal	7,225	1,874	25.9%
2017	Ordinary	Mayoral/ Councillor	Postal	7,666	2,875	37.5%

*In-Person Election*

In-person voting is when an elector must cast their vote on election day at a designated polling station. WAEC statistics show that elections conducted by this method usually result in a lower response rate, which is the reason for which the Town’s administration recommends a postal election.

On election day at the polling station, electors must present their identification and be manually checked off the electoral roll before they can cast their vote.

If an elector is not available to vote in person on the day, electors may:

- Cast an *absent vote* at the office of another local government;
- Cast an *early vote* at the Civic Centre, or other location yet to be determined; or
- *Apply to be added to the Town’s ‘Postal Voters Register’*. If the application is accepted the elector will receive a postal vote in the mail prior to election day.

All votes cast in an in-person election are manually counted after the poll closes at 6:00pm.

The current quote from WAEC is based upon a 30% participation rate, a 10% reduction compared to the postal election quote.

*Polling places*

In previous years, the Town has had between two and three polling places on election day where voters may hand-deliver their postal vote or apply for a replacement voting pack. Polling places are open to the public from 8am to 6pm.

This year we propose one polling place, the Civic Centre in Port Hedland.

Should the Council resolve to conduct an in person election, it is recommended that three polling places be set up; one in Port Hedland (Civic Centre), one in South Hedland (to be confirmed), and one in Yandeyarra. Early voting will have to be available in Port Hedland and Yandeyarra prior to election day.

#### LEVEL OF SIGNIFICANCE

In accordance with Policy 4/009 'Significant Decision Making', this matter is considered to be of high significance, as this matter impacts a majority of Port Hedland residents.

#### CONSULTATION

##### *Internal*

- Executive Leadership Team
- Manager Governance
- Senior Financial Accountant

##### *External Agencies*

- Western Australian Electoral Commission

##### *Community*

Following the outcome of Council's decision regarding this matter, the Community will be engaged to participate in the 2019 Local Government Ordinary Election.

#### LEGISLATION AND POLICY CONSIDERATIONS

Part 4 of the *Local Government Act 1995* applies in relation to elections.

Section 4.61 (2) of the *Local Government Act 1995* states that an absolute majority is required for Council to decide to conduct an election by way of a postal vote.

Section 4.61 (3) of the *Local Government Act 1995* states that a decision to conduct an election by way of a postal vote must be made more than 80 days before the election is to take place.

The *Local Government (Elections) Regulations 1997* apply in relation to any elections conducted under the *Local Government Act 1995*.

#### FINANCIAL AND RESOURCES IMPLICATIONS

##### *Postal Vote Option*

The proposed cost to conduct the 2019 election via postal vote is approximately \$50,000. This estimate will need to be considered during deliberations of the 2019/20 annual budget.

The WAEC have provided an estimate to conduct the election via postal vote at \$43,000, based on the following assumptions:

- 8,100 electors
- Response rate of approximately 40%
- Four vacancies
- Count to be conducted at the Civic Centre
- Appointment of a local Returning Officer
- Regular Australia Postal Service for the lodgement of the election packages.

The WAEC have also proposed an additional cost of \$1,620 for Postal Priority Service. It is recommended that the Town include this in the acceptance of the WAEC's offer to ensure that the postal votes are received as early as possible by the voters.

Additional associated costs for conducting candidate information sessions, additional advertising and any officer overtime/ resource costs will be sourced from the remainder of the proposed 2019/20 budget.

#### *In-Person Vote Option*

The proposed cost to conduct the 2019 election via an in-person vote is approximately \$45,000. This estimate will need to be considered during deliberations of the 2019/20 annual budget.

The WAEC have provided an estimate to conduct the election via in-person vote at \$34,000, based on the following assumptions:

- 8,100 electors
- Response rate of approximately 30%
- Four vacancies
- Count to be conducted at the Civic Centre
- Appointment of a local Returning Officer

Additional associated costs for conducting candidate information sessions, additional advertising and any officer overtime/ resource costs will be sourced from the remainder of the proposed 2019/20 budget.

It should be noted that in-person voting will require significant in-house resources (including overtime) to support this process. Any savings from WAEC quote (in comparison to postal vote) on in-person voting are negated by this. Past experience is that securing employees for this purpose is difficult.

## STRATEGIC AND SUSTAINABILITY IMPLICATIONS

The following sections of the Council's Strategic Community Plan 2018-2028 are applicable in the consideration of this item:

- 4.b.3 Transparent and regular governance reporting and communication to the community is undertaken
- 4.b.4 Constructive forums are provided for discussion and the representation of the diversity of views and needs that impact on the Town's developments, programs and policies

There are no significant identifiable environmental, social or economic impacts relating to this item.

In relation to locations for polling places, the Town's Disability Access and Inclusion Plan will be considered to ensure that any potential location will be accessible by people of all abilities.

## RISK MANAGEMENT CONSIDERATIONS

There is a service interruption risk associated with this item, as it would require additional internal resources to conduct the 2019 election if the WAEC are not appointed. The risk rating is considered to be low (3), which is determined by a likelihood of rare (1) and a consequence of moderate (3).

This risk will be eliminated by the adoption of the officer's recommendation.

## OPTIONS

*Option 1 – Adopt officer's recommendation*

*Option 2 – Conduct the 2019 elections via in-person election*

1. Declare the Western Australian Electoral Commission to be responsible for the conduct of the 2019 Local Government Ordinary Election together with any other elections or polls which may also be required, in accordance with section 4.20(4) of the Local Government Act 1995;
2. Decide that the method of conducting the 2019 Local Government Ordinary Election will be as an in-person election in accordance with section 4.61(7) of the Local Government Act 1995;
3. Note that there will be the following polling places on election day:
  - (a) Civic Centre, Port Hedland;
  - (b) South Hedland (location yet to be determined); and
  - (c) Yandeyarra.
4. Approve the allocation of \$45,000 during deliberations of the 2019/20 Annual Budget for the associated costs of the 2019 Local Government Ordinary Election.

## CONCLUSION

Local Government Elections are held every two years, as prescribed by legislation. In 2019, there will be four vacancies on Council. It is recommended that Council appoint the WAEC to conduct the 2019 election by way of a postal vote on behalf of the Town to ensure that the election is conducted independently and with impartiality.

## ATTACHMENTS

1. WAEC cost estimate - Postal vote
2. WAEC cost estimate - In-Person vote
3. 2019 Postal Election Timeline

ATTACHMENT 1 TO ITEM 11.1.3



WESTERN AUSTRALIAN  
Electoral Commission

LGE 028

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



Dear MrPentz

**Local Government Ordinary Election: 2019**

The next local government ordinary elections are being held on 19 October 2019. While this is still some distance in the future, I have enclosed an estimate for your next ordinary election to assist in your 2019/2020 budget preparations.

The estimated cost for the 2019 election if conducted as a postal ballot is \$43,000 inc GST, which has been based on the following assumptions:

- 8,100 electors
- response rate of approximately 40%
- 4 vacancies
- count to be conducted at the offices of the Town of Port Hedland
- appointment of a local Returning Officer
- regular Australia Post delivery service to apply for the lodgement of the election packages.

An additional amount of \$1,620 will be incurred if your Council decides to opt for the Australia Post Priority Service for the lodgement of election packages. The Commission is of the view that the regular service is adequate for outgoing mail for most local governments, particularly in the metropolitan area.

Costs not incorporated in this estimate include:

- any legal expenses other than those that are determined to be borne by the Western Australian Electoral Commission in a Court of Disputed Returns
- one local government staff member to work in the polling place on election day
- any additional postage rate increase by Australia Post.

151616

Level 2, 111 St Georges Terrace PERTH WA 6000  
GPO Box F316 PERTH WA 6841

T | (08) 9214 0400  
F | (08) 9226 0577

E | waec@waec.wa.gov.au  
W | www.elections.wa.gov.au



The Commission is required by the *Local Government Act* to conduct local government elections on a full cost recovery basis and you should note that this is an estimate only and may vary depending on a range of factors including the cost of materials or number of replies received. The basis for charges is all materials at cost and a margin on staff time only. Should a significant change in this figure become evident prior to or during the election you will be advised as early as possible.

The current procedure required by the Act is that my written agreement has to be obtained before the vote by Council is taken. To facilitate the process, you can take this letter as my agreement to be responsible for the conduct of the ordinary elections in 2019 for the Town of Port Hedland in accordance with section 4.20(4) of the *Local Government Act 1995*, together with any other elections or polls that may also be required. My agreement is subject to the proviso that the Town of Port Hedland also wishes to have the election undertaken by the Western Australian Electoral Commission as a postal election.

In order to achieve this, your council would need to pass the following two motions by absolute majority:

- Declare, in accordance with section 4.20(4) of the *Local Government Act 1995*, the Electoral Commissioner to be responsible for the conduct of the 2019 ordinary elections together with any other elections or polls which may be required
- Decide, in accordance with section 4.61(2) of the *Local Government Act 1995* that the method of conducting the election will be as a postal election.

I look forward to conducting this election for the Town of Port Hedland in anticipation of an affirmative vote by Council. If you have any further queries please contact Phil Richards Manager, Election Events on 9214 0400.

Yours sincerely



David Kerslake  
**ELECTORAL COMMISSIONER**

19 October 2018

## ATTACHMENT 2 TO ITEM 11.1.3

LGE 028

WESTERN AUSTRALIAN  
Electoral Commission

Mr Robert Leeds  
Acting Chief Executive Officer  
Town of Port Hedland  
PO Box 41  
PORT HEDLAND WA 6721

Dear Mr Leeds

**Local Government Ordinary Election: 2019**

I refer to your letter dated 11 April 2019 requesting a cost estimate to conduct the Town of Port Hedland local government election as a voting in-person election. As outlined in your letter, I understand why the Council wishes to explore this option.

The estimated cost for the 2019 election if conducted as a voting in-person ballot is \$34,000 inc GST, which has been based on the following assumptions:

- 8,100 electors
- response rate of approximately 30%
- 4 vacancies
- count to be conducted at the offices of the Town of Port Hedland
- appointment of a local Returning Officer

Costs not incorporated in this estimate include:

- non-statutory advertising (ie any additional advertisements in community newspapers and promotional advertising)
- any legal expenses other than those that are determined to be borne by the Western Australian Electoral Commission in a Court of Disputed Returns

The Commission is required by the *Local Government Act 1995* to conduct local government elections on a full cost recovery basis. Of note the prices quoted are estimates only and may vary depending on a range of factors including the hire of labour arrangements or votes cast. The basis for charges is all materials at cost and a margin on Commission staff time only. Should a significant change in this figure become evident prior to or during the election you will be advised as early as possible.

The current procedure required by the Act is that my written agreement has to be obtained before the vote by Council is taken. To facilitate the process, you can take this letter as my agreement to be responsible for the conduct of the ordinary elections in 2019 for the Town of Port Hedland in accordance with section 4.20(4) of the *Local Government Act 1995*, together with any other elections or polls that may also be required.

154743

level 2, 111 St Georges Terrace PERTH WA 6000  
PO Box F316 PERTH WA 6841

T | (08) 9214 0400  
F | (08) 9226 0577

E | [waec@waec.wa.gov.au](mailto:waec@waec.wa.gov.au)  
W | [www.elections.wa.gov.au](http://www.elections.wa.gov.au)



In order to have the 2019 Ordinary Election conducted as a voting in person election, your council will now need to pass the following motion by absolute majority:

- Declare, in accordance with section 4.20(4) of the *Local Government Act 1995*, the Electoral Commissioner to be responsible for the conduct of the 2019 ordinary election together with any other elections or polls which may also be required.

I look forward to conducting this election for the Town of Port Hedland in anticipation of an affirmative vote by Council.

Yours sincerely

A handwritten signature in black ink, appearing to be 'David Kerslake', written over a circular stamp or seal.

David Kerslake  
**ELECTORAL COMMISSIONER**

12 April 2019

ATTACHMENT 3 TO ITEM 11.1.3

**POSTAL ELECTION TIMETABLE  
2019 Local Government Ordinary Election**

Days to Polling Day	Local Government Act	References to Act/Regs	Day	Date
80	Last day for declaration to have the Electoral Commissioner conduct a postal election.	LGA 4.20 (2)(3)(4)	Wed	31/07/2019
80	A decision made to conduct the election as a postal election cannot be rescinded after the 80th day.	LGA 4.61(5)	Wed	31/07/2019
70	Electoral Commissioner to appoint a person to be the Returning Officer of the Local Government for the election.	LGA 4.20 (4)	Sat	10/08/2019
70 to 56	Between the 70th/56th day the CEO is to give Statewide public notice of the time and date of close of enrolments. <b>Preferred date Wednesday 14 August 2019</b>	LGA 4.39(2)	Sat to Sat	10/08/2019 to 24/08/2019
56	Last day for the CEO to advise the Electoral Commissioner of the need to prepare a residents roll.	LGA 4.40(1)		24/08/2019
56	Advertising may begin for nominations from 56 days and no later than 45 days before election day. <b>Preferred date Wednesday 28 August 2019</b>	LGA 4.47(1)	Sat	24/08/2019
50	Close roll 5.00 pm	LGA 4.39(1)	Fri	30/08/2019
45	Last day for advertisement to be placed calling for nominations.	LGA 4.47(1)	Wed	4/09/2019
44	<b>Nominations Open</b> First day for candidates to lodge completed nomination paper, in the prescribed form, with the Returning Officer. Nominations period is open for 8 days.	LGA 4.49(a)	Thu	5/09/2019
38	If a candidate's nomination is withdrawn not later than 4.00 pm on the 38th day before election day, the candidate's deposit is to be refunded.	Reg. 27(5)	Wed	11/09/2019
37	<b>Close of Nominations</b> 4.00 pm on the 37th day before election day.	LGA 4.49(a)	Thu	12/09/2019
36	Last day for the CEO to prepare & certify an owners & occupiers roll for the election. Last day for the Electoral Commissioner to prepare & certify a residents roll.	LGA 4.41(1) LGA 4.40(2)	Fri	13/09/2019
29	Commencement of lodgement of Country Local Government District election packages with Australia Post. Delivery dependent on normal Australia Post standards.		Fri	20/09/2019
24	Commencement of lodgement of Metropolitan Local Government District election packages with Australia Post. Delivery dependent on normal Australia Post standards.		Wed	25/09/2019
22	The preparation of any consolidated roll under subregulation (1) be completed on or before 22nd day before election day.	Reg. 18(2)	Fri	27/09/2019
19	<b>Public Holiday</b>		Mon	30/09/2019
19	Last day for the Returning Officer to give Statewide public notice of the election. <b>Preferred date Wednesday 18 September 2019</b>	LGA 4.64(1)	Mon	30/09/2019
18	Commence processing returned election packages		Tue	1/10/2019
0	<b>Election Day</b> Close of poll 6.00 pm	LGA 4.7	Sat	19/10/2019

Post Election Day	Post Declaration	References to Act/Regs		Date
5	Election result advertisement.	LGA 4.77	Thu	24/10/2019
14	Report to Minister. The report relating to an election under section 4.79 is to be provided to the Minister within 14 days after the declaration of the result of the election.	Reg.81	Sat	2/11/2019
28	An invalidity complaint is to be made to a Court of Disputed Returns, constituted by a magistrate, but can only be made within 28 days after notice is given of the result of the election.	LGA 4.81(1)	Sat	16/11/2019

**11.1.4 Proposed Rescinding of Policy 1/006 ‘Insurance – Professional Indemnity - Use of Disclaimers’ (File No. 04/03/0001)**

Author	Governance Officer
Authorising Officer	Director Corporate and Performance
Disclosure of Interest	The Author and Authorising Officer declare that they do not have any conflicts of interest in relation to this item.

CM201819/175 OFFICER’S RECOMMENDATION/COUNCIL DECISION

MOVED: CR MCDONOGH SECONDED: CR ARIF

That Council rescind Policy 1/006 ‘Insurance – Professional Indemnity - Use of Disclaimers’, as per Attachment 1.

*CARRIED 7/0*

**PURPOSE**

The purpose of this report is for Council to consider the rescinding of the Town’s Policy 1/006 ‘Insurance – Professional Indemnity - Use of Disclaimers’.

**DETAIL**

The administration is currently undertaking a comprehensive review of Council policies to ensure they are relevant and meet the needs of Council and the community. Over the coming months, Council will be presented with a number of policies that require review based on their level of priority, significance and length of time that has passed since they were last reviewed.

Policy 1/006 ‘Insurance – Use of Disclaimers’ was last reviewed by Council in January 2006 in conjunction with a number of other policies, where it was determined that no change was required.

Upon review of its objective and content, the policy provides no actual policy position or guidance as to the use of disclaimers, or the form in which a disclaimer is to be made. The use of disclaimers depends upon the individual circumstances of each case and as such, it is considered that a policy is not required and that the use of disclaimers is better dealt with by using the officer’s discretion on a case by case basis.

*Policy Review and Comparison*

An extensive review of other local governments has been undertaken in relation to this item. Twelve Western Australian local government's policy manuals were reviewed and only two small regional local governments (Shire of Denmark and Shire of Gingin) were found to have a policy regarding the use of disclaimers.

## LEVEL OF SIGNIFICANCE

In accordance with Policy 4/009 'Significant Decision Making', this matter is considered to be of low significance, as it does not meet any of the criteria listed in the policy which deems it significant.

## CONSULTATION

*Internal*

- Manager Governance
- Legal Advisor
- Senior Property Management Officer
- Executive Leadership Team

*External*

LGIS (the Town's insurers), were contacted in relation to the use of disclaimers regarding professional indemnity. LGIS have confirmed that general advice for matters such as the review of contracts, tenders, agreements and the like is provided under the Town's current professional indemnity insurance.

The following Western Australian local governments were reviewed to determine if their policy manuals contained a similar policy:

- City of Albany
- Shire of Broome
- City of Belmont
- City of Bunbury
- City of Cockburn
- Shire of Denmark
- Shire of Gingin
- City of Greater Geraldton
- City of Joondalup
- City of Karratha
- City of Swan
- City of Wanneroo

## LEGISLATION AND POLICY CONSIDERATIONS

The role of Council, as stated in section 2.7(2)(b) of the *Local Government Act 1995*, is to determine the Local Government's policies.

## FINANCIAL AND RESOURCES IMPLICATIONS

There are no financial or resource implications relevant to this item.

## STRATEGIC AND SUSTAINABILITY IMPLICATIONS

The following section of the Town's Strategic Community Plan 2018-2028 is applicable in the consideration of this item:

- 4.b.3** Transparent and regular governance reporting and communication to the community is undertaken.

There are no significant identifiable environmental, social or economic impacts relating to this item.

### *Corporate Business Plan*

The following action of the Town's Corporate Business Plan 2018-2022 applies in relation to this item:

- **2.b.3.1** Regularly review policies and local laws to minimise red tape within statutory frameworks.

## RISK MANAGEMENT CONSIDERATIONS

There is a reputational risk associated with this item, as it may be perceived that the Town's policies are outdated and not relevant. The risk rating is considered to be low (3) which is determined by a likelihood of possible (3) and a consequence of insignificant (1).

This risk will be eliminated by the adoption of the officer's recommendation.

## OPTIONS

*Option 1 – Adopt officer's recommendation*

*Option 2 – Do not adopt officer's recommendation*

## CONCLUSION

Council are required to regularly review its policies to ensure they are relevant and meet the needs of Council and the community. It is recommended that policy 1/006 'Insurance - Professional Indemnity - Use of Disclaimers' be rescinded.

## ATTACHMENTS

1. Policy 1/006 'Insurance – Professional Indemnity – Use of Disclaimers'

ATTACHMENT 1 TO ITEM 11.1.4



Policy

1/006 Insurance – Professional Indemnity – Use of Disclaimers

Content

Council shall use disclaimers (where appropriate) when providing advice or information to either the public or other statutory bodies. The wording of such disclaimers shall be as recommended from time to time, in consultation with Council's insurers.

Definitions

Nil

Relevant legislation	
Delegated authority	
Business unit	
Directorate	

<i>Governance to complete this section</i>			
Version Control	Version No.	Resolution No.	Adoption date
	V01	200506/261	25 January 2006
Review frequency	Choose an item.		

**Document Control Statement** – The electronic reference copy of this Policy is maintained by the Governance Team. Any printed copy may not be up to date and you are advised to check the electronic copy at <http://www.porthedland.wa.gov.au/documents/public-documents/policies> to ensure that you have the current version. Alternatively, you may contact the Governance Team.

**11.1.5 Statement of Financial Activity for the Period Ended 28 February 2019 (File No. 12/14/0003)**

Author	Manager Finance
Authorising Officer	Director Corporate and Performance
Disclosure of Interest	The Author and Authorising Officer declare that they do not have any conflicts of interest in relation to this item.

**CM201819/176 OFFICER'S RECOMMENDATION/COUNCIL DECISION**

MOVED: CR MCDONOGH

SECONDED: CR ARIF

That Council, pursuant to section 6.4 of the *Local Government Act 1995*:

1. Receive the Statement of Financial Activity for the period ended 28 February 2019;
2. Receive the Material Variance Report;
3. Note the Accounts paid under delegated authority for period ended 28 February 2019; and
4. Receive the Credit Card Statements for period ended 28 February 2019.

*CARRIED 7/0***PURPOSE**

The purpose of this report is to present to Council the Statement of Financial Activity for the period ended 28 February 2019. Supplementary information is also presented to Council to provide further information regarding the Town's activities.

The audited Annual Financial Statements for FY18 were be presented to the Council on 13 February 2019 in accordance with Australian Accounting Standards, *Local Government Act 1995* and *Local Government (Financial Management) Regulations 1996*.

**DETAIL**

The information provided in this report is for the period ended 28 February 2019, with financial results included in *Attachment 1. Statement of Financial Activity Notes 1-12* prepared by the Town of Port Hedland.

The Town of Port Hedland financial activity reports use a materiality threshold to measure, monitor and report on financial performance and position of the Town.

As part of the 2018/19 original budget, Council adopted the following thresholds as levels of material variances for financial reporting.

1. With regards to expenditure classified as capital projects, a variance of 10% or \$10,000, whichever is greater, of the year to date budget, with individual project as the level that requires explanation.
2. With regards to all other items excluding capital projects identified above, a variance of 10% or \$50,000, whichever is greater, of the year to date budget, with Nature and Type as the level that requires explanation.

Commentary is provided on variances as detailed above as per *Attachment 2 NOTE 13. Explanation of Material Variances*.

The net current asset position as at 28 February 2019 was \$25.8M. The breakdown of the cash position is displayed below:

	2018/19 Actuals
Current Assets: Cash and Investments	\$250.3M
Restricted Cash – Reserves	\$238.9M
Unrestricted Cash Position as at 28 February 2019	\$11.4M

*Previous Decisions*

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

LEVEL OF SIGNIFICANCE

In accordance with Policy 4/009 ‘Significant Decision Making’, this matter is considered to be of low significance, because this report is presented to Council for information purposes only.

CONSULTATION

*Internal*

All consultation and engagement is conducted internally.

*Community*

N/A

LEGISLATION AND POLICY CONSIDERATIONS

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.

## FINANCIAL AND RESOURCES IMPLICATIONS

The statement of financial activity is to be supported by such information as is considered relevant by the local government containing;

- a. an explanation of the composition of the net current assets of the month to which the statement relates, less committed assets and restricted assets; and
- b. an explanation of each of the material variances referred to in sub-regulation (1)(d); and
- c. supporting information as is considered relevant by the local government.

Reserves:

Ensure compliance will section 6.11 of the *Local Government Act 1995* when reserve accounts are utilised.

## STRATEGIC AND SUSTAINABILITY IMPLICATIONS

The following section of the Council's *Strategic Community Plan 2018-2028* is applicable in the consideration of this item:

- 4.b.1** Sound long-term financial planning is implemented
- 4.b.2** Transparent and regular financial reporting and communication to the community is undertaken
- 4.b.3** Transparent and regular governance reporting and communication to the community is undertaken

There are no significant identifiable environmental, social or economic impacts relating to this item.

## RISK MANAGEMENT CONSIDERATIONS

As per the risk matrix contained in policy 1/022 'Risk Management', the level of risk assigned to the 2018/19 budget is considered to be Medium (6) as a reduction in income or increase in expense throughout the 2018/19 financial year is likely to have an impact on the Town's ability to meet service levels or asset renewal funding requirements. The risk action plan is to manage by building reserve balance to required level to mitigate financial loss.

## OPTIONS

*Option 1 - Adopt Officers Recommendation*

Note the Statement of Financial Activity and reports for the period ended 28 February 2019 in accordance with *regulation 34(1) of the Local Government (Financial Management) Regulations 1996*.

*Option 2 - Amend Officers Recommendation*

That Council receive the Statement of Financial Activity for the period ended 28 February 2019 and request further information or clarification.

*Option 3 – Do not adopt Officers Recommendation*

That Council do not note or receive the Statement of Financial Activity for the period ended 28 February 2019.

**CONCLUSION**

The opening funding surplus of \$7.1M presented in YTD Actual on the Statement of Financial Activity is as per the closing surplus presented in the audited financial statements. The net current asset position was \$25.8M.

Variances in operating revenue and expenditure are addressed in detail in *Attachment 2 Note 13. Explanation of Material Variances*. The net current asset position will decrease as operating and capital budgets are expended throughout the year.

**ATTACHMENTS**

1. Statement of Financial Activity Notes 1-12 (Under Separate Cover)
2. Note 13 Material Variance Report (Under Separate Cover)
3. Accounts paid under delegated authority listing (Under Separate Cover)
4. Credit Card Statements for period ended 28 February 2019

*ATTACHMENT 4 TO ITEM 11.1.5*



**Town of Port Hedland  
Summary of Credit Card Statements  
February 2019**

<b>Account Name</b>	<b>Account Number</b>	<b>Debit Balance (\$)</b>
Town of Port Hedland	xxxx-xxxx-xxxx-4300	6,838.12
Town of Port Hedland	xxxx-xxxx-xxxx-8364	3,005.27
Town of Port Hedland	xxxx-xxxx-xxxx-2581	-
Town of Port Hedland	xxxx-xxxx-xxxx-6321	646.50
Town of Port Hedland	xxxx-xxxx-xxxx-2287	597.72
Town of Port Hedland	xxxx-xxxx-xxxx-3111	1,593.24
Town of Port Hedland	xxxx-xxxx-xxxx-9507	-
<b>TOTAL</b>		<b>11,087.61</b>

At the Town of Port Hedland, the Council’s Corporate and Performance 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 public in general.



NAB Connect

Transaction History Report

Account details

**Account name**  
CC TOPH  
**Account number**  
xxxx-xxxx-xxxx-8364  
**Currency**  
AUD

Account balance summary

**Opening balance:** 0.00 CR  
**Total credits:** 1.85 CR  
**Total debits:** 3,005.27 DR  
**Closing balance:** 0.00 CR  
  
**Date from:** 01 February 2019  
**Date to:** 28 February 2019

Transaction details

Date	Narrative	Reference	Debit amount	Credit amount	EOD balance
01/02/2019	CREDIT CARD PURCHASE FACEBK MW4DRJE5Y2 fb.me/ads		245.16 DR		245.16 DR
06/02/2019	CREDIT CARD PURCHASE Dropbox N5MBTZL9NH77 db.tt/cchelp		196.00 DR		196.00 DR
08/02/2019	CREDIT CARD PURCHASE WOOLWORTHS 4316 PORT HEDLAND		105.95 DR		
08/02/2019	CREDIT CARD PURCHASE Hotel Ibis Perth FD Int Perth		465.98 DR		571.93 DR
11/02/2019	CREDIT CARD PURCHASE MAILCHIMP *MONTHLY MAILCHIMP.COMGA		70.72 DR		
11/02/2019	CREDIT CARD PURCHASE WOOLWORTHS 4316 PORT HEDLAND		105.95 DR		176.67 DR
13/02/2019	CREDIT CARD PURCHASE UnderArmourAU Nrth Manly		185.00 DR		185.00 DR
14/02/2019	CREDIT CARD REFUND WOOLWORTHS ON LINE BELLA VISTA			0.85 CR	
14/02/2019	CREDIT CARD PURCHASE SMOKEMART - PORT HEDLA PORT HEDLAND		9.00 DR		
14/02/2019	CREDIT CARD PURCHASE WOOLWORTHS ON LINE BELLA VISTA		52.32 DR		
14/02/2019	CREDIT CARD PURCHASE OFWKS ONLINE BENTLEIGH 03		114.95 DR		175.42 DR
15/02/2019	CREDIT CARD REFUND WOOLWORTHS ON LINE BELLA VISTA			1.00 CR	1.00 CR
19/02/2019	CREDIT CARD PURCHASE VIRGIN AUST 7951505151565SPRING HILL		11.00 DR		

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**Transaction History Report (Continued)**

Date	Narrative	Reference	Debit amount	Credit amount	EOD balance
19/02/2019	CREDIT CARD PURCHASE VIRGIN AUST 7952153957723SPRING HILL		1,356.99 DR		1,367.99 DR
25/02/2019	CREDIT CARD PURCHASE KMART 1103 SOUTH HEDLAND		12.00 DR		
25/02/2019	CREDIT CARD PURCHASE STATE LAW PUBLISHER PERTH		74.25 DR		86.25 DR

**Transaction History Report (Continued)**

Account details

Account balance summary

<b>Account name</b>	<b>Opening balance:</b>	0.00 CR
CC TOPH	<b>Total credits:</b>	0.00 CR
<b>Account number</b>	<b>Total debits:</b>	6,838.12 DR
xxxx-xxxx-xxxx-4300	<b>Closing balance:</b>	0.00 CR
<b>Currency</b>		
AUD	<b>Date from:</b>	01 February 2019
	<b>Date to:</b>	28 February 2019

Transaction details

Date	Narrative	Reference	Debit amount	Credit amount	EOD balance
01/02/2019	CREDIT CARD PURCHASE COMPANY DIRECTORS SYDNEY		595.00 DR		595.00 DR
04/02/2019	CREDIT CARD PURCHASE QANTAS AIRW MASCOT		888.90 DR		888.90 DR
05/02/2019	CREDIT CARD PURCHASE VIRGIN AUST 7952153597142SPRING HILL		70.00 DR		
05/02/2019	CREDIT CARD PURCHASE GETTY IMAGES MELBOURNE		92.65 DR		162.65 DR
11/02/2019	CREDIT CARD PURCHASE VENDHQ.COM PARNELL		1,825.51 DR		1,825.51 DR
14/02/2019	CREDIT CARD PURCHASE WOOLWORTHS 4316 PORT HEDLAND		12.66 DR		12.66 DR
26/02/2019	CREDIT CARD PURCHASE QANTAS AIRW MASCOT		1,438.40 DR		1,438.40 DR
27/02/2019	CREDIT CARD PURCHASE COMPANY DIRECTORS SYDNEY		1,915.00 DR		1,915.00 DR

**Transaction History Report (Continued)**

Account details	Account balance summary	
<b>Account name</b> CC TOPH	<b>Opening balance:</b>	0.00 CR
<b>Account number</b> xxxx-xxxx-xxxx-2287	<b>Total credits:</b>	0.00 CR
<b>Currency</b> AUD	<b>Total debits:</b>	597.72 DR
	<b>Closing balance:</b>	0.00 CR
	<b>Date from:</b>	01 February 2019
	<b>Date to:</b>	28 February 2019

Transaction details					
Date	Narrative	Reference	Debit amount	Credit amount	EOD balance
01/02/2019	CREDIT CARD PURCHASE CUMMINS 555 WEDGEFIELD		16.09 DR		16.09 DR
06/02/2019	CREDIT CARD PURCHASE J BLACKWOOD & SON P/L PORT HEDLAND		24.20 DR		24.20 DR
08/02/2019	CREDIT CARD PURCHASE J BLACKWOOD & SON P/L PORT HEDLAND		31.19 DR		
08/02/2019	CREDIT CARD PURCHASE PILBARA TOOLS AND FAST WEDGEFIELD		99.00 DR		130.19 DR
11/02/2019	CREDIT CARD PURCHASE HEDLAND EMPORIUM PTY PORT HEDLAND		91.90 DR		91.90 DR
13/02/2019	CREDIT CARD PURCHASE TITAN AUSTRALIA PTY PORT HEDLAND		33.00 DR		33.00 DR
14/02/2019	CREDIT CARD PURCHASE KENNARDS HIRE HO WA SEVEN HILLS		22.00 DR		
14/02/2019	CREDIT CARD PURCHASE BOC LIMITED NORTH RYDE		47.98 DR		
14/02/2019	CREDIT CARD PURCHASE J BLACKWOOD & SON P/L PORT HEDLAND		56.36 DR		126.34 DR
22/02/2019	CREDIT CARD PURCHASE NW SIGNS PTY LTD WEDGEFIELD		77.00 DR		77.00 DR
28/02/2019	CREDIT CARD PURCHASE REDDOG TOOLS MOUNT PLEASAN		99.00 DR		99.00 DR

Printed on: 01-Mar-2019 01:18pm

**Transaction History Report (Continued)**

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<u>Account details</u>	<u>Account balance summary</u>
<b>Account name</b> CC TOPH	<b>Opening balance:</b> 0.00 CR
<b>Account number</b> xxxx-xxxx-xxxx-6321	<b>Total credits:</b> 0.00 CR
<b>Currency</b> AUD	<b>Total debits:</b> 646.50 DR
	<b>Closing balance:</b> 0.00 CR
	<b>Date from:</b> 01 February 2019
	<b>Date to:</b> 28 February 2019

Transaction details

---

Date	Narrative	Reference	Debit amount	Credit amount	EOD balance
28/02/2019	CREDIT CARD PURCHASE COMPASSESPLANADEHOT E PORT HEDLAND		646.50 DR		646.50 DR

**Transaction History Report (Continued)**

---

<u>Account details</u>	<u>Account balance summary</u>
<b>Account name</b> CC TOPH	<b>Opening balance:</b> 0.00 CR
<b>Account number</b> xxxx-xxxx-xxxx-3111	<b>Total credits:</b> 0.00 CR
<b>Currency</b> AUD	<b>Total debits:</b> 1,593.24 DR
	<b>Closing balance:</b> 0.00 CR
	<b>Date from:</b> 01 February 2019
	<b>Date to:</b> 28 February 2019

Transaction details

---

Date	Narrative	Reference	Debit amount	Credit amount	EOD balance
01/02/2019	CREDIT CARD PURCHASE 12D SOLUTIONS PTY LTD NARRABEEN		1,593.24 DR		1,593.24 DR

**End of report**



*Cemeteries*

- In line with a letter received from the Minister for Local Government, Heritage, Culture and the Arts, the Town has reviewed the cost recovery calculations to more accurately reflect averages of time required for a burial, resulting in reduced fees which are comparable with other similar local governments in the region;
- There is also a reduction in a number of fees associated with grave site fee digging from nine fee types to five to simplify the fee structure.

*Environmental Health and Safety*

- Annual Premises Assessment Fee for hairdressers has changed to align with skin penetration fee structure. The previous application of a per workstation fee resulted in discrepancies. Officers recommend a static annual fee is applied;
- Removal of hire fees for dog and vermin traps. Officers propose free trap hire with increased cost for replacement if trap is damaged or lost - this will encourage higher usage of trapping and better community outcomes;
- Removal of fees related to livestock. Officers propose to delete fees associated with livestock removal as the Town are unable to deliver the service.

*New fee*

- Microchip impounded animal. It is proposed to introduce a microchipping service for all dogs collected by rangers, with animals not to be released until they have been microchipped. This is not a service that will be offered to the general public. Fee has been calculated on a cost recovery basis, based on time and consumables.

*Library*

- Increase local history collection research in line with market comparisons.

*Financial Services*

- Refund of rates overpayments – Administration Fee increase in line with administrative cost recovery.

*New fee*

- New fee to recover the legal costs associated with debt collection, to be charged at cost to the debtor in line with rates debt collection process.

*Matt Dann Theatre*

- Most fees adjusted to match venues of a similar nature in WA.

*New fees*

- All-inclusive rate to simplify for hirers, with predominantly dance schools in mind, but applicable for other professional touring hirers;

- Commercial advertising fees ranging from a 10 screening package to a 12 month screening package based on requests for this service, pricing is based on market rates for service.

#### *Planning and Building*

- A number of fees (plan printing etc.) have been removed as they are obsolete;
- Legislated fees have increased by 23.19%.

#### *Community Events*

- Increase in stall holder fees based on analysis of other similar events.

#### *Sport & Recreation*

##### New fee

- Failure to tidy a facility within 12 hours of a club event introduced to manage returning the facility in an appropriate state.

#### *Landfill*

- Domestic Putrescible Waste – commercial contractor / minimum charge 1 m<sup>3</sup> - fee increased to bring fees in line with surrounding local governments as approved in 18/19 budget (from \$74.00 per m<sup>3</sup> to \$100.00).

##### New fees

- Construction and Demolition waste fee to address contamination in this waste stream;
- Incorrectly Disposed Waste included contaminated waste disposed of in the wrong cell;
- Muddy water fee included to differentiate from biological liquid wastes as a result of recent license amendments;
- Rail grindings disposal fee included to address the impact of this material to site operations.

#### *Waste*

##### New fees

- Disability and Improvement Plan (DAIP) Bin Service Fee for residents that qualify for premium service level as a result of meeting DAIP requirements;
- Bin Delivery Fee to recover costs of delivering replacement bins to properties;
- Missed Collection Fee recovers costs for returning to properties to pick up bins that were not placed out on time for their regular collection.

## LEVEL OF SIGNIFICANCE

In accordance with Policy 4/009 'Significant Decision Making', this matter is considered to be medium, as it may impact on a wide range of people who reside in Port Hedland. However Council already has a sound understanding of the views and preferences of the people likely to be affected by, or interested in, the proposal or decision.

## CONSULTATION

### *Internal*

*The Financial Management Team have liaised with all relevant officers to create the proposed 2019/20 Schedule of Fees and Charges, ensuring that all proposed fees and charges are justified.*

Officers held a workshop with Elected Members on Thursday 28 March 2019. The outcome was to remain with a user pay/cost recovery scenario and where possible to reduce the burden on rate payers. In addition to this, the Elected Members present discussed reducing the cemeteries burial fees to a comparable rate to other similar local governments.

### *External Agencies*

Comparisons to other similar Local Governments have been used as part of the review and application of fees and charges.

## LEGISLATION AND POLICY CONSIDERATIONS

Section 5.63(1) of the *Local Government Act 1995* specifically excludes the need to declare a financial interest where matters:

- (a) have an interest common to a significant number of ratepayers/electors; or
- (b) relate to the imposition of any rate, charge or fee.

Section 6.16 of the *Local Government Act 1995* states that the imposition of fees and charges must be made by absolute majority.

When determining the amount of a fee or charge for a service, section 6.17 of the *Local Government Act 1995* outlines various factors, being:

- (a) the cost to the Local Government for providing the service or goods; and
- (b) the importance of the service of goods to the community; and
- (c) the price at which the service or goods could be provided by an alternative provider.

The Town must give public notice of the imposition of fees and charges, and the date from which they are to be imposed in accordance with section 6.19 of the *Local Government Act 1995*.

Regulation 25 of the *Local Government (Financial Management) Regulations 1996* states that an estimate of the total revenue from the fees and charges is to be included in the annual Budget.

#### FINANCIAL AND RESOURCES IMPLICATIONS

The attached Schedule of Fees and Charges is proposed to be included in the 2019/20 Budget and used as a basis for income projections. The detailed financial position will be presented to Council as part of the final budget preparation and deliberation, however there is not expected to be any significant changes in the fees and charges revenue budget for the 2019/20 financial year.

#### STRATEGIC AND SUSTAINABILITY IMPLICATIONS

The following sections of the Town's Strategic Community Plan 2018-2028 are applicable in the consideration of this item:

- 4.b.2** Transparent and regular financial reporting and communication to the community is undertaken
- 4.b.3** Transparent and regular governance reporting and communication to the community is undertaken
- 4.b.4** Constructive forums are provided for discussion and the representation of the diversity of views and needs that impact on the Town's developments, programs and policies

There are no significant identifiable environmental, social or economic impacts relating to this item.

#### *Disability Access and Inclusion Plan*

The following outcome of the Town's Disability Access and Inclusion Plan 2017-2022 apply in relation to this item:

- Outcome 4 – Quality of Service

#### *Corporate Business Plan*

The following action of the Town's Corporate Business Plan 2018-2022 apply in relation to this item:

- 4.b.2.1** Ensure the Town's finances are managed efficiently and effectively in line with legislated requirements.

## RISK MANAGEMENT CONSIDERATIONS

There is a reputational risk associated with this item. Section 6.2, reg. 25 of the *Local Government (Financial Management) Regulations 1996*, states the annual budget is to include an estimate of the total revenue from the fees and charges from each program. The Town's Schedule of Fees and Charges is proposed to be included in the 2019/20 Budget and used as a basis for income projections. The risk rating is considered to be low (3), which is determined by a likelihood of rare (1) and a consequence of moderate (3).

This risk will be eliminated by the adoption of the officer's recommendation.

## OPTIONS

*Option 1 – Adopt officer's recommendation*

*Option 2 – Amend officer's recommendation*

*Option 3 – Do not adopt officer's recommendation*

## CONCLUSION

The 2019/20 Schedule of Fees and Charges are presented to Council for consideration prior to officers including the schedule in the proposed Budget for consideration as a whole in the coming months.

## ATTACHMENTS

1. Schedule of Fees and Charges 2019/20 (Under Separate Cover)

**11.1.7 Early Repayment of Debt (File No. 12/02/0001)**

Author	Director Corporate and Performance
Authorising Officer	Chief Executive Officer
Disclosure of Interest	The Author and Authorising Officer declare that they do not have any conflicts of interest in relation to this item.

That Council:

1. Approves early repayment of all loans currently held with WA Treasury Corporation by 30 June 2019 totalling \$24,352,070.12 inclusive of accrued interest expense, subject to change pending current day interest rates;
2. Amend the 2018/19 Annual Budget to include expenditure for the payment of the loan principle and premium costs totalling \$23,951,183.35 to be funded from the Port Hedland International Airport Long Term Lease Proceeds reserve account, resulting in a nil impact the to 30 June 2019 closing surplus.

**CM201819/178 COUNCIL DECISION****MOVED: DM NEWBERY****SECONDED: CR DACCACHE**

That Council:

1. Approves early repayment of all loans currently held with WA Treasury Corporation by 30 June 2019 totalling \$24,352,070.12 inclusive of accrued interest expense, subject to change pending current day interest rates;
2. Amend the 2018/19 Annual Budget to include expenditure for the payment of the loan principle and premium costs totalling \$23,951,183.35 to be funded from the Port Hedland International Airport Long Term Lease Proceeds reserve account, resulting in a nil impact the to 30 June 2019 closing surplus.
3. To deliver our Long Term Financial Plan to the 26 June 2019 Ordinary Council Meeting.

*CARRIED BY ABSOLUTE MAJORITY 7/0*

## PURPOSE

The purpose of this report is for Council to consider early repayment of the Town of Port Hedland's (Town's) loan portfolio utilising funds from the Port Hedland International Airport (PHIA) Long Term Lease Proceeds Reserve (Reserve). The purpose of the Reserve is to account for the lease proceeds from the long term lease of the Port Hedland International Airport and disburse funds as per the Wealth Management Framework (which is yet to be agreed upon).

Financial analysis completed by external advisors indicates that early repayment of the Town's loan portfolio would achieve an average internal rate of return of approximately 3.3%, as opposed to our current benchmark term deposit rate of 2.6% for funds in the Reserve.

## DETAIL

Repayment of debt is reviewed annually by officers of the Town as part of the annual budget process. The advisory section of WA Treasury Corporation (WATC) were engaged to complete financial analysis on whether it would be beneficial for the Town to utilise proceeds from the Reserve for early repayment of the Town's existing loan portfolio. This analysis was completed as at 27 February 2019 and can be found in attachment 1.

The Town currently has 14 loans with WATC with varying maturities. All have fixed interest rates ranging from 2.59% to 6.78% and incur additional fees such as the State Guarantee Fee. A detailed table of all loans can be found on page 66 below.

Through their analysis, WATC have concluded that early repayment of all loans from the Reserve is of economic benefit to the Town and would result in an internal rate of return of 3.33%. The Reserve proceeds are currently invested in term deposits earning 2.65% to 2.9%. There is growing expectation of an interest rate cut in 2019 which may impact on future term deposit rates (see attachment 3). Any reduction in term deposit rates increases the benefit of early repayment to the Town.

### *Pay-off value*

As at 27 February 2019, the pay-off value of the Town's loan portfolio was \$24.1M on outstanding loan balances of \$20.5M. The differential in these two numbers is essentially the mark-to-market costs associated with the unwinding of fixed rate commitments for fixed rate loans. More information can be found in attachment 2.

The final pay-off value is currently unknown. It will be determined by the pay-off date agreed with WATC and subject to the maturity of term deposits for the Reserve. The pay-off value (excluding accrued interest) should not be greater than \$24,054,886 as loan repayments have continued since the analysis was completed. Council will be advised of the final pay-off value as part of the regular monthly reporting process.

*Self-supporting loans*

Three of the loans proposed for early repayment are self-supporting loans with two community organisations - South Hedland Bowls and Tennis Club and Port Hedland Yacht Club (two loans). The amount outstanding on these three loans as at 27 February was \$0.8M.

Contractually, these loans are back-to-back loans. This means that loan payments by the Town to WATC should be equally mirrored by payments from the community organisation to the Town. If this occurs then the IRR of each loan is zero. However, all three loans at some point have been in arrears, which means that, ignoring early repayment, they currently have a negative IRR for the Town. It should be noted that the State Guarantee fee is not currently recovered from the community organisations.

The analysis provided by WATC did not include analysis of the back-to-back arrangements. Due to the non-recovery of the State Guarantee fee, the economic benefit of early repayment of these loans still provides a positive IRR.

The proposed early repayment of the Town's loans to WATC does not require the community organisations to repay their loans in full to the Town. They continue per the existing contracts in place.

*Reserve information*

As at 31 March 2019, the Reserve was \$168M. After repayment of all loans in the order of \$24M, the Reserve would be approximately \$144M noting that the pay-off value decreases each month with contracted loan repayments.

Reserve funds are currently invested in 8 term deposits with varying maturities. Interest rates vary from 2.55% to 2.9%, but it should be noted that the two most recent investments were at the lower end of 2.55% and 2.6%.

Officers are recommending early repayment of all loans by 30 June 2019. This may be achieved in tranches, or lump sum as at 30 June 2019 depending on the maturity profile of existing Reserve term deposits. The final approach will be determined in consultation with WATC to deliver the best outcome for the Town.

*Financial ratios*

The Town is required to include a number of financial ratios in the annual financial report under s6.4(2) of the *Local Government Act 1995* and regulation 50 of the *Local Government (Financial Management) Regulations 1996*. The ratios provide a short term measure of the financial sustainability of local governments.

The debt service cover ratio considers the local government's ability to service debt, specifically whether it is able to cover debt payments (principal and interest) from its annual operating surplus. A basic standard is achieved if the ratio is greater than or equal to two, with an advanced standard achieved if the ratio is greater than five. The ratio achieved by the Town over the past three years is as follows;

- Financial year ended 30 June 2018 – (2.34)
- Financial year ended 30 June 2017 – 1.84
- Financial year ended 30 June 2016 – 9.68

Based on the mid-year budget review, the ratio is forecast to be 7.2 at 30 June 2019, however this calculation is skewed due to the increased rates revenue resulting in more income than expected. If the Town's debt is repaid in full prior to 30 June 2019, then the ratio will not be applicable.

*Re-financing of existing loans*

Refinancing of the Town's existing loans has also been considered and would provide no economic benefit. As the loans are fixed rate, refinancing would change the timing of payments but not the overall amount payable on the loans (principal and interest). The Town would only consider refinancing if it had a cash shortfall.

Table 1 – Town of Port Hedland loan portfolio as at 27 February 2019

Loan	Purpose	Start date	Maturity date	Fixed interest rate	Outstanding balance	Pay-off value	Difference	Pay-off IRR
125	Morgan Street	29/06/09	29/06/29	6.75%	1,024,499	1,264,438	239,939	3.19%
126	Yacht Club	26/03/10	26/03/25	6.48%	261,861	296,154	34,294	2.88%
127	Morgan Street	16/04/10	30/12/29	6.78%	1,524,892	1,897,634	372,741	3.22%
128	Yacht Club	25/05/11	26/05/26	6.02%	148,647	168,833	20,187	2.96%
129	JD Hardie	16/06/11	16/06/31	6.05%	1,169,132	1,426,704	257,572	3.30%
130	Marquee Park	16/06/11	16/06/31	6.05%	626,052	763,977	137,926	3.30%
132	Marquee Park	03/02/12	03/02/32	5.22%	3,368,728	3,920,041	551,313	3.29%
133	Wanangkura Stadium	03/02/12	03/02/32	5.22%	5,935,124	6,906,444	971,319	3.29%
135	GP Housing	24/04/13	24/04/33	4.73%	1,215,739	1,395,347	179,608	3.52%
136	JD Hardie	24/04/13	24/04/33	4.63%	1,169,645	1,333,661	164,016	3.52%
137	Wanangkura Stadium	21/06/13	21/06/33	4.82%	2,029,833	2,331,741	301,908	3.46%
138	South Hedland Bowls	26/02/14	26/02/34	5.21%	418,418	491,532	73,115	3.43%
139	Catamore	26/02/14	26/02/34	5.21%	1,353,999	1,590,599	236,600	3.43%
143	Catamore	21/06/16	21/06/26	2.59%	263,817	267,779	3,962	2.98%
					\$20,510,386	\$24,054,886	\$3,544,500	

Note - in addition to interest, WATC loans are subject to a State Guarantee Fee.

The pay-off values for the loan portfolio were calculated as at 27 February 2019. The final pay-off value (if Council adopts the recommendation) will be dependent on the agreed repayment date with WATC, with repayment dates dependent on when Reserve term deposits mature. The pay-off values will be no greater than the amounts listed in the table above, as loan repayments have continued since 27 February 2019. In other the words, the outstanding balance has reduced from 27 February 2019, and will continue to reduce subject to existing repayment schedules.

#### LEVEL OF SIGNIFICANCE

In accordance with Policy 4/009 'Significant Decision Making', this matter is considered to be of medium significance. Whilst the dollar value for repayments is approximately \$24M, it represents debt and interest expense that is already committed in future periods.

#### CONSULTATION

##### *Internal*

- Executive Leadership Team
- Finance Manager
- Elected members at confidential briefing on 3 April 2019

##### *External Agencies*

- WA Treasury Corporation – advisory section

##### *Community*

Community consultation is not deemed necessary for this matter.

#### LEGISLATION AND POLICY CONSIDERATIONS

This recommendation complies with Town of Port Hedland policy 2/018 Borrowings which states the following.

*“Any loan can be paid off in full where it can be demonstrated that there is a significant benefit to the Town. Any retirement of debt will not occur without approval from Council. The final payment will include the principal outstanding, interest accrual to date and the premium cost for breaking the loan contract. The decision to pay off a loan will be based on economic viability and will be analysed on a case to case basis.”*

#### FINANCIAL AND RESOURCES IMPLICATIONS

This recommendation is for the early repayment of loans in the order of \$24M utilising funds in the Reserve. It will provide long-term financial benefit to the Town as evidenced by the average internal rate of return of 3.3%. Current term deposit rates for the Reserve are 2.65% to 2.9% which are forecast to decrease in 2019.

In relation to the budget for the financial year-ended 30 June 2019, there is expected to be minimal impact. The repayment of loans is expected to occur close to 30 June 2019 and therefore won't have a material impact on interest revenue or interest expense in the current budget year. Closing loan balances will be zero.

In relation to the budget for the year-ended 30 June 2020 and beyond, the repayment of loans will have an impact on interest revenue (earned on the Reserve) and interest expense (attributable to the loans). Impact on cash flow will be positive with interest expense currently greater than interest revenue on the current loan portfolio.

The proposed funds to come from the Reserve have not been allocated to any specific project via an adopted Long-Term Financial Plan. Funds in the Reserve have not been designated for any specific purpose to date.

### STRATEGIC AND SUSTAINABILITY IMPLICATIONS

The following section of the Town's Strategic Community Plan 2018-2028 is applicable in the consideration of this item:

**4.b.1** Sound long-term financial planning is implemented

There are long-term economic benefits to the Town in the form of improved internal rate of return, which ultimately impacts on ratepayers and services provided to the wider community.

There are no significant identifiable environmental or social impacts relating to this item.

#### *Corporate Business Plan*

The following actions of the Town's Corporate Business Plan 2018-2022 apply in relation to this item:

- **4.b.1.1** Develop, implement and review the Town's Long Term Financial Plan.
- **4.b.2.1** Ensure the Town's finances are managed efficiently and effectively in line with legislated requirements.

### RISK MANAGEMENT CONSIDERATIONS

There is a financial risk associated with this matter due to the large dollar value. Applying the risk matrix, the risk rating is considered to be medium (5), which is determined by a likelihood of rare (1) and a consequence of catastrophic (5).

The primary risk is that the money used for early repayment of loans is required in the short to medium term for another purpose. As there will be \$144M remaining in the airport lease reserve, the likelihood of this occurring has been assessed as rare.

Current forecasts are for interest rates to decrease. If interest rates increased materially for a sustained period, then the IRR calculated by WATC may be exceeded by term deposit rates achieved by the Reserve. Officers have assessed the likelihood of this occurring as unlikely.

## OPTIONS

*Option 1 – Adopt officer's recommendation*

*Option 2 – Amend officer's recommendation*

Council may consider repayment of loans with the higher internal rates of return, as opposed to all loans.

*Option 3 – Do not adopt officer's recommendation*

## CONCLUSION

It is recommended that the Town's loan portfolio be paid in full utilising funds from the PHIA Long Term Lease Proceeds Reserve. Early repayment would achieve an internal rate of return averaging 3.3% which exceeds the most recently achieved term deposit investment of 2.6%, with interest rates forecast to decrease in the short to medium term.

## ATTACHMENTS

1. WA Treasury Corporation Debt Assessment dated March 2019 (Under Separate Cover)
2. WA Treasury Corporation *Understanding the cost implications for early repayment of WATC loans*
3. Interest rate forecast information from Reserve Bank of Australia, Westpac, NAB and ASX downloaded April 2019

## ATTACHMENT 2 TO ITEM 11.1.7

## UNDERSTANDING THE COST IMPLICATIONS FOR EARLY REPAYMENT OF WATC LOANS

This information circular aims to assist WATC's clients in making informed decisions on debt management by explaining the potential costs associated with refinancing or making unscheduled repayments on individual loans and debt portfolios.

**W**ATC clients often enquire about repaying (in full or in part) or refinancing / restructuring existing loans prior to their maturity. The motivation for these enquiries can vary widely, the most common reasons being:

- The client is holding a fixed rate loan(s) originating several years ago at a higher interest rate (e.g. > 6%) and wishes to refinance at the much lower rates available at present, or to repay the loan to avoid continually paying the higher interest rate.
- The client has surplus funds and wants to evaluate the relative benefit of paying down debt compared to investing the funds.
- The client has surplus funds (e.g. from asset sales) and has been instructed by management to repay debt and to minimise any applicable additional costs.

As such, the client will generally enquire if there are 'break costs' for terminating an existing loan(s).

This article seeks to inform WATC's clients on the costs associated with early repayment of loans in general, and how WATC applies the associated financial principles for loans to clients across the various debt products WATC offers.

### What are Break Costs?

**T**he term 'break costs' in financial literature as it applies to early repayment of loans can be a source of confusion. An internet search will result in several different definitions and explanations.

Essentially any costs for early repayment or refinancing can be broken into two categories:

- 1 - *Market Valuation Effects* - An adjustment to reflect any difference in the interest rate market from the time the loan was originally taken out to the current point in time for the remaining term of the loan.

The interest rates used for valuation should reflect the wholesale cost to the financial institution for funding the original loan, and the current wholesale cost for the financial institution to 'buyback' the liability in the wholesale debt market. This is also known as the 'fair value' of the loan.

It's important to note that if the current wholesale interest rate for the remaining term of the loan is higher than when the loan was taken out, this calculation will result in a discount – which should be passed onto the client (i.e. payout amount is less than the remaining loan balance).

- 2 - *Administrative Costs* - This category relates to a wide range of fees that may be charged to recover the cost of the administrative functions that the financial institution must undertake to discharge / restructure a loan. It may also include other fees to compensate the financial institution for the loss of income that results from a loan being retired early (i.e. taking into account the profit margin built into the loan rate offered to the borrower).

### How Does WATC Determine the Cost of Early Repayment or Refinancing?

**W**ATC only takes into account market valuation effects when determining the cost for repaying or refinancing a loan prior to maturity. The WATC *Portfolio Position Report* and *Audit Report* on client debt with WATC, distributed monthly and available through the WATC client portal, both include the field 'Market Value' which reflects the market value at the report date<sup>1</sup>, either at the individual loan level or for the various portfolio aggregates presented.

#### *What Should a Client Expect?*

There is a greater likelihood that the market value of a loan (or debt portfolio) will be greater than the current balance outstanding (or 'face value') for both fixed rate and variable rate (i.e. term floating rate) loans provided by WATC – implying that a *premium* is payable to retire or refinance the loan. This is because:

- For term fixed rate loans, under normal market conditions interest rates are higher the longer the term of the loan. Therefore, if a client wishes to repay a loan after it has been in place for several years (e.g. original 10-year loan, with 3-years remaining), the interest rate for the valuation will relate to the prevailing market interest rate for the remaining term of the loan being 3-years – which is likely to be lower than the original loan rate for the full term of 10-years.

<sup>1</sup> The reported field 'Market Value' also includes any interest accrued from the most recent interest payment date.

## UNDERSTANDING THE COST IMPLICATIONS FOR EARLY REPAYMENT OF WATC LOANS

- For term floating rate loans (TFRs), the 'margin' to the variable market reference rate (i.e. 90-day BBSW or 180-day BBSW) will be higher the longer the term of the loan. The market valuation calculation for a term floating rate loan will depend on the margin when the loan was taken out (e.g. 90-day BBSW + 0.4% for a 5-year TFR loan) compared to the prevailing margin for the remaining term of the loan when the client wishes to pay it out (e.g. 90-day BBSW + 0.1% for a 2-year TFR loan).

However, the general level of market interest rates that WATC is dependent on when determining client loan interest rates can vary significantly over time and this can therefore have a major impact on loan valuations. This will include circumstances where discounts on early repayment will apply, which occurs if the current interest rate for the remaining loan term is higher than the original loan interest rate. These issues are covered in detail in the recent article released by WATC *The Interest Rate Market and the Factors Affecting It - What WATC's Clients Need to Know* also available at [www.watc.wa.gov.au](http://www.watc.wa.gov.au).

### Debt Portfolio Manager

If a client wishes to buyback part of a debt portfolio managed through the Debt Portfolio Manager, WATC will determine the market value assuming the debt portfolio components closest to maturity are repaid. This is generally in the client's best interest because the difference between market value and debt outstanding is also a function of the remaining time to maturity of a loan, and therefore if premiums are payable they are more likely to be minimised.

### Guarantee Fee

The State Guarantee Fee charged on WATC loans by the Department of Treasury is not part of the market valuation calculation. As such, there are no costs associated with the State Guarantee Fee when repaying loans early, and the Fee ceases to be payable once the loan is repaid. For this reason, in most cases, the option to repay a loan will be financially advantageous to a client compared to the alternative of investing surplus funds in short-term money market investments (e.g. term deposits) – regardless of whether a market value premium is incurred in repaying a loan early.

### DISCLAIMER

Any opinions, judgments, conclusions, forecasts, predictions or estimations contained in this advice are made in reliance on information provided to Western Australian Treasury Corporation which Western Australian Treasury Corporation believes to be reliable. Western Australian Treasury Corporation, however, cannot guarantee the accuracy of that information. Thus, any recommendations are made in good faith but are provided only to assist you with any decisions which you make. These recommendations are not intended to be a substitute for professional advice on a particular matter. Before accepting or rejecting those recommendations you must discuss your particular needs and circumstances with Western Australian Treasury Corporation.

### WATC at Your Service

If you have any queries on market valuations presented in the suite of reports issued by WATC for your debt portfolio, or would like to discuss in more depth the issues associated with early repayment or portfolio restructuring, WATC's Client Debt Financing and Investments team stands at the ready.



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WESTERN AUSTRALIAN  
**TREASURY CORPORATION**

FINANCIAL SOLUTIONS FOR THE BENEFIT OF ALL WESTERN AUSTRALIANS

2



Media Release

## Statement by Philip Lowe, Governor: Monetary Policy Decision

Number **2019-07**

Date **2 April 2019**

At its meeting today, the Board decided to leave the cash rate unchanged at 1.50 per cent.

The outlook for the global economy remains reasonable, although growth has slowed and downside risks have increased. Growth in international trade has declined and investment intentions have softened in a number of countries. In China, the authorities have taken steps to ease financing conditions, partly in response to slower growth in the economy. Globally, headline inflation rates have moved lower following the earlier decline in oil prices, although core inflation has picked up in a number of economies. In most advanced economies, unemployment rates are low and wages growth has picked up.

Global financial conditions remain accommodative and have eased recently. Long-term bond yields have declined further, consistent with the subdued outlook for inflation and lower expectations for future policy rates in a number of advanced economies. Across a range of markets, risk premiums remain low. Equity markets have also risen and are being supported by growth in corporate earnings. In Australia, long-term bond yields have fallen to historically low levels and short-term bank funding costs have moderated further. The Australian dollar has remained within its narrow range of recent times. While the terms of trade have increased over the past couple of years, they are expected to decline over time.

The Australian labour market remains strong. There has been a significant increase in employment and the unemployment rate is at 4.9 per cent. The vacancy rate remains high and there are reports of skills shortages in some areas. The stronger labour market has led to some pick-up in wages growth, which is a welcome development. Continued improvement in the labour market is expected to see some further lift in wages growth over time, although this is still expected to be a gradual process.

The GDP data paint a softer picture of the economy than do the labour market data. GDP rose by just 0.2 per cent in the December quarter to be 2.3 per cent higher over 2018. Growth in household consumption is being affected by the protracted period of weakness in real household disposable income and the adjustment in housing markets. The drought in parts of the country has also affected

4/7/2019

Statement by Philip Lowe, Governor: Monetary Policy Decision | Media Releases | RBA

farm output. Offsetting these factors, higher levels of spending on public infrastructure and an upswing in private investment are supporting the growth outlook, as is the steady growth in employment.

The adjustment in established housing markets is continuing, after the earlier large run-up in prices in some cities. Conditions remain soft and rent inflation remains low. Credit conditions for some borrowers have tightened a little further over the past year or so. At the same time, the demand for credit by investors in the housing market has slowed noticeably as the dynamics of the housing market have changed. Growth in credit extended to owner-occupiers has eased. Mortgage rates remain low and there is strong competition for borrowers of high credit quality.

Inflation remains low and stable. Underlying inflation is expected to pick up gradually over the next couple of years, although this has been taking a little longer than earlier expected. The central scenario is for underlying inflation to be 2 per cent this year and 2¼ per cent in 2020. In the near term, headline inflation is expected to decline because of lower petrol prices earlier in the year, while underlying inflation is expected to remain broadly stable.

The low level of interest rates is continuing to support the Australian economy. Further progress in reducing unemployment and having inflation return to target is expected, although this progress is likely to be gradual. Taking account of the available information, the Board judged that it was appropriate to hold the stance of policy unchanged at this meeting. The Board will continue to monitor developments and set monetary policy to support sustainable growth in the economy and achieve the inflation target over time.

## Enquiries

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Reserve Bank of Australia

SYDNEY

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3/31/2019

Interest rates to be cut twice in 2019: Westpac

# The Sydney Morning Herald

BUSINESS THE ECONOMY INTEREST RATES

## Westpac tips two interest rate cuts this year as economy slows

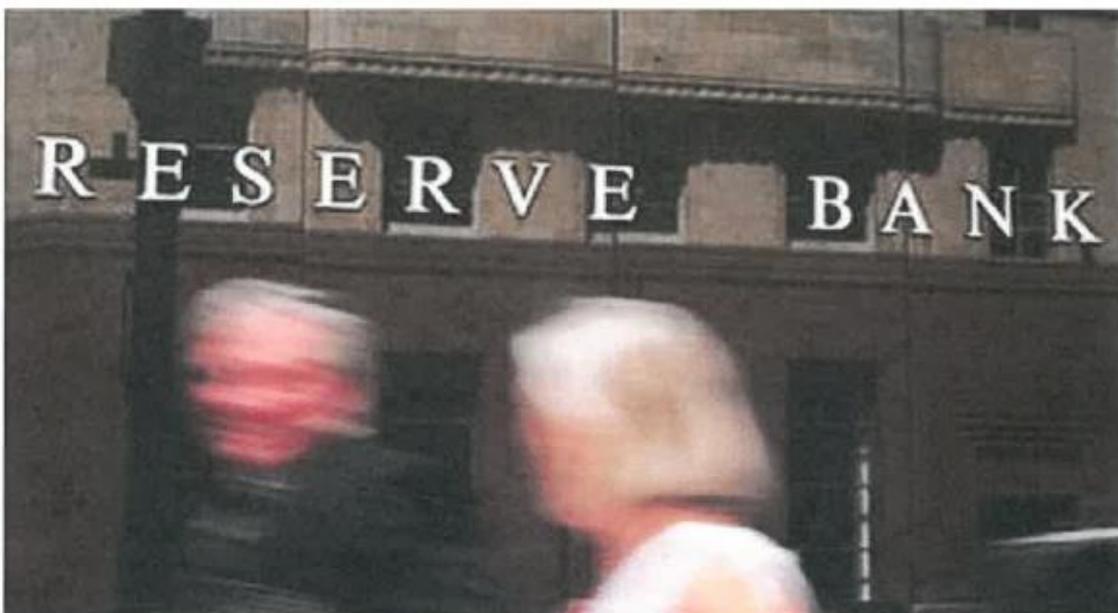
By **Matt Wade**

February 21, 2019 – 3:57pm



One of Australia's biggest banks has slashed its expectations for economic growth and now predicts two cuts to official interest rates this year.

Westpac has changed its interest rate forecast and now tips the Reserve Bank to deliver a 0.25 percentage point reduction to official interest rates in both August and November. That would trim the Reserve's official cash rate to just 1 per cent.



Westpac now predicts the RBA to cut interest rates twice this year. PHOTO: SZE KAI CHEN

If a 0.25 percentage point cut is passed on by lenders in full it would save a household with a \$400,000 mortgage roughly \$1000 a year in interest costs.

Westpac has also revised down its GDP growth forecasts for 2019 and 2020 from 2.6 per cent to 2.2 per cent and expects the unemployment rate to start rising in the second half of this year. It also says inflation will remain subdued.

Westpac is the first of the big four banks to call an interest rate cut this year. It had previously forecast rates to remain on hold for an extended period.

3/31/2019

Interest rates to be cut twice in 2019: Westpac

A key factor in Westpac's change in outlook is the "likely negative wealth effect associated with falling house prices in Sydney and Melbourne".

Sydney's median house price has fallen by around 10 per cent over the past year and Melbourne's is down by more than 8 per cent in that period.

Westpac also drew attention to a sharp downturn in residential housing construction.

Last year the Reserve Bank said repeatedly that the next move in interest rates was more likely to be up than down.

But earlier this month the Reserve Bank Governor, Philip Lowe, flagged the possibility of a rate cut if the economy proved to be weaker than expected.

"Over the past year, the next-move-is-up scenarios were more likely than the next-move-is-down scenarios," he said.

"Today, the probabilities appear to be more evenly balanced."

Westpac's chief economist, Bill Evans, said the recent change of rhetoric from the Reserve Bank is "profoundly important".

"Our revised growth, inflation and unemployment forecasts now make a convincing case for lower rates," he said.

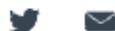
Westpac now joins a small group of private forecasters who are predicting interest rate cuts this year. That includes AMP's chief economist Dr Shane Oliver who is also forecast Sydney house prices to fall 25 per cent from peak to trough.

The value of the Australian dollar fell by more than half a cent to 71.5 US cents after Westpac revised its interest rate call.

The Reserve Bank's official cash rate has been unchanged at 1.5 per cent since August 2016.



**Matt Wade**



Matt Wade is a senior writer at The Sydney Morning Herald.

3/31/2019

Interest Rate Forecast - Future Interest Rates - NAB



Business home > International and foreign exchange > Financial markets > Interest rate forecast



## INTEREST RATE FORECAST

### Interest Rate Forecast

	Mar-19	Jun-19	Sep-19	Dec-19	Mar-20	Jun-20	Sep-20	Dec-20
RBA Cash Rate	1.50	1.50	1.25	1.00	1.00	1.00	1.00	1.00
<b>Offshore Policy Rates</b>								
US Fed funds	2.50	2.50	2.50	2.50	2.50	2.75	2.75	2.75
ECB deposit rate	-0.40	-0.40	-0.40	-0.40	-0.20	0.00	0.15	0.30
BoE repo rate	0.75	1.00	1.00	1.25	1.25	1.50	1.50	1.75
BoJ deposit rate (policy rate balances)	-0.10	-0.10	-0.10	-0.10	-0.10	-0.10	-0.10	-0.10
RBNZ OCR	1.75	1.75	1.75	2.00	2.25	2.25	2.25	2.25
China 1yr lending rate	4.35	4.35	4.35	4.35	4.35	4.35	4.35	4.35
China Reserve Ratio	13.00	12.50	12.00	12.00	12.00	12.00	12.00	12.00
<b>10-year Benchmark Bond Yields</b>								
Australia	2.40	2.40	2.50	2.60	2.60	2.60	2.70	2.70
United States	2.80	2.80	3.00	3.00	3.00	3.00	3.00	3.00
New Zealand	2.85	3.10	3.20	3.30	3.40	3.45	3.50	3.50

Last Updated 18 March 2019

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4/3/2019

ASX RBA Rate Indicator - ASX

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Prices

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### RBA Rate Indicator - May 2019

#### What is the RBA Rate Indicator?

The RBA Rate Indicator shows market expectations of a change in the Official Cash Rate (OCR) set by the Reserve Bank of Australia. The indicator calculates a percentage probability of an RBA interest rate change based on the market determined prices in the ASX 30 Day Interbank Cash Rate Futures.

The table below illustrates how market expectations of an interest rate change at the next RBA Board meeting have changed in the last few days. The RBA Rate Indicator is updated at the end of each business day so you can see any change in expectations after each trading day.

The RBA rate indicator provides market participants and commentators with a market monitor for official cash rate expectations in Australia.

#### What is the RBA Rate Indicator saying today?

On the 2nd of April 2019 the RBA left the official cash rate unchanged. The current official cash rate as determined by the Reserve Bank of Australia (RBA) is 1.50%.

The next RBA Board meeting and Official Cash Rate announcement will be on the 7th of May 2019.

As at 2 April, the ASX 30 Day Interbank Cash Rate Futures May 2019 contract was trading at 98.560, indicating a 31% expectation of an interest rate decrease to 1.25% at the next RBA Board meeting.

The table below highlights how market expectations of an interest rate decrease at the next RBA Board meeting has evolved in recent days.

Trading Day	No Change	Decrease to 1.25%
22 March	95%	5%
25 March	95%	5%
26 March	95%	5%
27 March	95%	5%
28 March	95%	5%
29 March	95%	5%
1 April	95%	5%
2 April	69%	31%

- [ASX Rate Indicator calculation](#)
- [Graph on implied expectation](#) of Change to Target Cash Rate for May 2019 Expiry Month
- [Current Cash Rate Futures yield curve and implied expectations](#) of changes to the Official Cash Rate for the next 18 months

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**11.1.8 2019/20 Rating Strategy (File No. 24/04/0002)**

Author Manager Financial Services  
 Authorising Officer Director Corporate and Performance  
 Disclosure of Interest The Author and Authorising Officer declare that they do not have any conflicts of interest in relation to this item.

**CM201819/179 OFFICER'S RECOMMENDATION/COUNCIL DECISION**

**MOVED: CR MCDONOGH**

**SECONDED: CR DACCACHE**

That Council;

1. Endorse the Statement of Objects and Reasons for the 2019/20 rating year as presented;
2. Endorse the following proposed Differential Categories, General Rates and Minimum Payments for the Town of Port Hedland for advertising for the 2019/20 rating year:

Rate Differential	Rate in Dollar (expressed as cents in the dollar)	Minimum Payment
GRV Residential	9.7223	\$1,300
GRV Commercial / Industrial	9.7222	\$1,900
GRV Mass and Tourist Accommodation	19.3958	\$1,900
UV Pastoral	11.1860	\$1,900
UV Mining and Other	19.9430	\$200

3. Endorse a public consultation process on the proposed 2019/20 differential general rates and general minimum rates as follows:
  - (a) State-wide and local public notice on Wednesday 1 May 2019 as per the requirements of Sections 6.36 of the *Local Government Act 1995*,
  - (b) Individual ratepayer consultation for all ratepayers in general rate differentials with less than 30 rateable properties.
4. Note that following the submission period, a final report will be presented to Council considering ratepayer submissions.

*CARRIED BY ABSOLUTE MAJORITY 7/0*

## PURPOSE

In accordance with the direction received following two workshops and discussions with Elected Members, this report recommends that Council endorse the Statement of Rating Objects and Reasons and advertise the proposed 2019/20 Differential General Rates and General Minimum Payments for public comment, as required by section 6.36 of the *Local Government Act 1995*.

## DETAIL

Rate revenue is the primary source of discretionary revenue for the Town of Port Hedland, accounting for approximately 61% of the budgeted operating revenue in the financial year during 2018/19. The *Local Government Act 1995* (the Act) enables local governments to impose differential general rates and minimum payments on rateable land.

The purpose of the levying of rates is to meet Council's budget requirements in each financial year in order to deliver services and community infrastructure, as outlined in the Strategic Community Plan 2018-28, Long-Term Financial Plan 2014-24 and Corporate Business Plan 2018-28. Asset management continues to pose a significant challenge for all local governments in Western Australia and any rating model must support asset renewal and replacement requirements in line with defined service levels.

Under section 6.36 of the Act, local governments are required to give a minimum period of 21 days' notice of the proposed differential general rates and minimum payments and to consider any submissions received. The proposed differential general rates and minimum payments can then be imposed, with or without modifications.

Under the Act, the Minister for Local Government is required to approve the following in relation to rates:

- The imposition of a differential general rate which is twice the lowest differential general rate imposed by a local government;
- A minimum payment on vacant land that does not comply with legislative provisions;
- Changes in the method of valuation of land; and
- In some instances, land exempt from rates.

The proposed 2019/20 differential general rates and general minimum payments identified do not require Ministerial Approval.

The Town of Port Hedland has previously adopted a differential general rate and general minimum payment model for a number of years, with the majority of the rates burden levied on residential ratepayers. During 2018/19, the Town of Port Hedland implemented a rating strategy to move towards uniform rating, with this strategy continuing into the 2019/20 proposed rating model. The 2019/20 rating strategy proposes a reduction to five (5) differential rate categories, with the introduction of a uniform rate in the dollar for GRV Mass and Tourist accommodation and UV Mining and Other differentials. The strategy also removes the vacant land differentials.

The main objectives of the rates model presented for 2019/20 are to:

- Raise sufficient yield to maintain current services and future infrastructure renewal to meet community expectations, as outlined in the Strategic Community Plan 2018 – 2028 and ensuring a balanced budget;
- Review of the number and type of rating differential categories and move towards uniform rating across all differentials;
- Distribute the rates burden more objectively and equitably by introducing uniform rating for GRV Mass and Tourist Accommodation and UV Mining and Other differentials. Uniform rating will also improve transparency, administrative efficiency and reduce compliance costs;
- Continue to phase in reductions and reduce reliance on Mass Accommodation and Tourism Accommodation consistent with the uniform rating strategy;
- Critical analysis of the yield generated by each differential category as a percentage of the total yield, comparing to the contribution by each category, the valuation % of each category, and the services consumed;
- Provide a level of certainty and consistency for ratepayers with a stable long term rates model, while providing financial sustainability for the Town; and
- Properties are rated according to Town Planning zonings and predominant land use with each having a separate calculated rate in the dollar and established minimums to achieve greater equity across all sectors and ensure a base level contribution.

The following table outlines the proposed Differential General Rates and Minimum Payments for the Town of Port Hedland to be advertised for the 2019/20 financial year, effective from 1 July 2019.

Rate Category	Minimum Payment	Rate in Dollar (expressed as cents in \$)	Rate in Dollar Comparative %	Yield \$	Yield %
GRV Residential	\$1,300	9.7223	100%	\$13,167,374	38%
GRV Commercial/Industrial	\$1,900	9.7222	100%	\$5,273,005	15%
GRV Mass and Tourist Accommodation	\$1,900	19.3958	199%	\$2,801,017	8%
UV Mining and Other	\$200	19.9430	178%	\$13,554,026	39%
UV Pastoral	\$1,900	11.1860	100%	\$127,009	0%

The proposed rate model is expected to yield \$34,922,431 in rate revenue for 2019/20, which will contribute to the net funding requirements of the Town’s services, activities, financing costs and asset renewal programme.

*Supporting Statement of Rating Objects and Reasons*

In accordance with section 6.36 of the Act, a document detailing the objects and reasons for each of the proposed rates and minimum payments is to be made available to all rate payers. The proposed 2019/20 Statement of Rating Objects and Reasons is provided as Attachment 1. This will be publicised on the Town of Port Hedland's website from 1 May 2019.

There has been an increase of 4% applied to the rate in the dollar for GRV Residential, GRV Commercial/Industrial and UV Pastoral. The vacant differentials have been removed and these properties combined with either residential or commercial/industrial. GRV Mass and Tourist Accommodation have been reduced to 199% above the base GRV general rate, and have been combined to one rate in the dollar. UV Mining and Other have also been combined with the rate in the dollar reduced to 199% of the base UV general rate. These simplifications continue to move the Town towards uniform rating across all differentials. There has been no increase to minimum general payment, and a reduction in UV Mining and Other minimums to \$200.

**LEVEL OF SIGNIFICANCE**

In accordance with Policy 4/009 'Significant Decision Making', this matter is considered to be high, as it meets the criteria listed in the policy which states "a decision that will substantially affect a wide range of people who reside in Port Hedland".

*Internal*

Two workshops have been conducted with Elected Members and the Executive Leadership Team to consider budget direction, strategies and rating models, and the resultant impact on ratepayers.

*External Agencies*

Submissions will be sought from ratepayers through public consultation on the proposed 2019/20 rates model via state-wide and local public notices. Individual consultation will occur with ratepayers whose differential has less than 30 rateable properties. Further information videos will be made available on the Town's website and Facebook pages.

Consultation with Landgate on the impact of the State Administrative Tribunal result in relation to the valuations of Town properties.

**LEGISLATION AND POLICY CONSIDERATIONS**

Section 6.33 of the *Local Government Act 1995* – Differential General Rates

Section 6.35 of the *Local Government Act 1995* – Minimum Payments

Section 6.36 of the *Local Government Act 1995* – Giving Notice

## FINANCIAL AND RESOURCES IMPLICATIONS

The proposed rate model is expected to yield \$34,922,432 in rate revenue for 2019/20 which will contribute to the net funding requirements of the Town's services, activities, financing costs and asset renewal programme.

The budget for 2019/20 will be developed on the assumption that the risk of land valuation reduction is highly probable following advice received from Landgate as a result of a recent State Administrative Tribunal case ruling. Based on current information available, the financial impact is estimated to be a reduction of \$2.5M to rates revenue advertised in this agenda item.

The 2019/20 rates model presented continues towards a uniform rating model, resulting in an overall reduction to the rates yield by 4.3%.

Rate Category	Yield 2018/19	Proposed Yield 2019/20	Yield Movement %
GRV Residential	\$13,068,692	\$13,167,374	0.8%
GRV Commercial/ Industrial	\$4,986,327	\$5,273,005	5.8%
GRV Mass and Tourist Accommodation	\$4,329,235	\$2,801,017	-35.3%
UV Mining and Other	\$13,994,228	\$13,554,026	-3.2%
UV Pastoral	\$122,195	\$127,009	3.9%
<b>TOTAL</b>	<b>\$36,500,677</b>	<b>\$34,922,431</b>	

The 2019/20 budget will be developed using the following principles discussed and agreed with Elected Members at budget workshops:

Focus on long-term financial sustainability of the Town of Port Hedland;

- Structural change to the financial budget to occur over 3 to 5 years;
- Continue to ensure a fair and equitable balance of the rate burden across all ratepayers in the Town;
- Annual increase in rates yield to be greater than CPI to fund long-term asset renewal whilst maintaining current service levels;
- Maintain current service levels to the community (supported by community consultation as part of the Strategic Community Plan process);
- Review current debt levels; and
- Use interest revenue from PHIA lease proceeds reserve to fund asset renewal.

The Town's current financial health is 'adequate' in State and Regional comparisons, however is considerably lower than the benchmark for asset sustainability. By managing the rates yield and adopting the budget principles listed above, the Town may be able to improve its financial ratios, reportable health and its ability to meet community and business expectations in relation to future service delivery and asset renewal.

The balanced 2018/19 budget was formed with a reliance on utilising the interest earned on the PHIA lease proceeds to assist funding operations and general asset renewal works. Without using the interest generated from the PHIA Lease Proceeds reserve, a significant budget deficit gap would occur. The rates model presented will assist to reduce the budget deficit gap, however over time without continued efforts to improve operating results (either through increased rate income or decreased operational expenditure) the gap will continue to accumulate. This will jeopardise both the financial sustainability and the Town's ability to meet the needs of residents and maintain current infrastructure. How this will correspond and translate into the impact on the LTFP with respect to the Town of Port Hedland's ability to meet its asset maintenance obligations and ability to fund new assets in the short term is yet to be modelled.

### STRATEGIC AND SUSTAINABILITY IMPLICATIONS

The following sections of the Town's Strategic Community Plan 2018-2028 are applicable in the consideration of this item:

- 4.b.2** Transparent and regular financial reporting and communication to the community is undertaken
- 4.b.3** Transparent and regular governance reporting and communication to the community is undertaken
- 4.b.4** Constructive forums are provided for discussion and the representation of the diversity of views and needs that impact on the Town's developments, programs and policies

#### *Economic impacts*

An increase to a majority of categories should provide a predictable rate rise for the ongoing financial certainty and sustainability of Town ratepayers. Continuing to move towards a uniform rating strategy allows property values to be the main determining factor in the differences between any rates bills. Financial pressures may still be present from prior year increases in the GRV Commercial / Industrial category. However, relief has been provided pressure for some local businesses who are holding undeveloped vacant land or industrial properties with the Vacant rate in the dollar brought in line with the developed land rate in the dollar.

There are no significant identifiable environmental or social impacts relating to this item.

#### *Disability Access and Inclusion Plan*

The following outcome of the Town's Disability Access and Inclusion Plan 2017-2022 apply in relation to this item:

- Outcome 4 – Quality of Service

*Corporate Business Plan*

The following action of the Town's Corporate Business Plan 2018-2022 apply in relation to this item:

- 4.b.2.1** Ensure the Town's finances are managed efficiently and effectively in line with legislated requirements.

**RISK MANAGEMENT CONSIDERATIONS**

As per the risk matrix contained in policy 1/022 'Risk Management', the level of risk is considered to be high (12) assigned to the risk that:

1. Any differential rating category with a proposed rate in the dollar more than twice the lowest; and/or
2. Minimum payments applying to more than 50% of vacant properties will require ministerial approval. This risk is mitigated this year with the removal of the need to acquire ministerial approval with all general rates and minimum payments within the allowable amounts as specified in the Act.

As per the risk matrix contained in policy 1/022 'Risk Management', the risk of amended valuations by Landgate is considered to be high (16). It is likely that Landgate will reduce the current rateable values of lease and state agreement land, due to a property recently being awarded a valuation reduction under a State Administrative Tribunal ruling. The financial risk based on conversations with Landgate is estimated to be a \$2.5M reduction in rates revenue. The Town is managing this risk by compiling a budget which includes this reduced revenue prediction.

**OPTIONS**

*Option 1 – Adopt officer's recommendation*

*Option 2 – Amend officer's recommendation, requesting a change in total yield*

**CONCLUSION**

This report recommends that Council endorse the Statement of Rating Objects and Reasons and advertise the proposed 2019/20 Differential General Rates and General Minimum Payments for public comment, as required by section 6.36 of the Local Government Act 1995. The proposed rate model will yield \$34,922,432 in rate revenue (based on current valuations) which will contribute to the net funding requirements of the Town's services, activities, financing costs and asset renewal programme.

The 2019/20 budget will be developed on the assumption that the risk of land valuation reduction is highly probable. The financial impact based on current information will be an estimated \$2.5M reduction to the expected rates revenue advertised in this agenda item.

**ATTACHMENTS**

1. Statement of Objects and Reasons 2019/20

# Statement of Objects and Reasons 2019/20



In accordance with section 6.36 of the *Local Government Act 1995* (the Act), the Town of Port Hedland is required to publish its Objects and Reasons for implementing Differential Rates.

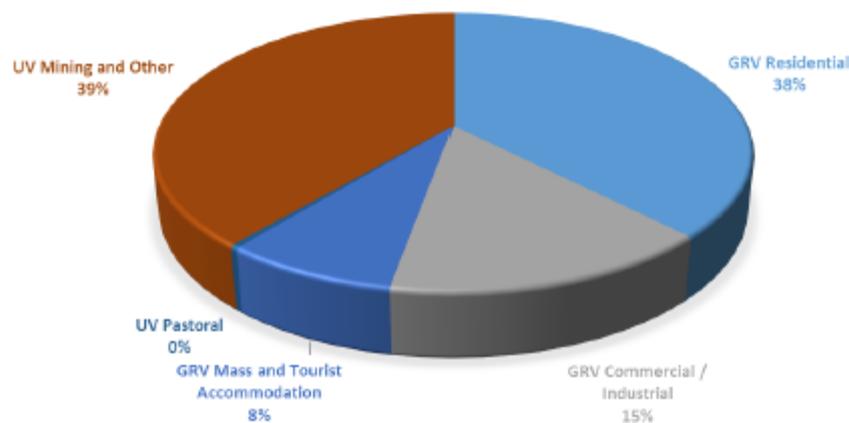
## Introduction and Objective

Rates are a tax levied on all rateable properties within the boundaries of the Town of Port Hedland Municipality in accordance with the Act. The overall objective of the proposed rates in the 2019/20 Budget is to provide for the net funding requirements of the Town's services, activities, financing costs and the current and future capital requirements of the Town. Council has determined its required rates yield after taking into account all revenue sources, expenditure and efficiency measures as part of budget deliberations.

Property valuations provided by the Valuer-General (Landgate Valuation Services) are used as the basis for the calculation of rates each year. Section 6.33 of the Act provides the ability to differentially rate properties based on zoning and/or land use as determined by the Town of Port Hedland. The application of differential rates maintains equity in the rating of properties across the Town, with consideration given to the key values contained within the Rating Policy Differentials Rates (s. 6.33) March 2016 released by the Department of Local Government, Sport and Cultural Industries being:

- Objectivity
- Fairness and Equity
- Consistency
- Transparency and Administrative Efficiency

### INDICATIVE PERCENTAGE OF RATES CONTRIBUTION BY DIFFERENTIAL



# Statement of Objects and Reasons 2019/20



## 2019/20 Proposed Budget

The following are the proposed Differential General Rates and Minimum Payments for the Town of Port Hedland for the 2019/20 financial year, to be effective from 1 July 2019.

Rate Category	Rate in Dollar <i>(expressed as cents in the dollar)</i>	Minimum Payment	RiD Comparative %
GRV Residential	9.7223	\$1,300	100%
GRV Commercial / Industrial	9.7222	\$1,900	100%
GRV Mass and Tourist Accommodation	19.3958	\$1,900	199%
UV Mining and Other	19.9430	\$200	178%
UV Pastoral	11.1860	\$1,900	100%

The above rate model will yield \$34,922,431 in rate revenue before concessions and other doubtful debt and risk considerations are applied.

### GROSS RENTAL VALUATION (GRV)

The Act determines that properties of a non-rural purpose within a Townsite boundary be rated using the Gross Rental Valuation (GRV) as the basis for the calculation of annual rates. The Valuer-General determines the GRV for all properties within the Town of Port Hedland every three years. The current general valuation is effective from 1 July 2018. Properties are grouped according to Town Planning Scheme zonings and predominant land use with each having a separately calculated rate in the dollar to achieve greater equity across all sectors.

The GRV is determined by collecting rental evidence to determine the fair rental value for each property. Interim valuations are provided regularly to Council by the Valuer-General for properties where changes occur (i.e. subdivisions or strata title of property, amalgamations, building constructions, demolition, additions and/or property rezoning). In such instances, Council recalculates the rates for the affected properties and issues interim rates notices.

In addition, section 6.28 (1) (2) of the Act allows the Minister to determine valuation of land to be used for the basis of rating. Section 6.29(3) allows for where capital improvements on any land located under UV rating, the Minister under application from the Town of Port Hedland can determine UV amendment to GRV rating.

### UNIMPROVED VALUATION (UV)

Properties that are predominantly of a rural purpose or used for mining, resource processing, stock piling, or salt mining and predominately located outside the Townsite boundary are assigned an Unimproved Value (UV). Council has adopted differential rates in its UV area for Mining leases, Pastoral leases, all other lease and licences and privately owned land.

Unimproved values are determined annually by the Valuer-General with a valuation roll provided to local governments. Interim valuations are provided monthly to Council by the

# Statement of Objects and Reasons 2019/20



businesses to continue with growth and further improving and strengthening the economy at the same time also minimising and preventing land banking.

Furthermore, the differential acknowledges costs associated with the provision and maintenance of infrastructure used by commercial or industrial businesses including road structure, lighting and drainage, car parking, landscaping and higher costs in relation to infrastructure and regulatory services

### *GRV MASS ACCOMMODATION and TOURIST ACCOMADATION*

Means any land:

- whereby any approved transient workforce accommodation facilities are located;
- OR
- approved and predominantly used for providing large scale accommodation for visitors to the Town as identified in the Town of Port Hedland Local Planning Scheme: Holiday Accommodation, Hotel, Lodge, Motel, Tourist Development and Tourism Resort.

**OBJECT & REASONS:** The object of this differential rate is to ensure that rates are distributed equitably between residents and non-residential workers, who spend a significant portion of the year in Port Hedland.

Patrons and employees of these premises are consumers of services and facilities, however unless they are also property owners within the Town, they are not contributing to the costs of providing the services and facilities. Mass Accommodation properties have the potential to have a greater impact on Council services and assets than other properties due to their number of occupants in a relatively small land parcel.

Although not submitted as rationale for the basis of the above rate in the dollar, nor rates proposed to be levied, it should be stated that Council remains committed to a philosophy that the operational workforce(s) associated with resource interests centralised around mining, construction, maintenance and access to the Port, should be housed in normal residential properties within the town boundaries. It is only through this that the town benefits from an integrated and normalised residential workforce and thereafter the community and society benefit from greater participation in community activities, including sporting and cultural bodies, and higher participation rates in volunteerism and sport.

Furthermore, this differential recognises the costs associated with tourism and economic development activities, as well as the use of these properties predominately for business travel. The additional income from this rate in the dollar will be utilised to support the Town of Port Hedland's investment into Tourism infrastructure and visitor facilities. The rate for this differential has been reduced in line with the normalisation of the economic circumstances of the Town and the reduced reliance on these facilities as a Transient Workforce Accommodation.

### *UV MINING and OTHER*

This rating category covers:

# Statement of Objects and Reasons 2019/20



- all Mining Leases and Licences, Exploration Licences, Prospecting Licences, Retention Licences, General Purpose Leases, Special Prospecting Licences for Gold and Miscellaneous Licences as defined under the Mining Act that has been granted;

OR

- predominately used for the purpose of resource processing;

OR

- predominately used for the purpose of stock piling;

OR

- does not have the characteristics of any other UV differential rate category.

**OBJECT & REASON:** The object of this differential rate is to reflect and raise revenue to manage the impact on the Town by mining and resource sectors.

The impact on utilisation of urban and rural infrastructure by heavier transport and higher traffic volumes associated with resource sector operations supports the large investment that the Town of Port Hedland makes in road and road drainage infrastructure. This services remote mining activities on rural roads throughout the municipality and reflects the extra maintenance, impacts and frequency that is required to ensure a minimum level of serviceability is achieved. Along with additional costs associated with monitoring and managing the effects of environmental impacts relating to noise, dust, air pollution and smell, which are all considered here.

In addition, these properties have access to all other service facilities provided by Council. Properties with a land use UV often have a State or Regional significance, some of which are subject to legacy State Agreements that limit the methods of valuation to UV restrictive formulae for calculation of valuation. The differential rate for this category is considered to levy a proportional comparative with their impact on local community (ie: Heavy haulage vehicle movement, environmental health and strategic planning).

## UV PASTORAL

Means any land:

- that has been granted a pastoral leases under the repealed *Land Act 1933*;

OR

- renewal of pastoral leases (administered by the Department of Lands);

OR

- land predominately used for pastoral activities as defined in the *Land Administration Act 1997*.

**OBJECT & REASONS:** The object of this differential rate is to be the base rate by which all other UV rated properties are assessed. Raised revenue is to provide for rural infrastructure and services in addition to the Town services, facilities and infrastructure which are available to be accessed by the properties in this category. The Town has a continuing focus on development and diversification of Pastoral Properties in the region, encouraging development of tourism and rangeland activities in conjunction with reforms being introduced by the State Government, to support the opportunity for live cattle trade (Strategic Community Plan 2018-2028), and associated activities from the Port to further diversify the local economy.

# Statement of Objects and Reasons 2019/20



## TOWN'S RATING STRATEGY

The key points for the 2019/20 Rating Strategy:

- Raise sufficient yield to maintain current services and future infrastructure renewal to meet community expectations, as outlined in the adopted Strategic Community Plan 2018 – 2028 and ensuring a balanced budget;
- Review of the number and type of rating differential categories and move towards uniform rating across all differentials;
- Distribute the rates burden more objectively and equitably by introducing uniform rating for GRV Mass and Tourist Accommodation and UV Mining and Other differentials. Uniform rating will also improve transparency, administrative efficiency and reduce compliance costs;
- Continue to phase in reductions and reduce reliance on Mass Accommodation and Tourism Accommodation consistent with the uniform rating strategy;
- Critical analysis of the yield generated by each differential category as a percentage of the total yield, comparing to the contribution by each category, the valuation % of each category, and the services consumed;
- Provide a level of certainty and consistency for ratepayers with a stable long term rates model, while providing financial sustainability for the Town;
- Properties are rated according to Town Planning zonings and predominant land use with each having a separate calculated rate in the dollar and established minimums to achieve greater equity across all sectors and ensure a base level contribution.

Impacts from rate reductions in prior years, as well as significant decreases in available grant funding has had a flow on effect to how the Town continues to meet ongoing asset management and service levels. A straight-line increase of 4% has been applied across all differential categories, excluding GRV Mass and Tourist Accommodation and UV Mining and Other to continue in line with the Town's rating strategy identified above. The table below shows the total yield derived from each differential category aim to reflect a more equitable rate burden per category, reflecting that Port Hedland is an industrial port town.

Rate Category	Proposed Yield	Burden %
GRV Residential	\$13,167,374	38%
GRV Commercial / Industrial	\$5,273,005	15%
GRV Mass and Tourist Accommodation	\$2,801,017	8%
UV Mining and other	\$13,554,026	39%
UV Pastoral	\$127,009	0%

The above rate model will yield \$34,922,432 in rate revenue. Uniform rating strengthens relativity (between the zoning and land use categories) and continue to reflect an equitable distribution of the rate burden while ensuring the Town can continue to deliver services and asset renewal.

# Statement of Objects and Reasons 2019/20



The Town of Port Hedland will also be continuing its review of all rateable properties in the 2019/20 financial year to ensure that all rateable properties are captured with an emphasis on the following:

- Industrial and Commercial properties;
- All assessments covered by lease, licence and State agreements;
- Mining tenements; and
- GRV spot rating for in-situ infrastructure on resource projects.

## **MINIMUM RATES**

The Town imposes consistent minimum rates across the rating categories, excluding GRV Residential and UV Mining and Other, ensuring all properties contribute an equitable rate amount to non-exclusive services. The minimum rate recognises that all ratepayers have an equal opportunity to enjoy the facilities and services provided by Council, regardless of the value of their property.

Regarding the UV Mining and Other differential, the lower minimum is applied to ensure that the rate burden is distributed equitably between all property owners. A lesser minimum of \$200 has been applied for all categories of Mining Tenements to reflect recent State Government amendment to the *Valuation of Land Act 1978* with the objective of providing some minor rate relief to small tenement owners.

## **SUBMISSIONS**

Submissions are invited from any elector or ratepayer with respect to the proposed rates, and any related matter, within a minimum 21 days of the date of this notice.

Submissions should be addressed to the Chief Executive Officer, Town of Port Hedland, PO Box 41, Port Hedland WA 6721 and clearly marked Submission – Differential Rating 2019/20.

All submissions should be received no later than 12.00pm on 22 May 2019.

DAVID PENTZ

CHIEF EXECUTIVE OFFICER

## 11.2 Development, Sustainability and Lifestyle

**11.2.1 Development Application 2015/081.02 for Amendment to Development Application 2015/081 – Six (6) Grouped Dwellings - Extension of Time on Lot 186 (53) Kingsmill Street Port Hedland (File No. 2015/081.02)**

Author	Graduate Planner
Authorising Officer	Director Development, Sustainability and Lifestyle
Disclosure of Interest	The Author and Authorising Officer declare that they do not have any conflicts of interest in relation to this item.

**CM201819/180 OFFICER'S RECOMMENDATION/COUNCIL DECISION**

MOVED: CR MCDONOGH

SECONDED: CR ARIF

That Council, pursuant to Clause 77 of Schedule 2 of Deemed Provisions of the *Planning and Development (Local Planning Schemes) Regulations 2015* resolves to:

1. Approve Development Application 2015/081.02 for the Extension of Time to Development Application 2015/081 for 'Six (6) Grouped Dwellings' on Lot 186 (53) Kingsmill Street Port Hedland. Conditions 1 and 2 of Development Approval 2015/081 are to be amended and shall read:
  - a) This approval relates only to the proposed 'Six (6) Grouped Dwellings', as indicated on the approved plans (DRG2015/081.02/1 – DRG2015/081.02/6). It does not relate to any other development on this lot.
  - b) If the development referred to in (a) above is not substantially commenced within a period of six (6) years from the date of the original approval, the approval shall lapse and be of no further effect.

*CARRIED 7/0***PURPOSE**

The purpose of this report is for Council to determine Development Application 2015/081.02, which proposes an extension of time to Development Application 2015/081 for 'Six (6) Grouped Dwellings' on Lot 186 (53) Kingsmill Street, Port Hedland.

## DETAIL

Development Application 2015/081 for 'Six (6) Grouped Dwellings' was approved by Council at the Ordinary Council Meeting held on 29 July 2015. Development Application 2015/081.01 for an extension of time to Development Approval 2015/081 was approved by the Town on 30 May 2017, which extended the approval validity until 29 July 2019. The applicant / landowner has since applied for an amendment to Development Approval 2015/081, for an additional two (2) year extension to allow for substantial commencement of the development. As the Lot is located within the West End Residential Zone under the Town of Port Hedland Local Planning Scheme No. 5 (LPS5), the application was referred to State Government Agencies for comment. A valid objection was received during the consultation period, stating the application is inconsistent with the State Government's decision to prohibit new permanent residential development within the West End Residential Zone. The objection is based on the State Government's response to the Port Hedland Dust Taskforce Report, which will eventually see the implementation of an improvement plan and scheme over the West End of Port Hedland (area yet to be determined).

The Town has assessed the proposed amendment to Development Approval 2015/081 in accordance with relevant planning framework and has considered the objection and submissions received. The original Development Approval and proposed amendment comply with the West End Residential Zone provisions under Clause 5.2.6 to Clause 5.2.10 of LPS5, and the *Planning and Development (Local Planning Schemes) Regulations 2015*.

The State Administrative Tribunal (SAT) has established three (3) principles to consider in the exercise of discretion to grant an extension to the term of a development approval that has not been substantially commenced. Planning decisions of this nature should have regard to:

1. Whether the planning framework has changed substantially since the development approval was granted;
2. Whether the development would likely receive approval now; and
3. Whether the proponent has actively and relatively conscientiously pursued the implementation of the development approval.

These considerations are outlined below in the context of a further extension of the term to substantially commence the construction of six (6) grouped dwellings on Lot 186 (53) Kingsmill Street, Port Hedland.

- 1. Whether the planning framework has changed substantially since the development approval was granted.**

The planning framework for Lot 186 (53) Kingsmill Street, Port Hedland has not changed substantively since 2015. The planning framework that applies to the development is identical now to what it was in 2015, with the exception of:

- Minor amendments to the Residential Design Codes of WA in October 2015 which do not have any significant influence on how the development subject of this application is to be assessed;

- Implementation of the *Planning and Development (Local Planning Schemes) Regulations 2015* which do not substantively change the assessment of development applications in the West End Residential Zone; and
- Scheme Amendment 79 has been gazetted which normalised LPS5 provisions with the *Planning and Development (Local Planning Schemes) Regulations 2015* and did not substantively change any assessment criteria for development applications in the West End Residential Zone.

**2. Whether the development would likely receive approval now.**

If the proposed development of six (6) grouped dwellings was received now as a new development application, it would still be assessed under the current West End Residential Zone provisions of LPS5 for which Grouped Dwellings are a 'D' discretionary land use and Clauses 5.2.6 – 5.2.10 of LPS5 apply. The proposed building includes design provisions to reduce exposure to dust and the dwelling size and bedroom number limitations are in accordance with LPS5 (when plans are read in conjunction with conditions of approval). It is therefore considered that the development would likely receive approval now under the current Scheme. No local planning policies apply to the development and there are no provisions in the Residential Design Codes of WA that would likely prevent a fresh application from being approved with conditions under the current planning framework.

**3. Whether the proponent has actively and relatively conscientiously pursued the implementation of the development approval.**

The proponent submitted a cover letter with the application (refer Attachment 2) indicating the development has not been constructed due to market conditions since it was originally approved in 2015. Since that time, an improvement in market conditions has restored the proponent's confidence in developing the grouped dwellings. The proponent has stated they have prepared architectural and construction drawings, engineering drawings, geotechnical investigations and other reports in preparation to lodge a building permit application to construct the development, if the extension is granted. Preparation of documentation toward lodging a building permit application is considered to qualify for pursuing implementation of the approval.

The planning assessment against the above SAT principles which would be applied in any appeal to refuse the development indicates there are not strong grounds to refuse the application. Officers understand the State Government's position on the future of the West End Residential Zone and the possibility of limiting residential development, but in accordance with the current planning framework in place over the West End Residential Zone there are limited grounds to refuse this application for an extension of time. Until the improvement plan and scheme is implemented by the Western Australian Planning Commission (WAPC) and Department of Planning, Lands and Heritage (DPLH), the Town of Port Hedland is bound by Local Planning Scheme No. 5 (LPS5) in determining development applications within the West End Zone and other zones that apply to the West End.

LEVEL OF SIGNIFICANCE

In accordance with Policy 4/009 'Significant Decision Making', this matter is considered to be of low significance because the proposed development was approved twice previously in its current form and complies with the current planning framework.

CONSULTATION

*Internal*

The application has not been referred internally as the application does not propose any changes to the previous development approval.

*External Agencies*

The application was referred to the Department of Planning, Lands and Heritage, Department of Jobs, Tourism, Science and Innovation and the Department of Health. Three (3) submissions were received, with one (1) raising a valid objection which raised the following concerns:

Submission Comment	Officer Comment
The application is not consistent with the State Government's decision to endorse the Port Hedland Dust Management Taskforce recommendations which includes prohibiting new permanent residential development and other sensitive land uses in the West End Residential Zone.	Noted. The State Government's decision to endorse the Port Hedland Dust Management Taskforce Report recommendations is welcomed by the Town, however until an improvement plan and scheme is implemented over the West End the Town is bound by Local Planning Scheme No. 5 in determining development applications within the West End Residential Zone. The application complies with current planning framework.

LEGISLATION AND POLICY CONSIDERATIONS

The proposed development has been assessed in accordance with the *Planning and Development (Local Planning Schemes) Regulations 2015* Schedule 2 – Deemed Provisions for Local Planning Schemes and the following clauses of the Town of Port Hedland Local Planning Scheme No. 5:

- Part I – Preliminary
  - Clause 1.5 – Scheme Objectives
- Part III
  - Clause 3.1 – Categories
  - Clause 3.2 – Zoning Table
    - *Clause 3.2.6*

- Part V – Development Requirements
  - Clause 5.2 – Residential Zone
    - *Clause 5.2.6 – West End Residential Zone*
    - *Clause 5.2.7 – West End Residential Zone*
    - *Clause 5.2.8 – West End Residential Zone*
    - *Clause 5.2.9 – West End Residential Zone*
    - *Clause 5.2.10 – West End Residential Zone*

## Appendix 1 – Definitions

### *Clause 5.2.6 – Clause 5.2.10 -West End Residential*

The application is consistent with West End Residential Development Requirements of LPS5 for the following reasons:

- The development incorporates building design features to mitigate and reduce exposure to dust;
- The dwellings do not contain more than two (2) bedrooms or rooms capable of being used as bedrooms;
- The dwellings do not have an internal floor area greater than 110m<sup>2</sup>, with the exception of Unit 1 which requires amended plans to be submitted prior to the issuing of a Building Permit. This forms Condition 12 of Development Approval 2015/081.

## FINANCIAL AND RESOURCES IMPLICATIONS

The Town received a development application fee of \$295.00 from the applicant. There are no other financial implications associated with this proposal.

## STRATEGIC AND SUSTAINABILITY IMPLICATIONS

The following sections of the Town's Strategic Community Plan 2018-2028 are applicable in the consideration of this item:

- 3.b.1** The present and future needs for serviced land and infrastructure provision are identified, planned and developed
- 3.b.4** Innovation and resilience of the built form are encouraged, assessed and implemented
- 3.c.2** The community is surrounded by and has access to attractive natural habitats, built form, parks and amenities
- 4.a.3** A positive narrative and unique brand is developed and promoted

There are no significant identifiable environmental, social or economic impacts relating to this item.

## RISK MANAGEMENT CONSIDERATIONS

As per the risk matrix contained in policy 1/022 'Risk Management', the level of risk is considered to be low (4). If approved, the proposed land use will not negatively impact on social, environmental, and economic aspects within the Town of Port Hedland.

## OPTIONS

*Option 1 – Adopt officer's recommendation*

*Option 2 – Refuse Development Application 2015/081.02*

*Option 2 is presented to Council should Council decide that the proposed development is not consistent with the State Government's decision regarding the future of the West End and permanent residential development should not be permitted.*

1. *Refuse Development Application 2015/081.02 for the Extension of Time to Development Application 2015/081 for 'Six (6) Grouped Dwellings' on Lot 186 (53) Kingsmill Street, Port Hedland, for the following reasons:*
  - a) *The proposed development is not consistent with the State Government's decision to implement an Improvement Plan and Scheme over the West End which will limit permanent residential development.*
  - b) *A submission was received from the State Government during the advertising period of the application which raises a valid objection to the development application.*

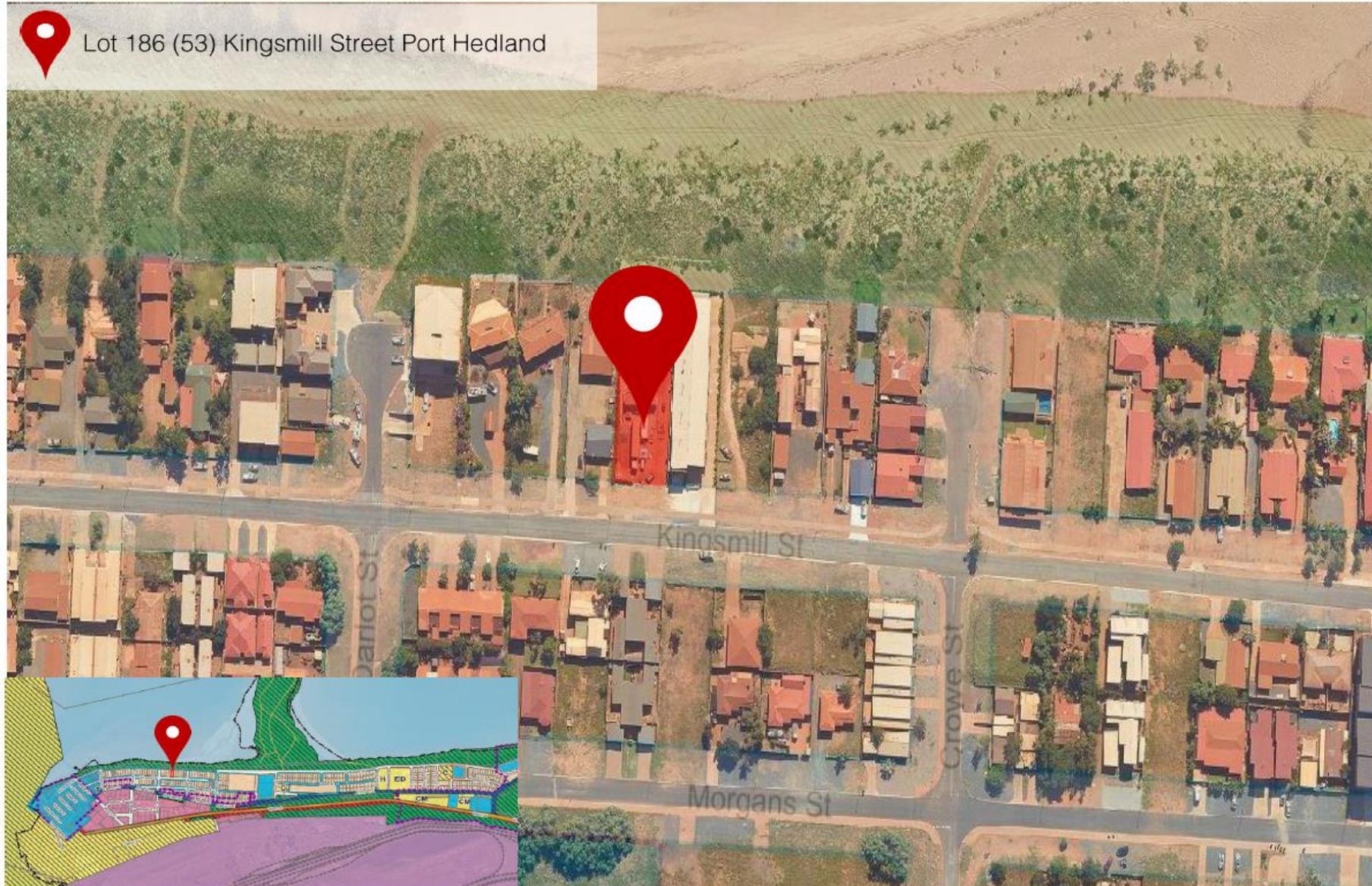
## CONCLUSION

Development Application 2015/081.02 proposes an amendment to the original Development Approval (2015/081) for the extension of time for 'Six (6) Grouped Dwellings' on Lot 186 (53) Kingsmill Street, Port Hedland. The development complies with the West End Residential Zone provisions under Local Planning Scheme No. 5 and *Planning and Development (Local Planning Schemes) Regulations 2015*. The objection to the application is noted by the Town and the Town will work with the State Government to reform planning framework for the West End, however the Town is bound by Local Planning Scheme No. 5 in determining development applications until an Improvement Scheme is in place and it is therefore recommended to approve Development Application 2015/081.02.

## ATTACHMENTS

1. Site Location
2. Applicant Justification
3. Submissions
4. Previous Development Approvals (Under Separate Cover)

ATTACHMENT 1 TO ITEM 11.2.1



ATTACHMENT 2 TO ITEM 11.2.1

HEDLAND  
DEVELOPMENTS  
BUILDERS



**JUSTIFICATION STATEMENT**

**Customer:** Hedland Developments Pty Ltd  
**Property Address:** 53 Kingsmill Street, Port Hedland WA 6721  
**Date:** 21/1/2019

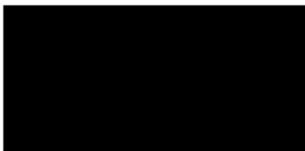
The Justification for extension of time on the current approved development application at 53 Kingsmill street is due to the financial and property market conditions over the last four years as we all know prices and demand for real estate crashed however now we are seeing signs of improvement and strength coming back and Port Hedland is transforming into a vibrant attractive regional city with a community that are proud to live, work and play in the heart of the Pilbara.

This project has not been abandoned since the development application approval consultants and contractors have prepared works for the Building License application

- Architectural construction drawings \$ 4,000
- Structural engineering services and drawings \$ 6,500
- Geotechnical investigation and report \$ 1,471
- Dust Ingress Mitigation Report \$ 3,850
- Survey Services \$1,200
- Site establishment \$ 18,000

It would be much appreciated for consent to be granted as to give our team more time to carefully spend on this project's delivery.

Yours Sincerely



  
Builder  
Hedland Developments Pty Ltd

## ATTACHMENT 3 TO ITEM 11.2.1

Hi [REDACTED],

Thank you for your letter dated the 8 February 2019 seeking comments from the Department of Planning, Lands and Heritage (DPLH) in regards to the extension of time request for development application 2015/081.02, Lot 186 (53) Kingsmill Street. The Regional North team has reviewed the development application referral and provides the following general comments:

- Lot 186 is zoned 'West End Residential' with a density coding of 'R30/80' pursuant to the Town of Port Hedland Local Planning Scheme No.5 (LPS 5). Under the zoning table in LPS 5, 'Grouped Dwellings' is listed as a 'D' use within the 'West End Residential' zone. Accordingly any development approval for this site is at the discretion of the local government and approval should be in accordance with the provisions of Section 5 of LPS 5, which guides the additional development requirements of the zone and the requirements of the Deemed Provisions. Schedule 2 Part 9 cl. 67 of the *Planning and Development (Local Planning Schemes) Regulations 2015* stipulates matters to be considered by local governments when assessing development applications including:
  - the suitability of the land for the development taking into account the possible risk to human health or safety.
- Section 5 of Local Planning Scheme No.5 – Development Requirements states:
  - Clause 5.2.6 - The purpose of the West End Residential Zone is to establish a residential zone in which dwellings are designed and constructed in such a way as to discourage occupation by families with children or by elderly persons.
    - Clause 5.2.7 and 5.2.8 further set out the additional development requirements which are to be considered when approving applications within the 'West End Residential' zone.
  - Clause 5.2.9 - When considering an application for development approval within the West End Residential Zone, the local government shall consider the purpose of the zone and the recommendations of any formal risk study undertaken by or endorse by the Department of Health.
- It is recommend in determining this application and in accordance with Clause 5.2.9 that the application be referred to the Department of Health for comments, specifically on their position in regards to additional residential development within the West End and the potential exposure to dust.

Given the findings from the governments endorsed Port Hedland Dust Management Taskforce Report (2016) and the primary objective of minimising public exposure to dust, it is recommended that in determining the application comments be obtained from the Department of Health in line with Clause 5.2.9 of LPS 5 to determine their position given the proximity of the development to port operations and the potential impact of dust exposure to inhabitants of permanent residential dwellings. It should be noted that on 12 December 2018 the WAPC resolved to commence preparation an Improvement Plan over the West End. Until such time as the proposed Improvement Plan is in place and subsequent Improvement Scheme gazetted to guide the transition of sensitive land uses away from the West End, the local government remains responsible for determining development applications in accordance with the provisions of the LPS 5.

Regards

[REDACTED]  
140 William Street, Perth WA 6000

[REDACTED]  
[www.dplh.wa.gov.au](http://www.dplh.wa.gov.au)



The department is responsible for planning and managing land and heritage for all Western Australians – **now and into the future**

*The department acknowledges the Aboriginal peoples of Western Australia as the traditional custodians of this land and we pay our respects to their Elders, past and present.*

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Government of **Western Australia**  
Department of **Health**

Your Ref: 2015/081.02

Our Ref: [REDACTED]

Enquiries: [REDACTED]



[REDACTED]  
Chief Executive Officer  
Town of Port Hedland  
PO Box 41  
PORT HEDLAND WA 6721

Attention: [REDACTED], Principal Town Planner

Dear [REDACTED]

**PROPOSED AMENDMENT TO APPLICATION 2015/081.01 – SIX (6) GROUPED DWELLINGS – EXTENSION OF TIME – LOT 186 (#53) KINGSMILL STREET, PORT HEDLAND**

Thank you for your letter of 8 February 2019 requesting comment from the Department of Health (DOH) on the above proposal.

The DOH has no objection to the proposed amendment (extension of time to complete the development) provided landowner complies with original conditions.

Should you have queries or require further information please contact [REDACTED] on (08) [REDACTED] or [ehinfo@health.wa.gov.au](mailto:ehinfo@health.wa.gov.au)

Yours sincerely

[REDACTED SIGNATURE]

**A/EXECUTIVE DIRECTOR  
ENVIRONMENTAL HEALTH DIRECTORATE**

25 February 2019

**Environmental Health Directorate**  
All correspondence PO Box 8172 Perth Business Centre Western Australia 6849  
Grace Vaughan House 227 Stubbs Terrace Shenton Park WA 6008  
Telephone (08) 9388 4999 Fax (08) 9388 4955  
[www.health.wa.gov.au](http://www.health.wa.gov.au)  
28 684 750 332



**Government of Western Australia**  
**Department of Jobs, Tourism, Science and Innovation**

Your ref: 2015/081.02  
Our ref: [REDACTED]  
Enquiries: [REDACTED]  
Phone: [REDACTED]

[REDACTED]  
Principal Town Planner  
Town of Port Hedland  
PO Box 41  
PORT HEDLAND WA

Dear Mr [REDACTED]

Thank you for your letter dated 8/2/2019, requesting comment on Development Application Referral – 2015/081.02 for Amendment to Application 2015/081.01 – Six (6) Grouped Dwellings – Extension of Time on Lot 186 (53) Kingsmill Street, Port Hedland 6721.

In 2018, the Government endorsed the Port Hedland Dust Management Taskforce's recommendation to prohibit new permanent residential development and other sensitive land uses, including age-care and childcare premises, west of Taplin Street.

The Department has reviewed Development Application Referral – 2015/081.02 and notes that it is located west of Taplin Street and subject to the planned Improvement Plan and Improvement Scheme, to be considered by the Western Australian Planning Commission.

The Department considers Development Application Referral – 2015/081.02 inconsistent with Government's decision to prohibit new permanent residential development within this area.

Should you have any queries, please contact [REDACTED] on [REDACTED]

[REDACTED]  
[REDACTED]  
[REDACTED]  
[REDACTED]

6 March 2019

Level 6, 1 Adelaide Terrace East Perth Western Australia 6004  
Telephone +61 8 9222 0555 Facsimile +61 8 92220505  
[www.jtsi.wa.gov.au](http://www.jtsi.wa.gov.au)  
[wa.gov.au](http://wa.gov.au)  
ABN 90 199 516 864

**11.2.2 Spoilbank Marina – Agreement with LandCorp (File No. 18/12/0014)**

Author	Project Officer – Planning & Development
Authorising Officer	Director Development, Sustainability & Lifestyle
Disclosure of Interest	The Author and Authorising Officer declare that they do not have any conflicts of interest in relation to this item.

**CM201819/181 OFFICER’S RECOMMENDATION/COUNCIL DECISION**

**MOVED: CR MCDONOGH**

**SECONDED: CR WHITWELL**

That Council;

1. Confirm the Town’s contribution to the Spoilbank Marina project:
  - a. \$24 million contribution to the waterside component;
  - b. The remainder of the Spoilbank Marina reserve to the landside component.
2. Appoint LandCorp as the Project Manager to deliver landside projects as confirmed by the taskforce on behalf of the Town;
3. Delegate to the Chief Executive Officer to negotiate an agreement and schedule of fees with LandCorp.

*CARRIED 7/0*

**CM201819/182 OFFICER’S RECOMMENDATION/COUNCIL DECISION**

**MOVED: CR WHITWELL**

**SECONDED: CR MCDONOGH**

That Council amend the 2018/19 Annual Budget to include capital expenditure for \$500,000 to be funded from the Spoilbank Reserve, resulting in a nil impact to the proposed closing surplus as at 30 June 2019.

*CARRIED BY ABSOLUTE MAJORITY 7/0*

## PURPOSE

The purpose of this report is for Council to consider endorsing the financial contributions for the waterside and landside components of the Spoilbank Marina project, consider entering into an agreement with LandCorp to project manage the delivery of landside infrastructure associated with the Spoilbank Marina, to delegate to the Chief Executive Officer (CEO) to negotiate an agreement and schedule of fees with LandCorp and to amend the 2018/19 Annual Budget to include capital expenditure for \$500,000 to be funded from the Spoilbank Reserve.

## DETAIL

The Spoilbank Marina project was originally one project however not one single state government department is suitable to deliver the integrated project in its entirety. At this stage the Department of Transport is the likely state government department to deliver the waterside component, however this may be subject to change depending on decisions made by the state government. The Town has limited responsibility for the waterside component of the project however will maintain its position as the key organisation responsible for landside activation.

The landside component of the project will involve developing essential services across both components resulting in landside development and waterside facilities. The Town does not currently have the internal resources to manage a project of this size and scope. Furthermore, LandCorp has previously done significant work on the Spoilbank Marina on behalf of the Town, and much of this work will still be valid for the reduced scope project. Given the likely substantial cost associated with delivering essential services (water, wastewater, electrical and communications) and LandCorp's experience on this project officers consider LandCorp the best placed entity to act as the Project Manager to deliver the landside project.

There is a low risk associated with appointing LandCorp to carry out these functions as they are the government's developer with a strong history of delivering major land and infrastructure projects with fair and transparent project management fees. The Town will retain control of community engagement activities to develop supplementary landside activation facilities for the site and LandCorp will be responsible for the delivery of essential services and facilities associated with the landside component.

To facilitate progression of the project in line with the preliminary project delivery timeframe LandCorp is best placed to assist the Town to work with other state government agencies to integrate both the landside and waterside components of the project.

LandCorp has already held discussion with planning, landscape and utility infrastructure consultants to undertake preliminary investigations for the project. To maintain project momentum the CEO will be required to negotiate an agreement and schedule of fees associated with these works for the consultant's services to be included in the remainder of the 2018/19 Annual Budget and for the life of the project.

## LEVEL OF SIGNIFICANCE

In accordance with Policy 4/009 'Significant Decision Making', this matter is considered to be of medium significance. The Town will work with LandCorp and other state government agencies to undertake community engagement to obtain input into the final landside design. As stated in this report LandCorp is best placed to deliver essential services for the project.

## CONSULTATION

### *Internal*

- Chief Executive Officer
- Director Development, Sustainability and Lifestyle
- Manager Town Planning and Development
- Governance team
- Finance team

### *External Agencies*

- Pilbara Development Commission
- Department of Planning, Lands and Heritage
- Department of Transport
- LandCorp

### *Community*

Significant engagement and communications have been conducted with the community as part of the business case development for the Marina, as well as part of the 2017 'Live it, tell it' campaign, which was to run to support the development of the 2018-2028 Strategic Community Plan.

It is not necessary to consult with the community at this stage of the project. Extensive community consultation will be carried out as the project progresses.

## LEGISLATION AND POLICY CONSIDERATIONS

LandCorp are an agency of the state and are therefore exempt from procurement requirements as outlined in Regulation 11 (e) of the *Local Government (Functions & General) Regulations 1996*.

## FINANCIAL AND RESOURCES IMPLICATIONS

The partnership between the Town and LandCorp is anticipated to include provisions relating to the transfer of funds to optimise efficient delivery of the project for the remainder of the 2018/19 financial year. The agreement will include checks and balances to ensure the Town maintains control over dedicated expenditure towards the landside component.

Fees for consultants will need to be confirmed through the CEO's negotiation. An indication of \$500,000 has been given by LandCorp however expenditure for consultants will likely be assessed through progress payments set by project milestones in the agreement.

In relation to the Town's Spoilbank Reserve, in the Towns 2018/19 budget its closing balance for 28 February has been listed as \$37,521,388.00. A balance of \$37,458,502.00 is budgeted to be carried forward to 2019/20.

## STRATEGIC AND SUSTAINABILITY IMPLICATIONS

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 risk.

The following sections of the Town's Strategic Community Plan 2018-2028 are applicable in the consideration of this item:

- 1.d.1** The present and future facilities and requirements of the Town are planned for and developed in-line with relevant facility standards and community needs
- 1.d.3** Facilities and community infrastructure are well maintained, managed and fit for purpose to provide a range of lifestyle opportunities
- 2.a.2** Partnerships with private enterprises and government to fund projects and create jobs are pursued
- 3.b.1** The present and future needs for serviced land and infrastructure provision are identified, planned and developed
- 3.c.1** Urban and spatial planning is implemented to enhance human interaction with nature and industry
- 3.c.2** The community is surrounded by and has access to attractive natural habitats, built form, parks and amenities
- 4.c.4** Efficiency strategies across the Town's infrastructure and amenity assets are implemented

There are no significant identifiable environmental, social or economic impacts relating to this item. The detailed design process will address environmental, social and economic impacts relating to the project.

### *Disability Access and Inclusion Plan*

This project will be delivered in accordance with the Town's current Disability Access and inclusion Plan.

The following outcome of the Town's Disability Access and Inclusion Plan 2017-2022 apply in relation to this item:

- Outcome 2 – Buildings and Facilities

*Corporate Business Plan*

The following action of the Town's Corporate Business Plan 2018-2022 apply in relation to this item:

- 2.c.1.1* Work with key stakeholders to develop, implement and review strategies to stimulate and diversify the local economy and address business challenges.

**RISK MANAGEMENT CONSIDERATIONS**

There is a reputational risk associated with this item because the public would expect a reasonable performance of utilities and services outside of the general expertise of the Town. The risk rating is considered to be medium (8), which is determined by a likelihood of unlikely (2) and a consequence of major (4).

To mitigate the risk, the action plan is to partner with LandCorp to deliver essential services for the Spoilbank Marina.

There is financial risk associated with this item because the Town will be transferring funds to LandCorp to deliver the project. The risk rating is considered to be medium (8), which is determined by a likelihood of unlikely (2) and a consequence of major (4).

To mitigate the risk, the partnership agreement between the Town and LandCorp will include provisions that enable the Town to retain control over expenditure and will include an appropriate schedule of fees to be paid to LandCorp through progress payments set by project milestones.

**OPTIONS**

*Option 1 – Adopt officer's recommendation*

*Option 2 – Amend officer's recommendation to include additional parameters guiding any agreement between the Town of Port Hedland and LandCorp*

*Option 3 – Do not adopt officer's recommendation*

**CONCLUSION**

The Spoilbank Marina project has been a long awaited project for the Hedland community and it is considered that this project will positively benefit the local community and provide significant economic benefits. Engaging LandCorp to facilitate the delivery of essential services and their appointment as project manager for the landside development will enable efficient project delivery and integration of landside and waterside components.

**ATTACHMENTS**

Nil

### 11.2.3 Port Hedland Townsite Coastal Hazard Risk Management Adaptation Plan (*File No. 18/07/0048*)

Author Manager Town Planning & Development  
Authorising Officer Director Development, Sustainability & Lifestyle  
Disclosure of Interest The Author and Authorising Officer declare that they do not have any conflicts of interest in relation to this item.

#### CM201819/183 OFFICER'S RECOMMENDATION/COUNCIL DECISION

MOVED: CR ARIF

SECONDED: CR MCDONOGH

That Council:

1. Notes the submissions received on the draft Port Hedland Townsite Coastal Hazard Risk Management Adaptation Plan (CHRMAP) and modifications made in response to submissions as outlined in Attachment 1.
2. Adopts the final Port Hedland Townsite CHRMAP included as Attachment 2.
3. Acknowledges that funding implementation of the Port Hedland Townsite CHRMAP will require sourcing external funds, and will require separate Council approval to fund individual substantial projects.

*CARRIED 7/0*

#### PURPOSE

The purpose of this report is for Council to consider submissions received on the Draft Port Hedland Townsite Coastal Hazard Risk Management Adaptation Plan (CHRMAP), adopt the Port Hedland Townsite CHRMAP for final approval, and acknowledge that funding implementation of the plan will require sourcing external funds for individual substantial projects.

#### DETAIL

State Planning Policy 2.6: State Coastal Planning (the Policy) requires local government to prepare for the impacts of coastal erosion and coastal inundation over a 100 year planning horizon. The Policy requires local government to have due regard for its content when making or revising its local planning scheme and assessing development applications. The Policy also requires that local governments prepare CHRMAP's in accordance with the Policy and associated guidelines.

The Port Hedland Townsite CHRMAP has been prepared following extensive community engagement over the past 18 months and recognises both existing properties and assets that are at risk of coastal erosion and inundation, and informs potential future development areas in Port Hedland (some of which are subject to site-specific investigation) based on risk of erosion and inundation.

The Policy indicates a clear preference for relevant authorities to consider a strategy of planned or managed retreat over coastal protection. Planned and managed retreat is aimed at accommodating the impacts of long term sea level rise (current projections of 0.9m by 2110), preserving public beach access and coastal ecosystems, and allowing future decision makers flexibility to change management approaches (unlike hard coastal protection).

In September 2017, the Western Australian Planning Commission (WAPC) released the draft *Planned and Managed Retreat Guidelines* (the Guidelines) to provide guidance as to how planned and managed retreat could be implemented under the existing State legislative and policy framework. The Guidelines recommend the use of voluntary or compulsory acquisition provided for under the *Land Administration Act 1997 (WA)* and *Planning and Development Act 2005 (WA)*.

In reality, this is unlikely to occur in the Town of Port Hedland unless the State or Commonwealth Governments, or industry, provide the majority of funding to acquire property. There is no obligation on Government to adopt a strategy that may invoke a requirement to compensate land owners for loss due to erosion. It is important to note that while the managed retreat option is recommended to be investigated in the Port Hedland Townsite CHRMAP, its implementation will need further investigation with respect to the implications for both Government and private stakeholders. It is also important to note that landowners who may be considering purchasing or developing land in designated hazard areas should not assume that any funds will be forthcoming to support future retreat.

The Port Hedland Townsite CHRMAP document should generally be reviewed every 5 years and the attached version is the first plan of its type to be prepared for Port Hedland. If endorsed by Council, the intention is for Town staff to prioritise implementing actions of the CHRMAP as outlined in section 4.4 (Localised adaptation recommendations). Once endorsed by Council, the first steps to implement the CHRMAP are likely to include:

1. Preparation of a Foreshore Management Plan for Town managed coastal areas within the Port Hedland Townsite with consideration for coastal hazards and risks;
2. Investigate concept designs for interim sand replenishment in erosion hot spot areas;
3. Advocate for external funding opportunities to implement the CHRMAP through grant application processes when they become available;
4. Recognise the CHRMAP within the Town's local planning strategy, scheme and policy framework to inform decisions on development applications; and
5. Continue to engage with affected residents regarding key affected erosion and inundation areas.

## LEVEL OF SIGNIFICANCE

In accordance with Policy 4/009 'Significant Decision Making', this matter is considered to be of medium significance as:

- Coastal erosion, inundation and sea level rise are important strategic issues to consider in the Town's long term planning framework;
- All coastal towns in Western Australia are required to prepare a CHRMAP in accordance with State Planning Policy; and
- The CHRMAP is an important strategy to inform future foreshore management planning, investment in coastal infrastructure and local planning scheme provisions to guide future development in Port Hedland in response to coastal hazards and risks.

## CONSULTATION

### *Internal*

- Elected Members
- Executive Leadership Team
- Manager Town Planning & Development
- Manager Parks, Gardens and Engineering Services

### *External Agencies*

A Project Steering Group comprised of the Town of Port Hedland, Department of Planning, Lands and Heritage, Department of Transport and LandCorp has guided the preparation of the Port Hedland Townsite CHRMAP over the past 18 months.

Stakeholder engagement with all key State Government departments and key local community groups was also carried out at various stages during project development in 2017 and 2018. Ample opportunity was provided to be involved in community workshops and provide written feedback on the CHRMAP document. Several State Government stakeholders provided formal submissions on the final draft CHRMAP as shown in Attachment 1.

### *Community*

Extensive community consultation was carried out during the preparation of the CHRMAP, including:

- A community values survey in November/December 2017 where more than 70 responses were received informing how the Hedland community values the coast;
- A community focus group on 30 November 2017;
- Newspaper advertisements, social media posts and media releases inviting community feedback on coastal values in November/December 2017;
- Community stalls at Port Hedland Boulevard Shopping Centre and South Hedland Shopping Centre in December 2017;
- A multi-criteria analysis session with Elected Members on 6 June 2018 to inform adaptation options in the CHRMAP;

- Three (3) community workshops on 20 October 2018 explaining the CHRMAP to the community and inviting feedback;
- A hard copy letter mailout to all landowners affected by the CHRMAP with Frequently Asked Questions, Executive Summary and invitation to make submissions; and
- A sixty (60) day feedback period for the public to review the draft CHRMAP and provide feedback.

Following the extensive public feedback period on the draft CHRMAP, fifteen (15) formal submissions were received which are included as Attachment 1 of this report. Each submission has been considered and responses to the CHRMAP have been made where appropriate to address the comments received.

## LEGISLATION AND POLICY CONSIDERATIONS

The Port Hedland Townsite CHRMAP has been prepared in accordance with the following legislation and policy:

- *Planning & Development Act 2005*
- *State Planning Policy 2.6 – Coastal Planning*
- *Coastal Hazard Risk Management Adaptation Planning Guidelines*

## FINANCIAL AND RESOURCES IMPLICATIONS

Implementation of the Port Hedland Townsite CHRMAP in its entirety is significantly beyond the capacity of the Town of Port Hedland alone, due to the substantial capital and operational costs associated with interim coastal protection works and/or managed retreat. The recommendation included in this report therefore includes a proviso for Council to acknowledge that funding implementation of the CHRMAP will require sourcing external funds in many instances. Implementation of the CHRMAP will also be recognised in the Town's Long Term Financial Plan which will be presented to Council for endorsement in the coming months.

## STRATEGIC AND SUSTAINABILITY IMPLICATIONS

The following sections of the Town's Strategic Community Plan 2018-2028 are applicable in the consideration of this item:

- 3.a.1** Traditional owners, key stakeholders, and the community are informed and actively involved in the protection and enhancement of the natural environment
- 3.a.2** Biodiversity is understood by the community and protected
- 3.a.3** Natural resource assets are well-managed and enhanced
- 3.b.1** The present and future needs for serviced land and infrastructure provision are identified, planned and developed
- 3.b.2** Emergencies such as cyclones are prepared for, educated about, responded to and recovered from in partnership with key agencies
- 3.b.4** Innovation and resilience of the built form are encouraged, assessed and implemented
- 4.b.1** Sound long-term financial planning is implemented

- 4.c.4** Efficiency strategies across the Town's infrastructure and amenity assets are implemented

*Environmental*

The CHRMAP is a proactive environmental plan that considers coastal hazards. It recognizes sensitive areas of the coast such as the turtle nesting habitat and responds accordingly to ensure any response strategies to erosion in these areas ensures ongoing suitability for turtle nesting.

*Economic*

The CHRMAP acknowledges where there is a high risk of damage to assets in modelled erosion and inundation areas, and recognizes the economic value of personal investment in property and commercial investment in business. The CHRMAP weighs up the cost of protection versus retreat in vulnerable areas. The actions proposed in the CHRMAP will ensure that personal and business interests in assets are planned for appropriately, in both existing urban areas and proposed urban expansion areas.

*Social*

The Town actively sought to engage the community over the past 18 months during preparation of the CHRMAP. Implementation of the CHRMAP is likely to require ongoing community engagement, particularly for property owners located in areas most at risk from coastal hazards. The Town will continue engagement during implementation of the CHRMAP.

*Disability Access and Inclusion Plan*

The following outcome of the Town's Disability Access and Inclusion Plan 2017-2022 apply in relation to this item:

Outcome 2 – Buildings and Facilities

*Corporate Business Plan*

The following actions of the Town's Corporate Business Plan 2018-2022 apply in relation to this item:

- 3.b.1.2** Identify and manage coastal hazards and flood risks

**RISK MANAGEMENT CONSIDERATIONS**

The Port Hedland Townsite CHRMAP has a risk management framework contained within the strategy itself which provides a regional assessment of risk of coastal erosion, inundation and sea level rise and damage to public and private assets and values based on a number of scenarios. The adaptation actions contained within the strategy aim to mitigate these risks.

There are compliance and reputational risks associated with not adopting the Port Hedland Townsite CHRMAP as all coastal towns in Western Australia are required to prepare a CHRMAP based on State Planning Policy 2.6 - Coastal Planning. The CHRMAP is required to be endorsed by Council to unlock potential Landcorp development areas to accommodate future urban growth in Port Hedland. Endorsement of the CHRMAP is also required to prioritise immediate actions to mitigate erosion and flooding risks to prone areas within the townsite. The risk rating is considered to be High (12) which is determined by a likelihood of Possible (3) and a consequence of Major (4).

The risk will be mitigated by adoption of the officer's recommendation.

#### OPTIONS

*Option 1 – Adopt officer's recommendation*

*Option 2 – Amend officer's recommendation*

*Option 3 – Do not adopt officer's recommendation*

#### CONCLUSION

The Port Hedland Townsite CHRMAP has been prepared over the course of the past 18 months and has involved extensive consultation with the community. The CHRMAP provides a framework to investigate actions and prioritise key erosion and inundation areas within Port Hedland over the short, medium and long term. The plan is a proactive approach to environmental issues associated with the coast, and has been prepared in accordance with the relevant state planning framework. It is recommended that Council adopts the CHRMAP included as Attachment 2 of this report.

#### ATTACHMENTS

1. Schedule of Submissions (Under Separate Cover)
2. Port Hedland Townsite CHRMAP (Under Separate Cover)

**11.2.4 Award of Tender 2018-26 'Aboriginal and Torres Strait Islander Liaison Consultants Panel' (File No. 01/05/0006)**

Author Senior Partnerships and Engagement Officer  
Authorising Officer Director Development, Sustainability and Lifestyle  
Disclosure of Interest The Author and Authorising Officer declare that they do not have any conflicts of interest in relation to this item.

**CM201819/184 OFFICER'S RECOMMENDATION/COUNCIL DECISION****MOVED: CR ARIF****SECONDED: CR WHITWELL**

That Council endorse the recommendation of the evaluation panel and award RFT 2018-26 Aboriginal and Torres Strait Islander Liaison Consultants Panel to Bloodwood Tree Association Inc, Marapikurrinya Pty Ltd, Wangka Maya Pilbara and Aboriginal Language Centre. The contract is for an initial period of one (1) year with two (2) x twelve (12) month extensions at the discretion of the Town.

*CARRIED 7/0***PURPOSE**

The purpose of this report is for Council to consider the summary of the assessment of submissions received for RFT 2018-26 Panel for Aboriginal and Torres Strait Islander Liaison Consultants and consider endorsing the evaluation's panel recommendation to the preferred panel.

**DETAIL**

The Town of Port Hedland (Principal) is seeking to appoint a panel of suppliers for Aboriginal and Torres Strait Islander Liaison Consultants who can provide services within the Town boundaries. The panel of pre-qualified suppliers provide a greater efficiency in the delivery of committed works scoped and allows the Town to select specialized consultants in a more accurate and efficient manner.

Each contract will be awarded to the respondent that had best demonstrated the ability to provide quality services at a competitive price. Each respondent has been assessed in each of the different categories and it will be attempted to share the work where possible. The quoted prices were assessed together with the qualitative and compliance criteria that determined the most advantageous outcome to the Town.

The Town intends to utilise the panel for all works under the specification, though it reserves the right to return to the market where deemed necessary. As a result, the Town cannot ensure exclusivity for the works, goods or services specified.

#### *Request for a Panel of Pre-Qualified Suppliers*

The Town released the documentation for RFT 2018-26 Aboriginal and Torres Strait Islander Liaison Consultants Panel on Wednesday 14 November 2018, which was seeking to appoint a panel of professional Aboriginal and Torres Strait Islander Liaison Consultants to assist with potential work that includes the following tasks:

#### Facilitation – organisation

- Welcome to Country/Acknowledgement of Country
- Aboriginal & Torres Strait Islander (ATSI) Forum:
- Cultural Awareness Training
- Meetings with Aboriginal and Torres Strait Islander Elders and community groups
- Aboriginal and/or Torres Strait Islander Celebrations-Events

#### Liaison services

- Interpreter
- Cultural Liaison

#### General engagement/ consultation

- Engagement activities
- Consultation processes

#### Policy and guidelines review

- Reconciliation Action Plan (RAP):
- Other Regulatory Documents

The RFT was released on Vendorpanel (the Town's e-tendering portal) on Wednesday 14 November 2018 and was advertised in the West Australian and the North West Telegraph on the same day, with a closing date of 9 January 2019.

The Town received five (5) submissions for RFT 2018-26. The respondents were as follows:

1. Bloodwood Tree Association Inc
2. Marapikurrinya Pty Ltd
3. Wangka Maya Pilbara Aboriginal Language Centre
4. Julyardi Aboriginal Corporation (*withdrawn*)
5. Deborah Wilson Consulting Services Pty Ltd

Of the submissions received, one (1) was deemed non-compliant. The remaining respondents provided compliant tender responses.

*RFT Assessment*

All compliant tender submissions have been evaluated by a panel of three (3) Town employees, as per the confidential evaluation report, whose main objectives were:

- a) Make a recommendation to the Executive Leadership Team as to the respondents that best represent value for money.
- b) Ensure the tender submissions are assessed fairly in accordance with a predetermined weighting schedule;
- c) Ensure adherence to Local Government policies and legislation; and
- d) Ensure that the requirements specified in the request are evaluated in a way that can be measured and documented.

The compliant submissions were assessed against the qualitative criteria as listed in the below table:

Qualitative Criteria	(%)
Relevant Experience	30%
Methodology	30%
Local content	25%
Key personnel skills & organisation capacity/resources	15%
TOTAL	100%

A summary of the assessment results of each submission received is included in the confidential evaluation report attached.

**LEVEL OF SIGNIFICANCE**

In accordance with Policy 4/009 'Significant Decision Making', this matter is considered to be of medium significance, because its award affects directly some of our more renowned local Aboriginal residents and potentially our broad Aboriginal and Torres Strait Islander population. For this reason no community consultation is required.

**CONSULTATION***Internal*

- Community Engagement Team
- Procurement Team
- Executive Leadership Team – Procurement Plan presented on 02 November 2018

*Community*

The RFT was released on Vendorpanel (the Town's e-tendering portal) on Wednesday 14 November and was advertised in the West Australian and the North West Telegraph on the same day with a closing date of 9 January 2019.

A non-mandatory meeting was conducted on 28 November 2018 at 10:00am. Several Vendorpanel sessions were also conducted to provide support to the participants during the month of December 2018.

Several awareness and training sessions were scheduled with no attendance at these meetings.

#### LEGISLATION AND POLICY CONSIDERATIONS

The *Local Government (Functions and General) Regulations 1996* and Town of Port Hedland's Procurement Policy were observed when preparing and awarding this RFT.

The *Local Government (Functions and General) Regulations 1996* part 4, division 3 provide statutory requirements for the release, assessment and award of panels of pre-qualified suppliers.

RFT 2018-26 was conducted in accordance with the following policies:

- The Town of Port Hedland's Purchasing Policy 2/007;
- Regional Price Preference Policy 2/016; and
- Panels of Pre-Qualified Suppliers Policy 2/022.

The evaluation report and corresponding details relating to the respondents' offers are deemed confidential pursuant to section 5.23 (c) and (e) of the *Local Government Act 1995*.

Successful contractors must abide by the Town's Code of Conduct while carrying out works for the Town.

#### FINANCIAL AND RESOURCES IMPLICATIONS

The forecast of the total cost of the Aboriginal and Torres Strait Islander tasks for the first year is of \$60,000. The second and third year the cost is expected to be reduced.

#### STRATEGIC AND SUSTAINABILITY IMPLICATIONS

The following section of the Council's Strategic Community Plan 2018-2028 is applicable in the consideration of this item:

- 2.c.3** Local procurement is prioritised and promoted across industry and agencies

There are no significant identifiable environmental, social or economic impacts relating to this item.

## RISK MANAGEMENT CONSIDERATIONS

There is a risk rating of Medium (8), determined by a likelihood of Likely (4) and a consequence of Minor (2) assigned to the risk that there could be a financial and reputation ramifications if the Town does not allocate the work contracts appropriately and provides proper communication to all panel members.

To reduce this risk, the action plan is to try, distributing the workload evenly among the assessed suppliers when possible.

## OPTIONS

*Option 1 – Adopt officer's recommendation*

*Option 2 – Amend officer's recommendation*

*Option 3 – Do not adopt officer's recommendation*

That Council does not award and endorse the recommendation of utilising a preferred panel of pre-qualified suppliers and instead opts to request individual quotations or tenders every time Aboriginal and/or Torres Strait Islander consultant services are required. This option is not supported by Officers due to the lack of transparency, the increase in administrative effort, the potential delay in the project commencement and the higher cost of engaging suppliers on an ad hoc basis.

## CONCLUSION

Town Officers recommend the awarding of RFT 2018-26 to the preferred panel of pre-qualified suppliers indicated in the Evaluation Report. They have met and exceeded all selection criteria requirements and represent the best value for money for the Town of Port Hedland.

## ATTACHMENTS

1. Evaluation Report (Confidential, under separate cover)
2. Memo – Withdrawal of Submission (Confidential, under separate cover)

**11.2.5 Award of Tender 2018-44 'Port Hedland Courthouse Gallery Operations' (File No. 26/13/0040)**

Author	Manager Marketing Events and Communications
Authorising Officer	Director Development Sustainability and Lifestyle
Disclosure of Interest	The Author and Authorising Officer declare that they do not have any conflicts of interest in relation to this item.

**CM201819/185 OFFICER'S RECOMMENDATION/COUNCIL DECISION****MOVED: CR MCDONOGH****SECONDED: CR WHITWELL**

That Council endorse the recommendation of the evaluation panel and award RFT 2018-44 Port Hedland Courthouse Gallery Operations to The Junction Co. for a projected contract term of two years to the value of \$1,050,000 (excluding GST), with three (3) x twelve (12) month optional extensions (maximum value of \$2,500,000 excluding GST).

*CARRIED 7/0***PURPOSE**

The purpose of this report is for Council to consider a summary of the assessment of submissions received for RFT 2018-44 Port Hedland Courthouse Gallery Operations and consider the evaluation panel's recommendation to award the tender to the preferred tenderer.

**DETAIL**

The Town released a Request for Tender (RFT) on 16 January 2019 requesting suitably qualified and experienced individuals/companies/not for profit/community groups to manage the Courthouse Gallery (Gallery).

The current management is by FORM Building a State of Creativity with existing contractual arrangements for the operation of the facility expiring in June 2019. FORM have managed the Gallery since 2006 and the Visitor Centre since 2012.

The Gallery is located at 16 Edgar Street, Port Hedland and the Town of Port Hedland (Town) wishes to maintain this as the location for a community arts centre/gallery.

The Gallery fulfils an integral role in activating the Town's West End as an artistic, historical and cultural precinct.

The RFT outlined changes to the current service which could include more community workshops and programs for local audiences, increased number of community arts activities and programs outside of the gallery, better partnerships with local arts organisations and more locally produced retail products for sale.

The key deliverables specified include:

- Exhibitions and sale of local art
- Annual community art awards
- Programming including presentations and workshops
- Partnerships with local organisations/ schools
- Activation of area around the facility

The RFT was released on Vendorpanel (the Town's e-tendering portal) on 16 January 2019 and was advertised in the West Australian and the North West Telegraph on Wednesday 16 January with a closing date of 28 February 2019.

Tender submissions were received by the following three (3) organisations:

1. HARTZ Hedland Arts Council
2. Overwrought Garden Art
3. The Junction Co.

Of the submissions received, one (1) was rejected due to non-compliance with mandatory criteria. The remaining respondents provided compliant tender responses.

*Tender Assessment*

All compliant tender submissions have been evaluated by a panel of three (3) Town employees, as per the confidential evaluation report, whose main objectives were:

- a) Make a recommendation to Council.
- b) Ensure the tender submissions are assessed fairly in accordance with a predetermined weighting schedule;
- c) Ensure adherence to Local Government policies and legislation; and
- d) Ensure that the requirements specified in the request are evaluated in a way that can be measured and documented.

The compliant submissions were assessed against the qualitative criteria as listed in the below table:

Qualitative Criteria	(%)
Relevant experience	30%
Capacity to deliver and methodology	40%
Local content	30%

A summary of the assessment results of each submission received is included in the confidential evaluation report attached.

## LEVEL OF SIGNIFICANCE

In accordance with Policy 4/009 'Significant Decision Making', this matter is considered to be of medium significance, because its approval will have positive impacts on the arts and culture opportunities and programs provided by the Town.

## CONSULTATION

### *Internal*

The following internal stakeholders have been consulted during the RFT process:

- Procurement team
- Executive Leadership Team
- Manager Environmental Health and Community Safety
- Senior Property Management
- Senior Records Officer
- Community Engagement team

### *External Agencies*

- BHP
- FORM

### *Community*

The RFT was released to the community via Vendorpanel (the Town's e-tendering portal) on 16 January 2019 and was advertised in the West Australian and the North West Telegraph on 16 January 2019 with a closing date of 28 February 2019.

## LEGISLATION AND POLICY CONSIDERATIONS

Section 3.57 of the *Local Government Act 1995*, and division 2 of the *Local Government (Functions and General) Regulations 1996* apply in relation to the invitation of tenders.

The evaluation report and corresponding details relating to the respondents offers are deemed confidential pursuant to section 5.23 (c) and (e) of the *Local Government Act 1995*.

The following Town policies were considered in relation to this tender:

- 2/007 'Purchasing'
- 2/016 'Regional Price Preference'

Successful contractors must abide by the Town's Code of Conduct while carrying out works for the Town.

## FINANCIAL AND RESOURCES IMPLICATIONS

The management fee for the Courthouse Gallery is approved for in the Town's FY 2018/19 budget adoption. The draft FY 2019/20 budget includes consideration for the new management fee.

## STRATEGIC AND SUSTAINABILITY IMPLICATIONS

The following sections of the Council's Strategic Community Plan 2018-2028 are applicable in the consideration of this item:

- 1.c.1* The community, industry, arts and cultural organisations are engaged to identify, plan and coordinate events and activities
- 1.c.2* Events and activities to celebrate the Town's cultural heritage, arts and Pilbara lifestyle are consistently programmed and delivered
- 1.d.3* Facilities and community infrastructure are well maintained, managed and fit for purpose to provide a range of lifestyle opportunities

### *Social*

*There are social benefits from having high quality arts and culture facilities and experiences available to the community. The Courthouse Gallery fulfils an integral role in activating the Town's West End as an artistic, historical and cultural precinct.*

### *Disability Access and Inclusion Plan*

The following outcomes of the Town's Disability Access and Inclusion Plan 2017-2022 apply in relation to this item:

- Outcome 1 – Services and Events
- Outcome 2 – Buildings and Facilities
- Outcome 4 – Quality of Service

## RISK MANAGEMENT CONSIDERATIONS

There is a reputational risk associated with this item because failing to award a new management contract would mean the Town is unable to keep this facility open after 1 July 2019, causing a decrease in the community's perception of the Town's services. The risk rating is considered to be Moderate (10) which is determined by a likelihood of almost certain (5) and a consequence of minor (2).

This risk will be eliminated by the adoption of the officer's recommendation.

## OPTIONS

*Option 1 – Adopt officer's recommendation*

*Option 2 – Amend officer's recommendation*

*Option 3 – Do not adopt officer's recommendation*

## CONCLUSION

Town Officers recommend the awarding of RFT2018-44 to the preferred tenderer indicated in the Tender Evaluation Report.

The preferred tenderer has provided a strong methodology for program delivery across a broad range of arts and culture programs. They have met and exceeded all selection criteria requirements and also represent best value for money for the Town.

## ATTACHMENTS

1. Evaluation Report (Confidential, under separate cover)



## CR201819/188 COUNCIL DECISION

MOVED: CR HEBBARD

SECONDED: CR WHITWELL

That Council open the meeting to members of the public.

*CARRIED 6/0*

## CM201819/187 COUNCIL DECISION

MOVED: CR MCDONOGH

SECONDED: CR DACCACHE

That Council lay item 11.2.6 'Award of Tender 2018-45 'Provide Operational Services for Port Hedland Visitors Centre' on the table pending additional information and request the item be presented at the next Council Meeting.

*CARRIED 6/0*

6.38pm Councillor Arif returned to the room and resumed her chair.

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## PURPOSE

The purpose of this report is for Council to consider the summary of the assessment of submissions received for Tender RFT 2018-45 for the provision of operational services for Port Hedland Visitor Centre and consider the evaluation panel's recommendation to award the tender to the preferred tenderer.

## DETAIL

The Town released an Expression of Interest on 16 January 2019 requesting suitably qualified and experienced individuals / companies / not for profit /community groups to manage the Port Hedland Visitor Centre with an integrated approach to the planning and delivery of services and programs.

The current management is by FORM Building a State of Creativity with existing contractual arrangements for the operation of the facility expiring in June 2019. FORM have managed the Visitor Centre since 2012.

The Visitor Centre is located at 13 Wedge Street, Port Hedland. The Town is open to operating the Centre from its existing premises or at an alternate location. Respondents were asked to provide details of any other proposed sites.

The RFT outlined provision of services to be provided by the Visitor Centre. These services include:

- A friendly and professional face to face welcome visitors with a consistently high quality, free information service to provide visitors to Port Hedland with insights into the region and distribute information about tourist product available in the region.
- A comprehensive range of local, regional and state wide brochures, maps and directional information both in hard copy and available electronically.
- Information and booking services for accommodation and tours.
- Information on attractions, events, retail outlets, local services, road conditions and transport options.
- A web presence and digital strategy to educate and attract visitors to the local area.
- Availability of quality souvenirs/merchandise appropriate for the region.
- Open to the public Monday to Friday from 9am-4:30pm and Saturdays from 9am-2pm.
- Employs an appropriate number of staff experienced in visitor servicing, tourism or other relevant service delivery area.

An Expression of Interest was released on Vendorpanel and advertised in both the West Australian and North West Telegraph on 16 January 2019 with a closing date of 28 February 2019.

There were four (4) submissions received against the below contractors:

1. The Tourism Group
2. Port Hedland Seafarers Centre
3. Tourism Naturally Pty Ltd
4. Camp Management Services Pty Ltd

The Expression of Interest process is done in two (2) stages. Once all of the Expressions are assessed and evaluated, the preferred respondents are sent a Request for Tender. In this instance the panel selected all four (4) Expressions to submit a Request for Tender for further details on fixed pricing.

#### *Tender Assessment*

All compliant tender submissions have been evaluated by a panel of three (3) Town employees whose main objectives were:

- a) Make a recommendation to the Council.
- b) Ensure the tender submissions are assessed fairly in accordance with a predetermined weighting schedule;
- c) Ensure adherence to Local Government policies and legislation; and
- d) Ensure that the requirements specified in the Request are evaluated in a way that can be measured and documented.

The compliant submissions were assessed against the qualitative criteria as listed in the below table:

Qualitative Criteria	(%)
Relevant experience	30%
Capacity to deliver and resources	30%
Key personnel and skills	20%
Demonstrated understanding and methodology	20%

A summary of the assessment results of each submission received is included in the confidential evaluation report attached.

### LEVEL OF SIGNIFICANCE

In accordance with Policy 4/009 'Significant Decision Making', this matter is considered to be of medium significance, because its approval will have positive impacts on the visitor services provided by the Town.

### CONSULTATION

#### *Internal*

The following internal stakeholders have been consulted during the RFT process:

- Procurement team – discussions with the procurement team have been ongoing throughout the course of the Request for Tender process.
- Executive Leadership Team – approved the procurement process
- Manager Environmental Health and Community Safety – advice on environmental considerations and licencing requirements
- Senior Property Management – provided advice on the facility management agreement.
- Senior Records Officer - Provided access to historical records of management contracts.
- Community Engagement team – provided advice on contractor requirements to ensure equitable access for people with a disability.

#### *External Agencies*

- BHP - Discussed ongoing management of the Courthouse Gallery.
- FORM – To discuss the Town's intention to tender for the management of this facility at the end of the current period.

#### *Community*

An Expression of Interest was released on Vendorpanel and advertised in both the West Australian and North West Telegraph on 16 January 2019 with a closing date of 28 February 2019.

## LEGISLATION AND POLICY CONSIDERATIONS

Section 3.57 of the *Local Government Act 1995*, and division 2 of the *Local Government (Functions and General) Regulations 1996* apply in relation to the invitation of tenders.

The evaluation report and corresponding details relating to the respondents offers are deemed confidential pursuant to section 5.23 (c) and (e) of the *Local Government Act 1995*.

The following Town policies were considered in relation to this tender:

- 2/007 'Purchasing'
- 2/016 'Regional Price Preference'

Successful contractors must abide by the Town's Code of Conduct while carrying out works for the Town.

## FINANCIAL AND RESOURCES IMPLICATIONS

The management fee for the Port Hedland Visitor Centre is approved for in the Town's FY 2018/19 budget adoption. The draft FY 2019/20 budget includes consideration for the new management fee.

## STRATEGIC AND SUSTAINABILITY IMPLICATIONS

The following sections of the Council's Strategic Community Plan 2018-2028 are applicable in the consideration of this item:

- 1.d.3** Facilities and community infrastructure are well maintained, managed and fit for purpose to provide a range of lifestyle opportunities
- 4.a.2** Town of Port Hedland is marketed and promoted locally, state-wide, nationally and internationally to tourists and investors
- 4.a.3** A positive narrative and unique brand is developed and promoted
- 4.c.1** High quality and responsive customer service is provided
- 4.c.2** Community members, business and tourists are engaged to provide feedback about local facilities and services

### *Disability Access and Inclusion Plan*

The following outcomes of the Town's Disability Access and Inclusion Plan 2017-2022 apply in relation to this item:

- Outcome 1 – Services and Events
- Outcome 2 – Buildings and Facilities
- Outcome 4 – Quality of Service

## RISK MANAGEMENT CONSIDERATIONS

There is a reputational risk associated with this item because failing to award a new management contract would mean the Town is unable to keep this facility open following 1 July 2019, causing a decrease in the community's perception of the Town's services. The risk rating is considered to be Moderate (8) which is determined by a likelihood of unlikely (2) and a consequence of major (4).

This risk will be eliminated by the adoption of the officer's recommendation.

## OPTIONS

*Option 1 – Adopt officer's recommendation*

*Option 2 – Amend officer's recommendation*

*Option 3 – Do not adopt officer's recommendation*

## CONCLUSION

Town Officers recommend the awarding of RFT2018-45 to the preferred tenderer indicated in the Tender Evaluation Report.

The preferred tenderer has provided a strong methodology for service delivery and have proven experience in the tourism industry. They have met and exceeded all selection criteria requirements and their thorough proposed program represents best value for money for the Town.

## ATTACHMENTS

1. Evaluation Report (Confidential, under separate cover).

### 11.3 Infrastructure and Town Services

#### 11.3.1 Award of RFQ 1819058 'Safer Community's CCTV Network Upgrades' (File No. 15/08/0004)

Author	Project Officer
Authorising Officer	Director Infrastructure and Town Services
Disclosure of Interest	The Author and Authorising Officer declare that they do not have any conflicts of interest in relation to this item.

#### CM201819/189 OFFICER'S RECOMMENDATION/COUNCIL DECISION

MOVED: CR HEBBARD

SECONDED: CR MCDONOGH

Endorse the recommendation of the evaluation panel and award RFQ 1819058 for the Safer Community's CCTV Network Upgrades to Avantgarde Technologies for an amount of \$503,030 (excluding GST).

*CARRIED 7/0*

#### PURPOSE

The purpose of this report is to consider the award of Request for Quote (RFQ) 1819058 to upgrade the Town's CCTV Network. This work will include additional locations and cameras being added to the CCTV network, and integrating them so they can be monitored by the Police on a 24 hour basis.

#### DETAIL

The Town was successful in its grant application to the Commonwealth Government to upgrade its CCTV system. A Commonwealth Grant Agreement was signed between the Town and the Department of Industry, Innovation and Science in June 2018.

Community Safety has been, and continues to be the number one priority in the community. This was again reinforced through the consultation undertaken in the data gathered for the Strategic Community Plan (2018 – 2028) and also more recently (Nov 2018) when another community survey was undertaken.

The Town used the WALGA preferred supplier contract for the procurement of the CCTV equipment and services. The Request for Quote (RFQ) was sent to 5 companies.

The scope of works in the RFQ included upgraded works and improvements for the CCTV network in the vicinity of the following sites.

Location	Upgrade
South Hedland Skate Park	2 new cameras
Centenary Park (South Hedland)	2 new cameras
McDonald's Carpark	2 new cameras
McLarty Boulevard	2 new cameras and pole
Marquee Park	Interconnect existing cameras onto CCTV network
Wilson St and McGregor St (Boulevard Shopping Centre)	2 new cameras and pole
Great Northern Highway (near Walkabout Hotel)	2 new cameras and pole
Wanangkura Stadium	Upgrade 13 cameras and connect all cameras to CCTV network

These locations were based on the Town's successful grant application to the Commonwealth Government, and these sites subsequently formed the grant's milestones which have to be achieved.

*Request for Quote*

The Request for Quote 1819058 for the Safer Community's CCTV Network Upgrades was released on 20 March 2019 through the WALGA preferred contractors listing. The RFQ submissions closed on 11 April 2019 there was one (1) submission received.

*Quote Assessment*

The quote was compliant and has been evaluated by a panel of three (3) Town employees whose main objectives were:

- Make a recommendation to Council;
- Ensure the quote submissions are assessed fairly in accordance with a predetermined weighted schedule;
- Ensure adherence to Local Government policies and legislation; and
- Ensure that the requirement specified in the Request for Quote were evaluated in a way that can be measured and documented.

XCY Pty Ltd were engaged as a subject matter expert to assist with the technical analysis of the submissions and were a non-voting member.

The quote was deemed compliant and was assessed against the qualitative criteria as listed on the table below.

Criteria	%
Capacity to Deliver & Resources	50%
Relevant Experience	30%
Key Personnel & Skills	20%
TOTAL	100%

A summary of the assessment results of submissions received for RFQ1819058 for the Safer Community's CCTV Network is included in the confidential attachment.

## LEVEL OF SIGNIFICANCE

In accordance with Policy 4/009 'Significant Decision Making', this matter is considered to be of moderate significance, because of the financial cost and the level of community interest in public safety.

## CONSULTATION

### *Internal*

- Procurement Plan presented to the Executive Leadership Team on 25<sup>th</sup> February 2019
- ICT staff
- Governance / Procurement staff
- Project Management

### *External Agencies*

The WA Police were consulted on their preferred sites during the development of the successful grant application. These sites then formed the basis of the RFQ's scope of works.

The Town did not and does not have the internal expertise to develop the scope of works for the grant application for the RFQ. Avantgarde Technologies, who provided the content for the Town's successful application to the Commonwealth Government, where engaged to assist with this aspect.

XCY Pty Ltd were consulted to peer review the final RFQ document prior to it being circulated. This was deemed important to ensure that the document was clear and broad enough so that companies could respond. XCY Pty Ltd were also engaged as the subject matter expert for the assessment of the RFQ submissions.

## LEGISLATION AND POLICY CONSIDERATIONS

Section 3.57 of the *Local Government Act 1995*, and division 2 of the *Local Government (Functions and General) Regulations 1996* apply in relation to the invitation of tenders.

## FINANCIAL AND RESOURCES IMPLICATIONS

The Town was successful in obtaining grant monies from the Commonwealth Government for these works. The total grant monies/budget available is \$514,344 excluding GST.

## STRATEGIC AND SUSTAINABILITY IMPLICATIONS

The following section/s of the Council's Strategic Community Plan 2018-2028 are applicable in the consideration of this item:

- 1.a.5* Agencies and the community are fully engaged to reduce anti-social behaviours and improve community safety.
- 1.a.6* Town-wide health, safety, recreation and sporting activities and services
- 1.d.2* Facilities and community infrastructure are revitalised across the Town.

### *Economic*

If the Town does not proceed with selecting a company to undertake the works, it risks losing the grant monies.

### *Social*

Having a safer community is an area that constantly ranks highly when community surveys are undertaken. Increasing the CCTV network and providing Police with 24 hour vision of identified sites, is a positive step towards improving community safety in Port and South Hedland.

There are no identifiable environmental impacts associated with this item.

## RISK MANAGEMENT CONSIDERATIONS

There is a potential financial and reputational risk associated with this item because the Town could lose the grant monies if it does not execute the works in a timely manner. This would then cause reputational risk for the organisation. The risk rating is considered to be Medium (8).

## OPTIONS

*Option 1 – Adopt officer's recommendation*

*Option 2 – Amend officer's recommendation*

*Option 3 – Do not adopt officer's recommendation*

## CONCLUSION

It is recommended that Council award RFQ 1819058 for the Safer Community's CCTV Network Upgrade to the preferred tenderer indicated in the Tender Evaluation Report. This company have met all selection criteria requirements and also represent best value for money for the Town of Port Hedland.

## ATTACHMENTS

1. Evaluation Report (Confidential, under separate cover)

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Item 12 Reports of Committees

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Nil

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Item 13 Motions of Which Previous Notice Has Been Given

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Nil

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Item 14 New Business of an Urgent Nature

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Nil

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Item 15 Matters for Which Meeting May Be Closed (Confidential Matters)

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6.42pm Councillor Daccache declared a financial interest as he has family members who work at the airport and left the room.

**15.1 Port Hedland International Airport Legal Entity Structure (*File No. 20/01/0087*)**

CM201819/190 COUNCIL DECISION

MOVED: CR HEBBARD

SECONDED: CR MCDONOGH

That Council close the meeting to members of the public as prescribed in section 5.23(2) of the Local Government Act 1995, to consider item 15.1 'Port Hedland International Airport Legal Entity Structure'.

*CARRIED 6/0*

CM201819/191 OFFICER'S RECOMMENDATION/COUNCIL DECISION

MOVER: CR ARIF

SECONDED: CR CARTER

That Council:

1. Note discussions with AMP Capital in regards to the possible acquisition of AMP Capital's 50% interest in the Port Hedland International Airport legal entity structure;
2. Note the legal advice and the financial analysis on AMP Capital's interest in Port Hedland International Airport received by the Town's Administration from its legal representatives and the Western Australian Treasury Corporation respectively;
3. Note the technical advice received from the Town's Executive Leadership Team;
4. Request the Chief Executive Officer or his delegate to formally advise AMP Capital in writing it has declined to proceed based on the advice noted under points 2 and 3 above.

*CARRIED 6/0*

CR201819/192 COUNCIL DECISION

MOVED: CRMCDONOGH

SECONDED: CR HEBBARD

That Council open the meeting to members of the public.

*CARRIED 6/0*

6.43pm Councillor Daccache returned to the room and resumed his chair.

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Item 16 Closure

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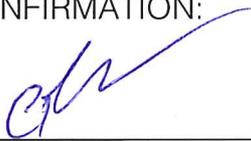
16.1 Date of Next Meeting

The next Ordinary Meeting of Council will be held on Wednesday 22 May 2019 commencing at 5:30pm, with the Public Agenda Briefing being held on Wednesday 15 May 2019 commencing at 5:30pm.

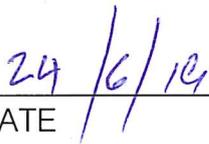
16.2 Closure

There being no further business, the Deputy Mayor declared the meeting closed at 6.44pm.

CONFIRMATION:



\_\_\_\_\_  
MAYOR



\_\_\_\_\_  
DATE