



TOWN OF PORT HEDLAND

ORDINARY COUNCIL MEETING MINUTES

**WEDNESDAY 28 OCTOBER 2015 AT
5:30PM**

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

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

*M.J. (Mal) Osborne
Chief Executive Officer*

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ITEM 1 OPENING OF MEETING

The Mayor declared the meeting open at 5:32pm.

ITEM 2 ACKNOWLEDGMENT OF TRADITIONAL OWNERS

The Mayor acknowledged the traditional owners, the Kariyarra people.

ITEM 3 RECORDING OF ATTENDANCE**3.1 Attendance***Elected Members*

Mayor Kelly Howlett
Councillor Camilo Blanco (Deputy Mayor)
Councillor Jan Gillingham
Councillor David Hooper
Councillor Julie Arif
Councillor Lorraine Butson
Councillor Troy Melville
Councillor Louise Newbery
Councillor Richard Whitwell

Officers

Mal Osborne	Chief Executive Officer
Sid Jain	Director Corporate Services
Sara Bryan	Manager Property and Asset Strategy
Adam Majid	Manager Development Services
Josephine Bianchi	Governance Coordinator
Anna Hoebergen	Minute Taker

Members of the Public	14
Media	1
Officers	16

Mayor also thanked retiring Councillors Gloria Jacob and George Daccache

3.2 Apologies

Nil

3.3 Approved Leave of Absence

Nil

ITEM 4 RESPONSE TO PREVIOUS QUESTIONS**4.1 Questions from Public at Ordinary Council Meeting held on Wednesday 23 September 2015**

4.1.1 Mr Frank Parker

What rules apply and what actions are taken by this Council to ensure correct procedures are taken when applying for building permits?

Manager Development Services advised that in the state of Western Australia, the rules that apply to building permits are set out in the Building Act 2011 (as amended) (Act) and associated Building Regulations 2012 (as amended) (Regulations). Pursuant to Section 9 of the Act, a person must not do building work without first having obtained a Building Permit.

Section 14(1) of the Act details, generally, that a person may apply for a certified application to do building work involving any classification of building or incidental structure. Additionally, Section 14(2) also details that a person may apply for an uncertified application for building work involving a building or incidental structure of which is a prescribed classification of building. Regulation 15 of the Regulations outlines that a prescribed building classification for the purposes of Section 14(2) of the Act is a Class 1a (single dwelling) and Class 10 (outbuilding(s), fence, swimming pool and the like).

Section 16 of the Act details from (a) to (m) the information required by a person in order to be able to submit an application for a permit. These requirements are further clarified, in part, pursuant to Regulation 16 of the Regulations.

Given that all of the above is contained within legislation as gazetted by the State of Western Australia, these rules apply to all persons, including the Crown, who wish to undertake building work within Western Australia.

With respect what actions the Council takes to ensure correct procedures are taken, the Council through the Town of Port Hedland (Town) administration, employs suitably qualified personnel to govern and control the building permit processes. Furthermore, the Town provides detailed information through its website, including numerous checklists to assist individuals when preparing to submit an application for a permit. In all cases, all members of the public are welcomed to engage with staff, in person, to go through any other aspect of an application prior to submitting the same.

4.2 Questions from Elected Members at Ordinary Council Meeting held on Wednesday 23 September 2015

4.2.1 Councillor Gillingham

What is being planned for the mowed greenbelt area on Athol Street in Cooke Point?

Director Works and Services advised that there is a proposed development by Landcorp which is currently in the concept plan stage.

ITEM 5 PUBLIC TIME

Important note:

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

Mayor opened Public Question Time at 5:35pm.

5.1 Public Question Time

5.1.1 Mr John Peters

On behalf of the Ratepayers' Association I wish to ask whether the Town is considering appointing a financial body for the Port Hedland International Airport for the purpose of overseeing and deciding on the expenditure and income of the \$150M lease payment for the airport? Can the Ratepayers Association be involved in the establishment of this body?

Mayor advised that due to the caretaker situation the Town has had to wait to start this process. Now that the election has taken place a consultation process can commence in full haste and the Town will make sure that the Port Hedland Ratepayers' Association and the Port Hedland Progress Association will be actively involved in the establishment of this body. The working group members already involved in this process before the caretaker period will be invited to become part of it.

Chief Executive Officer advised that the Town is seeking information from the Western Australian Treasury Corporation and the National Australia Bank has also offered some advice on how to set up trusts. The Town will bring this information to Elected Members via way of a briefing, followed by an item to Council to commence the formal process, probably in November.

Mayor further advised that the Town will be mindful of the consultation process given that the Christmas break is fast approaching.

Chief Executive Officer advised that the Town will endeavour to commence this process as quickly as possible, and that no engagement will take place over the late December early January period.

5.1.2 Mr Troy Rocavert

I have a question in relation to agenda item 12.3.5 'Rates Concession Application by the Port Hedland Peace Memorial Seafarers Centre for 60 A & B Goode Street, Port Hedland'. After having conducted some research I have noticed that similar not-for-profit organisations to the Port Hedland Seafarers Centre, such as the Royal Flying Doctors Services have received rates exemptions. Why has the Port Hedland Seafarers Centre been refused a rates exemption, and are all

existing ratepayers in town in line with the Town of Port Hedland's current guidelines?

Chief Executive Officer advised that the officer's recommendation for this item is based upon the application not meeting the requirements of the Town policy set for rates concession. From an officer's perspective Council has given its direction via policy, and the Town has to report based on the policy. The Chief Executive Officer confirmed that all concessions reported by officers are in line with this policy. Further, the concessionary account has been fully consumed.

Mayor closed Public Question Time at 5:38pm.

Mayor opened Public Statement Time at 5:38pm.

5.2 Public Statement Time

5.2.1 Mr John Peters

On behalf of the Ratepayers' Association Mr Peter stated he was concerned about agenda item 12.3.2 'Review of Committees, Working Groups, Forums and Membership on External Organisations'. In particular, with recommendations 1 and 2, Mr Peter stated that the Ratepayers' Association suggested that both committees be readvertised to allow time for the community to reapply. In relation to recommendation 4 the Ratepayers' Association proposes not disband the Community Safety and Crime Prevention working group, rather work towards restarting it in order to ensure that State and Federal governments collaborate with Police to reduce crime in Town, as crime and safety is still a big concern of residents and ratepayers of this town and an ongoing approach is needed.

Mayor closed Public Statement Time at 5:41pm.

ITEM 6 QUESTIONS FROM MEMBERS WITHOUT NOTICE

6.1 Councillor Blanco

I received a letter from a member of the public questioning the flags that fly at government buildings in South Hedland and the condition they were in. Is the Town able to send a letter to the Police, the Courthouse and other government agencies to let them know about the condition of their flags? Also, this same resident advised that the Torres Strait Islander (TSI) flag flying outside the Civic Centre might not be compliant or might not be the correct flag. Can the Town have a look into whether this flag is authorised to be flying outside this building?

Mayor advised that she will write to the Police and the Courthouse and if Cr Blanco advises her of other government agencies she will write to them also. Mayor advised that the Chief Executive Officer will look into the TSI flag.

6.2 Councillor Gillingham

In relation to my question from last month's Council meeting on the greenbelt area on Athol Street in Cooke Point, the response stated that 'Director Works and Services advised that there is a proposed development by Landcorp which is currently in the concept plan stage'. I would like a clearer response to understand exactly what is happening at this location. Can I also ask that vegetation in this area not be continuously mowed because it is important for native flora and fauna?

Chief Executive Officer advised that there have been a number of presentations on this project to Council over the past couple of years, and that Landcorp through their agent, Taylor Burrell Barnett planning, are ready to lodge an application for development in this area. A further briefing on this project will be scheduled with Council soon.

Cr Gillingham thanked the Chief Executive Officer for his response and stated that in future she will be considering moving a motion to ensure this fragile area remains pristine on behalf of the Town's community.

Mayor advised that Cr Gillingham's motion can be considered following the briefing the Chief Executive Officer referred to above.

Regarding the TAFE and the Batchelor Institute Northern Territory, has the Town been approached for setting up any future education programs at Pundulmurra College or at the Pilbara Institute?

Mayor advised that Pundulmurra is where the TAFE will be consolidating its campus, however she understands that the Bachelor Institute is currently towards having a presence in town.

Chief Executive Officer advised the Town has not been contacted about this matter.

Regarding the fees for the Matt Dann after hours when school ends at 2:20pm, I learned from the Hedland Senior High School Principal that their graduation is coming up next month, and even though they get a 50% reduction in their fees they still are going to be charged for that evening \$1900 which is a significant amount. Can the Town look into its fees structure especially for education?

Chief Executive Officer advised the fees and charges were adopted by the Council. The Town does provide a 50% concession for education establishments and allows a number of those establishments to come and make ad-hoc applications for grants where the Mayor and the Chief Executive Officer have been given authority by Council to sign off. In the last two weeks three school applications for end of year functions have been signed off. The Hedland Senior High School can be directed to undertake this approach also.

Can the same be done for sporting ground fees as some groups are no longer sustainable, and it is likely that the town could lose them?

Mayor enquired as to which groups Cr Gillingham was referring to.

Cr Gillingham advised that these comments came from parents from the Port Hedland Primary School, and that she would confirm with them exact details.

6.3 Councillor Butson

When will a proposal be coming to Council in relation to the Town's organisational structure? I received advice today saying that if there is a restructure in the organisation this needs to come back to Council for consideration.

Mayor advised that there has not been a restructure.

Chief Executive Officer advised that Council determines the senior organisational structure and through the budget process provides the budget for the Chief Executive Officer to run the organisation. The Chief Executive Officer in conjunction with the Executive makes a decision as to how the Town should be resourced to achieve what Council has provided through its budget and through its capital works program. The Council employs the Chief Executive Officer and determines senior officer positions, but the day to day administration of the Town is delegated and clearly articulated in the Local Government Act 1995 to the Chief Executive Officer. The restructure that was presented to Council was based on the Directors' roles and not below them. Chief Executive Officer further advised Cr Butson that he would be happy to guide her through the current Town's charts outlining its structure.

6.4 Councillor Melville

Is there an update on the drainage at the Kingsford Smith Business Park (KSBP) and on the damage at Marrapikurrinya Park?

Chief Executive Officer advised that GHD consultancy are finalising documentation on the drainage at KSBP and a briefing outlining solutions will be presented to Elected Members over the next two to three weeks.

In relation to Marrapikurrinya Park Chief Executive Officer advised that an insurance claim has been lodged and that the park has now been partially cleaned up. There are currently discussions to see whether the balance of the infrastructure should be cleared in full and a short term fix undertaken by reinstating some equipment. A briefing note with various options was emailed to Elected Members today which included looking at converting the park into an iconic facility as opposed to replacing exactly what was in place previously.

6.5 Councillor Newbery

Cr Newbery was asked by a member of the public a question in relation to the condition of the splash pad at Marquee park and where the Town is at with fixing it.

Chief Executive Officer advised that the splash pad has been identified as an area that needs to be repaired. There had been discussions about closing down the site over summer, which were rejected due to the fact that this would not be an appropriate time to be closing it down. The work has therefore been deferred to May 2016 until after the summer season, and the surface of the splash pad will have to be re-laid.

Is there a problem with this surface and why it all came away?

Chief Executive Officer advised he has not seen the report on this, however explained that there was an initial vandalism issue before he commenced as Chief Executive Officer at the Town. Following this there was a second application of the product to the splash pad and the Town has been in discussion with the supplier to determine whether it came off due to poor workmanship or further vandalism. Early on after this second relay the Town noticed that kids were picking areas out of the splash pad which were exacerbated by the water and deteriorated quickly.

Cr Newbery was advised by a member of the public that there are currently many vacant houses across town, many have pools and are infested with mosquitoes. What can the Town do about this?

Chief Executive Officer advised that if specific addresses are provided to the Town then environmental officers can ensure some basic treatment. Chief Executive Officer also proposed that some media communication be sent out to the community so neighbours of these properties can get in touch with the Town directly.

6.6 Councillor Whitwell

In relation to agenda item 12.1.2 'Matt Dann Theatre & Cinema: Venue Improvement Fund Grant Submission' I noticed that the grant closes tomorrow, which is very late notice. What can the Town do to avoid this in future?

Mayor advised that often the Town does not receive much notice of these grants and has to work hard to fit them into a tight schedule and into the Council's meeting structure.

Chief Executive Officer advised that this grant was not announced until late July early August 2015, which is very late. The Department of Culture and the Arts Council has also put some tight timeframes around the projects, so that if these are funded the Town will not find out until the end of January with an expectation that all will be completed by 17 June 2016. This is a tight timeframe for procurement, installation and acquittal.

ITEM 7 DECLARATIONS OF ALL MEMBERS TO HAVE GIVEN DUE CONSIDERATION TO ALL MATTERS CONTAINED IN THE BUSINESS PAPER BEFORE THE MEETING

Mayor Howlett	Councillor Butson
Councillor Blanco	Councillor Melville
Councillor Gillingham	Councillor Newbery
Councillor Hooper	Councillor Whitwell
Councillor Arif	

ITEM 8 CONFIRMATION OF MINUTES OF PREVIOUS MEETING

8.1 Confirmation of Minutes of Ordinary Meeting of Council held on Wednesday 23 September 2015

201516/061 COUNCIL DECISION

MOVED: CR ARIF

SECONDED: CR GILLINGHAM

That Council confirm that the Minutes of the Ordinary Meeting of Council held on Wednesday 23 September 2015 are a true and correct record with the following changes to the Council decision 201516/044 for Item 12.1.1 'Proposed Change of Use Residential Building to Ten Multiple Dwellings on Lot 1542 (110) Sutherland Street':

- On page 23 remove point 10 as it is a repeat of point 7
- Renumber points 11, 12 and 13 to 10, 11 and 12
- On page 24 renumber points 1, 2, 3, 4 to 13, 14, 15, 16 as the numbering should have continued from page 23

CARRIED 9/0

ITEM 9 ANNOUNCEMENTS BY PRESIDING MEMBER WITHOUT DISCUSSION

Mayor Activity Report for the August/September/October 2015 period to date is as follows:

August 2015

Saturday, 29th August

- Attended & Speech At Old Port Hedland Cemetery Opening

Sunday, 30th August

- Attended Celebratory 40 Yrs Mass At St John The Baptist Catholic Church, South Hedland

Monday, 31st August

- Book Week Reading At Port Hedland Primary School
- Participated In CEO Performance Appraisal Training For Elected Members
- Attended Rose Nowers Early Learning Centre Budget Meeting

September 2015

Tuesday, 1st September

- Weekly Spirit Radio (1026am) Mayor Chat
- Weekly CEO, Deputy Mayor and Mayor Catch Up
- Weekly TOPH & NWT Media Meeting
- Attended Local Government Elections Candidate Information Session

Wednesday, 2nd September

- Attended Cassia Primary School Landfill & Recycling Field Tour
- Opened 2015 Pilbara Music Festival
- Attended TOPH Airport Committee Meeting
- Attended EM & Exec Meetings

Thursday, 3rd September

- Gift Presentation To Town of Port Hedland by Rivtow Marine CEO Hume Campbell
- Meeting Update On Pardoo Station/Pilbara Beef Initiative (Bruce Cheung Chair, Pardoo Beef Corporation)
- Attended Hedland Women of Influence Luncheon
- Attended "Meet & Greet" New Hedland Senior High School Principal Grant Brown

Friday, 4th September

- Attended Port Hedland Netball Association Best & Fairest Vote Count Night

Saturday, 5th September

- Attended North Pilbara Football League 2015 Grand Final At Kevin Scott Oval, South Hedland

Tuesday, 8th September

- Weekly Spirit Radio (1026am) Mayor Chat
- Meeting Horizon Power (Ziggy Wilk) Re: New Meter System and Yearly Update
- Meeting Blackrock Caravan Park Re Tourist Season Initiatives
- Attended TOPH South Hedland CBD Forum
- Meeting Cooke Point Playgroup
- De-Brief Re North West Economic Summit and Recent Consular Generals Visits
- Weekly TOPH & NWT Media Meeting
- Attended PHCCI Business After Hours Macro Realty Developments

Wednesday, 9th September

- Weekly CEO, Deputy Mayor and Mayor Catch Up
- Meeting With RSM Bird Cameron Auditors
- Attended EM & Exec Meetings

- Attended Re-Imagining South Hedland Tafe Campus Workshop

Friday, 11th September

- Attended 2015 Tidy Towns/Sustainable Communities State Awards ceremony

Sunday, 13th September

- Attended & Participated In Judging 2015 Hedland PAWS Walk, Cemetery Beach

Tuesday, 15th September

- Weekly Spirit Radio (1026am) Mayor Chat
- Signing Lease Documentation Port Hedland International Airport Long Term Lease Agreement
- Weekly CEO, Deputy Mayor and Mayor Catch Up

Wednesday, 16th September

- Attended EM & Exec Meetings
- Chair Public Agenda Briefing
- Chair Special Meeting Of Electors

Thursday, 17th September

- Participated CEO Performance Review Session & 2015/2016 KPI Workshop
- Attended Update Presentation Port Hedland Waterfront Marina Development – LandCorp (Todd Wood)

Friday, 18th September

- Meeting With New Energy Corporation
- Meeting Department Treasury Re National Asset Recycling Scheme
- Attended Western Australia Regional Capitals Meeting
- Attended Alliance Dance Company "It's A Kind Of Magic" 17th Annual Performance At Wanangkura Stadium, South Hedland

Saturday, 19th September

- Mayor Coffees, Port Hedland
- Mayor Coffees, South Hedland

October 2015

Tuesday, 6th October

- Weekly A/CEO and Mayor Catch Up
- Meeting With Hon Mark McGowan
- Attended WA Labour Community Forum At Wanangkura Stadium, South Hedland

Wednesday, 7th October

- Attended CEDA – Future Of The Pilbara State Of The Regions Series, Part 6 (Karratha)
- Meeting Bendigo Bank (Keith McLuckie)
- Meeting ABS Re: 2016 Census Update (David Waymouth)

Thursday, 8th October

- Meeting TOPH Planning Dept Re JDAP Briefing
- Meeting Finbarr (John Bell) Re Anchorage Update

Friday, 9th October

- Attended Official YAP Opening 9 Corbet Place, South Hedland

Monday, 12th October

- Telephone Meeting Pilbara JDAP
- Yandeyarra Community Visit

Mayor congratulated Cr Melville on the success of the South Hedland Swans Club. Mayor thanked and commended the Town for the efforts put into the Hedland Arts Awards, the North West Festival and the Economic Summit. Mayor also thanked Sunset Events for organising the North West Festival which got bigger and better than previous years. Mayor advised it was an honour to host visiting dignitaries such as the Consular General from the People's Republic of China and the Consular General from Vietnam. Mayor thanked Dampier Salt and St Cecilia's who helped out with these visits which were very well received. Mayor believes these visits will assist with building the foundations for future relationships with both China and Vietnam. Mayor had the pleasure of attending the CEDA's Future of the Pilbara State of Regions event in Karratha. Whilst on annual leave the Town received a call from the Legends of the Sea cruise ship to say that the ship could not port into Broome and would come to Port Hedland instead. The Town only had a few days to get ready for this but managed to put together a great reception. Mayor thanked the CEO, Cr Arif, the Manager Economic Development, all other ToPH staff that got involved as well as the Visitors Centre.

Mayor read out an email she received today in relation to the cruise from Kathy Robinson from 224a Clarke Street, East Bunbury, 6230.

"I would love to let you know how very grateful my family and I are for the lovely welcome we received recently when we called into your town on the Legends of the Sea. I have also written to our local paper in Bunbury to let them know how well we were received, and the wonderful hospitality shown to us by the awesome people of your town, so thank you once again. Yours sincerely, Kathleen Robinson."

ITEM 10 REPORTS BY ELECTED MEMBERS WITHOUT DISCUSSION

10.1 Councillor Blanco

It has been a hectic month with the election campaign and first of all I would like to thank my wife for allowing me to nominate. Also Ron Attwood only just missed out on being elected and I would like to acknowledge his great performance. I would like to thank the Hedland people for having faith in me and the team that was put forward. We are committed to our community and we will representing the people of Hedland.

On that note the Town does require another attack dog to occupy the public podium because I have been selected by the people to listen rather than bark, so I hope to give local business every opportunity to secure locally generated work and to drive the Town of Port Hedland in becoming the lead agency in advocating local procurement above all else. This gives our kids the opportunity to find employment in our home town. I hope this will encourage the multinationals to change their policy and employ locally based people rather than the fly-in-fly-out (FIFO) option. Thanks again for your support.

10.2 Councillor Gillingham

I also attended the event put on for the cruise ship visit with High School student, year 12 David Clarke; we did some busking and we had a fantastic morning, met lots of people. I believe the event outcome was really positive, despite what had been reported in the paper, so congratulations to everybody that contributed to the event at such short notice. I also attended the Cedar conference in Karratha, I got a lot out of it, the welcome to country was beautiful and warming. Terry Hill was the opening speaker and said that the Pilbara is a powerhouse not only for the State but for the whole of Australia and the world, and that the Pilbara was in a transition, and a construction to production phase at this present time. The Minister for Regional Development and Lands and leader of the Nationals, Mr Terry Redman, said that the Cedar conference was the 6th forum that has been held connecting the regions together and that although the Pilbara has a bit of an image problem, this can be rectified. He also did say that the high school in Karratha has 400 more students, but I think he forgot to mention that these were year 7 students who have gone up from primary school into high school, so he might need to be corrected on that statement. He said the Pilbara needs to shift its focus forward from disadvantaged to advantaged and understand the drivers of the economy. Mr Redman said the Pilbara blueprint is about to be launched for focus and direction and diversification of the economy. Karratha has had a vision and it is now a city; \$1.7 billion has been put into the vision of the Pilbara's Cities concept, including its Pelago development and health campus. Mr Redman also discussed the many maturing regional contracts, and state agreements. He expressed his hope that governments would not close out the outside communities and stated that tourism should play a major part in the Pilbara moving forward. Cr Gillingham noted the speakers from Woodside who discussed the gas industry; the discussion on the Balla Balla area with the new port that will possibly go ahead, and FMG who is planning to employ 1000 aboriginal people and offer apprentice opportunities.

10.3 Councillor Arif

I also attended the CEDA conference and share the same views put forward by the Mayor and Cr Gillingham. I worked all day on cruise ship day as a volunteer, it was a lot of fun and I got a lot of satisfaction out of it, and I think that the tourists that got off the boat did too.

10.4 Councillor Melville

I attended the Police state football competition in Perth, well done to WA on winning, and good to see there was at least one representative from up here.

I also attended the opening day at Ascot and the Parks and Leisure conference in Sydney. I will provided the Council with further information on the multipurpose leisureplex facilities I learned about at the conference shortly.

10.5 Cr Newbery

I have had a hectic month as well, I am glad the Election is over and I thank my husband for supporting me 150% and my children for being so good.

10.6 Cr Whitwell

I would like to say thank you to the people that elected me and also to my wife in particular who is a very staunch advocate and helps me immensely. The team [I run with] had some activism about and I hope that we can keep the momentum going. I have a slightly different approach to a lot of things as I see them from a different perspective, as I work a lot in criminal law areas and in areas where there is a dislocation in the community. It is challenging in this current environment, with a lot of people moving out of town and that's an issue that we need to somehow address. Partly this is to be addressed through employment opportunities and I would like to say that I hope we can achieve something new in this period.

ITEM 11 PETITIONS/ DEPUTATIONS/ PRESENTATIONS/ SUBMISSIONS

11.1 Town of Port Hedland Rates Incentive Draw

Chief Executive Officer unsealed the ballot box presented to him by the Senior Rates Officer and passed it on to Elected Members to draw the names for the Rates Incentive Draw.

The following names were drawn:

1. Vincent Balgotinsek
2. Michael Vale
3. Tricia Hebbard
4. Jim Aijin
5. Donna Richards

The following additional names were drawn should any of the above people not be eligible:

1. Barry Collins
2. Peter Nicholls
3. Andrew Pratt
4. Gordon Crawford
5. Naomi Wickinson

11.2 Mr Dave Chitty, Sunset Events

Mr Chitty presented on the success of the North West Festival over its four years, along with where the event could go in the future as it continues to establish itself as the best regional festival in the North West. Focus will also be on why it is important to make a decision on supporting the event early each year so that it can assist with its planning and attracting artists to the line-up.

Cr Hooper left room 6:42pm.

Cr Hooper returned 6:43pm.

Attached below is Mr Chitty's deputation.

NORTH WEST FESTIVAL 2016 COUNCIL PRESENTATION

Wednesday 28th October, 2015



Background

- The North West Festival has recently completed its fourth successful year.
- Return on investment for Town of Port Hedland has increased dramatically from year one without any increase in funding from Town of Port Hedland since the onset.
- Level of investment at \$500k has remained constant.
- However event has gone from one day event with one nights camping for \$500k investment from TOPH in year one to a two day music festival event, two nights camping, Sunday Sundowner, Fringe Festival, extensive community activation, Saturday markets, art awards, and Economic Summit.
- All of the above has resulted in:
 - increased sponsorship investment from other stakeholders across multiple days and multiple event offerings,
 - increased local community and business involvement,
 - increased spend from visitors and more of them,
 - increased exposure and profile of TOPH as a regional centre and most liveable vibrant city in the Pilbara
- Conceptionally return of investment has compounded well beyond first year returns and anyone's expectations in four years.
- Event now needs to consolidate and needs sponsorship to maintain at current levels.
- Any reduction will result in content being dropped and the domino effect of sponsors cutting back or pulling out as they wouldn't be receiving what they are now investing in.

Overview

- Since 2014 the North West Festival has expanded into a multi-day event.
- 2015 added even more components to the offering including the Port Hedland Art Awards and the Economic Summit.
- Attendance was better than expected . Total patron attendance at music festival component was 4621 over the weekend
- A simplified snapshot of the demographics showed 52% Port Hedland, 48% other areas.
- Pricing and return for investment consolidated despite local economic trend.
- The primary goal for 2016 would be to further consolidate the 2015 event, ensuring each component of the festival has a memorable content that appeals to each specific audience and is clearly within the brand of the festival deliverables.

Overview continued

- The North West Festival is vital in the building of a strong, vibrant and sustainable community and assist in making Port Hedland an attractive place to live and retain those already living in the town in order to sustain economic viability.
- In 2016 it is important to
 - Maintain increasing visitor length of stay in the region
 - Increase visitor expenditure
 - Improve destination awareness and increase civic pride and community solidarity.
- The Northern Territory has a similar philosophy around events, many are not commercially viable so are highly subsidised in order to deliver “a quality lifestyle” for communities living in isolation. (Rachael Telford, Director Tourism NT)

Economic Outcomes

- The scorecard from the 2015 event is impressive with a total of 544 days spent in Port Hedland by Festival staff, artists and additional services alone.
- Over \$80K was spent by the those employed by the festival ($\$73/\text{person} \times 2 \times 544 \text{ days}$)*, which is a conservative figure *not including accommodation or travel arrangements*.
- With 48% of the festival attendees as visitors spending an average of 2.5 days in Port Hedland the same ratio can be applied ($\$73 \times 2 \times 2218$)*. This equates to \$323,840 not including travel and accommodation.
- It is estimated local attendees spend approx half of visitors ($\$36.50 \times 2 \times 2403$)*. This equates to \$175,413
- Total estimated direct economic impact is \$580,000.
- It is difficult to immediately measure the ripple effect that is generated by events such as festivals, however an influx of repeat and word of mouth visitors creates additional casual jobs in the service industries for local people and stimulates significant and additional benefits in other areas of sales.
- Hard to measure impact on Town of Port Hedland as a more liveable city.
- * \$73 for each dollar is a minimum accepted economic calculator for event economic impact from government tourism offices. The “flow-on” effect is doubled across the business sector/community.

Outcomes

- Cost Management Summary
 - Total 2014 Bottom line event expenditure \$1,457,315 (audited)
 - 2015 \$1,231,096 (audit pending)
 - Cost Savings/Reductions \$ **226,219** ↓ (over 15%)
- A significant outcome particularly considering the additional improvements created to value add to the 2015 event.
- Similar savings from 2014 – 2013 were achieved.
- Cost reduction and management synergies nearing maturity/completion.
- Consolidates need for sponsorship to maintained.

Future Outcome Targets

There are number of quantifiable deliverables that can be set in accordance to research into generic event/festival modeling that incorporates cost re-allocation as opposed to cost cutting

The following is suggested.

1. Longer lead times to market and promote the festival experience to a wider audience.
2. Tap further into the tourist market, develop attractive festival day tourism packages.
3. Attract more quality sponsors willing to value add to the overall festival experience.

Operational Changes

Music Festival - Operating hours

- In 2015, afternoons at the festival on both Friday and Saturday were quiet, but well attended in the late afternoon and evening.
- Recommendation: later starts on both days – gates opening at 1600 entertainment commencing 1700-2400.
- Justification: This will allow a longer lead time for out of town campers and shift workers to set up, also allow more time for the public to attend and enjoy fringe, community and art events during the day.
- Compliments to Council on the continuance of the art awards and Economic Summit despite lack of Tourism support.

Operational Changes

Music Festival - Programming

- In 2015 the entertainment was purposely programmed to be stronger on the Saturday to attract campers earlier for an extended festival attendance – there was no change to former camping habits.
- Recommendation: Strong programming on both days to encourage maximum attendance on both days.
- Justification: Ability to develop all aspects of the festival by giving a stronger wider audience appeal.

Operational Changes

Music Festival - Benefits of Changes

- With both days starting later, there are potential cost savings from both an artist perspective and operationally (security, temp staff, contractors).
- Trading hours will maximise the time available for patrons to experience other aspects of the weekend such as Fringe, Art Awards, Summit, community activities and tourism opportunities in the Town of Port Hedland generally.
- New timing would allow the Economic Summit to be further elevated in status and content in the festival program complimenting the Friday evening entertainment.
- These considerations are not budget driven rather a correction to supply to audience and patron demand.

Operational Changes

Sunday Sundowner

A change is needed for this section of the weekend.

- Headlining with a popular adult contemporary artist (ie James Reyne) to generate a wider appeal to reach a family demographic.
- This should potentially increase attendance to this event and reach out to the families, developing another level of community satisfaction.
- Potentially also giving the Sunday night a new dimension and identity, and extending the value of the festival.
- Alternative sites being considered.

Operational Changes

Sunday Sundowner continued

Recommendation:

- Condense the experience into a shorter time frame.
- Change the tone of the entertainment.
- Relocate the event.
- Develop a stronger youth and children focus.
- Introduction of market and artisan stalls
- Look for other children's activities – suggested pop up sand pit or maze, activities that are different.

Communications

Recommendations:

- In the early planning phases for 2016, all elements of the festival should be reviewed to amplify the Communications and Marketing Plan
- The current brand is strong, well received and has key creative assets.
- All local groups should use this branding for inclusion in the Festival program giving Town of Port Hedland more control over printed material gaining greater recognition for themselves and sponsors.
- Town of Port Hedland community involvement program was holistically successful in 2015, pleasing results.
- Need all exchanges of information transparent within the festival to allow them to be encompassed into the overall Communications Plan.

Communications

Recommendations continued.

- Deliver a Communications Plan to the market place early, stimulating participation in all aspects of the festival including Economic Summit and Art Awards.
- Develop festival packages with tourism options to encourage people to come into Port Hedland earlier or at the very least create awareness of the products available for later use.
- Do something radical and invite Malcolm Turnbull to keynote at the 2016 Economic Summit.
- If not already in progress develop a parallel youth Economic Summit through the education system.

Sponsorship

- The Festival Communications Plan will be pivotal in the delivery of the sponsorship strategy for 2016.
- Sponsors to be targeted earlier (get a head start on the competing surrounding areas).
- Ideally sign off on sponsorship documents by January and first presentations from February onward.

THANK YOU & QUESTIONS

11.3 Mr Travis Bate, Principal, RSM Bird Cameron

Mr Travis gave an overview of the Audited Annual Financial Report for the Year Ended 30 June 2015, the Independent Auditor's Report and the Audit Findings.

Cr Gillingham left room 6:57pm.

Cr Gillingham returned 6:58pm.

Disclaimer

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

ITEM 12 REPORTS OF OFFICERS**12.1 Community and Development Services****12.1.1 2016 North West Festival – Approval of Event**

Paul Howrie, Manager Community Development
File No. 03/02/0005

DISCLOSURE OF INTEREST BY OFFICER

Nil

RECOMMENDATION

That Council:

- 1. Note the review of the 2015 North West Festival.**
- 2. Endorse the delivery of the 2016 North West Festival.**
- 3. Note that under the terms of awarding of Request for Proposal 14/12 the 2016 North West Festival would be managed by Sunset Events.**
- 4. Allocate funding of \$500,000 in the 2016/17 Budget as the Town's contribution to the 2016 North West Festival.**

201516/062 COUNCIL DECISION

MOVED: CR BLANCO

SECONDED: CR WHITWELL

That Council defers this matter until such time as all current relevant information about the event's finances is presented.

CARRIED 5/4

EXECUTIVE SUMMARY

The 2015 North West Festival was successful, with the Event consolidating its move to a three day Festival for the second year in a row. In addition to the Festival, the Hedland Art Awards and the Economic Forum were aligned with the North West Festival, to provide a strong combination of attractions in its lead-up.

With the North West Festival becoming a significant and important event within the Pilbara and across the broader events scene in regional Western Australia, it is recommended that Council support the delivery of the 2016 Event.

It is further recommended that the Town contribute \$500,000 in the 2016/17 Budget to be allocated to the 2016 North West Festival.

DETAILED REPORT

Council's broad aims for the North West Festival are to:

- Increase the profile of Port Hedland, as Pilbara's Port City
- Act as a platform for the development of Port Hedland as the regional centre of the Pilbara
- Promote the Town as a tourism destination of significance and renown by highlighting the unique industrial and marine environment of Port Hedland
- Leave a year-round legacy of broader cultural and community benefits for the Town by stimulating existing community and cultural participation in and around the event and providing a stimulus for this continued activity throughout the year
- Stimulus for economic and social activity through the development of a year round touring circuit for performers
- Development of a purpose built outdoor event space and attraction of permanent event infrastructure to the Town

It is considered that the 2015 North West Festival built on these aims and was again successful in its 3 day format. The Event had over just over 4600 attendances, which whilst lower than the previous year (6000), was considered strong in the current economic climate. An estimated 32% of paid ticketed attendees were from outside of the Pilbara which increased local tourism. In addition to the Festival there were 26 associated community and fringe activities, extensive media coverage, a high quality line-up of performers, and the ability to attract an audience from under 18 years of age to people over 50.

The North West Festival has been the catalyst for developing a year round legacy of benefits, including cultural and community activities. It stimulates economic activity for Port Hedland and the state, and amongst other outcomes contributes towards Hedland being the regional centre of the Pilbara.

The North West Festival has established itself as one of the premier events in the North West, and anecdotally is steadily growing in its reputation as one of the major Festivals in Western Australia. It is the signature community event for the Town of Port Hedland

Over its four year gestation period, the North West Festival has been event managed by Sunset Events, who were re-appointed as the Event Managers for the period 2015 - 2017 (with a further three year option) which was endorsed at the Ordinary Council Meeting held on the 22 October 2014 (recommendation 201415/089). Sunset Events has the opportunity, subject to considerations such as the Event continuing and their performance, to make the North West Festival the best Festival and Fringe event anywhere in regional Australia for a further 5 years.

There were no major issues arising out of the 2015 Event which was well managed and has received positive feedback from stakeholders, including the public. The Event Manager's, Sunset Events have previously indicated at a Concept Forum to Councillors, the need to obtain early endorsement for the delivery of the Event, so that they are able to maximise the opportunity to sign up artists.

The earlier that approval is provided, the better chance Sunset Events has of obtaining high profile artists. Similarly, the sooner that they have certainty of the budget, particularly around income, the more certain there can be in attracting a high quality line up of artists.

This year's Event again received sponsorship from corporate organisations, however with the reduction of \$225K in grant funds from Eventcorp (in comparison to the previous 3 years), and a reduction in ticket sales, the income component was lower than in previous years. Nevertheless, some new sponsors came on board, and savings were made in event costs, which contributed to help in managing the overall costs. Preliminary draft budget estimates anticipate that the Event will make a profit, prior to the payment of the event management fee. The final audited figures are not anticipated to be available until later on in this calendar year, which will provide an accurate indication of the final budget outcome for the 2015 Event.

2016 North West Festival

In planning for the 2016 Event, corporate sponsorship will again be a key criteria in helping to meet the cost of the Event. The Town has been the major sponsor of the North West Festival, both from a cash contribution and with its in-kind work.

It is recommended that the Town contribute \$500K which combined with the existing confirmed corporate sponsorship provides a solid platform of \$800K for the event. Other revenue will be obtained from ticket sales, additional sponsors and food and beverage sales.

Based on the Town's financial contribution to the Event, it is further recommended that the Town endorses the delivery of the 2016 North West Festival, noting the potential payment of up to \$250,000 management fee (after the Event is held) for Sunset Events subject to the 2016 event being delivered in accordance with contract requirements. Council endorsement of the delivery of the 2016 North West Festival will enable the timely progression of planning for the event.

In order to maximise the opportunity to secure a top quality headline performer it is proposed that the dates remain flexible, although the Event has consistently been delivered in August each year.

Summary

The North West Festival has met its stated broad aims, and continues to grow in momentum as one of the premier events in Western Australia.

The growth of the Event from a one day Music Festival into a three day Festival and Fringe Event has provided many community and cultural development benefits. On this basis, the Event should be supported and it is recommend that Council endorse the delivery of the 2016 North West Festival, and allocate \$500k in the 2016/17 budget as the Town's financial contribution to the event.

Sunset Events will work closely with the Town in delivering this high profile event for the Town and the broader community. In engaging Sunset Events as event managers, it is noted that they may receive an event management fee of up to \$250k, depending on actually delivering the event and meeting contract requirements.

FINANCIAL AND RISK IMPLICATIONS

The Town's budget for the North West Festival for 2015/16 can be broken down as follows:-

	2015/16 Budget
Expenditure	\$1.1M
Income	\$0.475M
Net Budgeted Cost to Town	\$0.625M

The amount of \$0.625M in the table above includes the \$0.5M annual subsidy provided by the Town plus an amount to top up the event management fee derived from the event, should it fall short of the agreed amount. At this stage based on unaudited figures available to the Town from Sunset Events, the likely cost to the Town for the 2015/16 event will be \$0.534M. The reason that the Town's contribution will likely be lower than budgeted is due to cost savings made in the running of the event and other reasons as specified in the body of the report.

The Town has a further 2 years to run on its current contract with Sunset Events with a further option of a 3 year extension, to manage the North West Festival. Whilst the Festival is reviewed each year, along with the performance of the Event Manager, there may potentially be contractual / financial risks for the Town if the event and the Event Manager have adequately performed in line with contractual requirements, but the event is not supported by the Town.

The Festival relies heavily on partner funding and support both in the form of cash and in-kind contributions. Significant reductions in these areas can affect the Event's viability, and ongoing interactions with current sponsors is vital, as is the importance of finding new sponsors.

Renewal of existing sponsors along with the attraction of new sponsors is important for the event's immediate and long term viability, and without sufficient support the event could be at risk. The earlier a decision is made on supporting the 2106 event, the sooner that current and potential sponsors can be approached.

STATUTORY AND POLICY IMPLICATIONS

The Strategic Community Plan 2014 – 2024 supports the North West Festival being held, as outlined below:

Outcome 1.1 - A unified community across our Town.

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

Outcome 1.2 - A vibrant community rich in diverse cultures.

Deliver and support programs, events, facilities and services which attract and retain residents to increase our permanent population.

ATTACHMENTS

Nil

13 October 2015

7:12pm Cr Hooper declared and impartiality interest in agenda item 12.1.2 'Matt Dann Theatre & Cinema: Venue Improvement Fund Grant Submission' as he has a friendship with the representative applicant.

Cr Hooper did not leave the room.

12.1.2 Matt Dann Theatre & Cinema: Venue Improvement Fund Grant Submission

Brad Holder, Venue Coordinator – Matt Dann Theatre & Cinema
File No. 26-15-0001

DISCLOSURE OF INTEREST BY OFFICER

Nil

MOTION

MOVED: CR BLANCO SECONDED: ---

That Council defers this matter until such time as all current relevant information is presented.

LOST FOR WANT OF A SECONDER

201516/063 RECOMMENDATION/ COUNCIL DECISION

MOVED: CR HOOPER SECONDED: CR ARIF

That Council:

- 1. Endorse a funding application being submitted for the Matt Dann Theatre and Cinema, to the Royalties for Regions Regional Venues Improvement Fund – Technical Equipment Upgrades: Major and Minor for an amount of up to \$550,000.**
- 2. Note that if the application outlined in (1) above is successful, the Town will be required to commit 50 percent of the approved grant monies on a dollar for dollar basis up to a maximum contribution of \$275,000.**

CARRIED 8/1

EXECUTIVE SUMMARY

The purpose of this report is to inform Council of a submission for an application for funding through the Royalties for Regions Regional Venues Improvement Fund for technical upgrades to the Matt Dann Theatre and Cinema. The report provides background to inform consideration of a commitment of 50% percent contribution on a dollar for dollar basis by the Town of Port Hedland up to a maximum contribution of \$275,000 if the application is successful.

The grant application closes on 29th October 2015. It is a requirement of the grant that the Town confirms its willingness to support the application on a dollar for dollar basis. The outcome of the grant application is anticipated to be known in January 2016, with a requirement that the monies be expended and claimed prior to 17th June 2016, with no deferrals being provided.

DETAILED REPORT

The Matt Dann Theatre and Cinema is a venue owned by the Education Department and managed by the Town of Port Hedland on behalf of the community outside of school hours. A Shared Facilities Agreement between the Town of Port Hedland and the Education Department guides the arrangement and is in place until 2021.

From 2012-2014, the Town of Port Hedland contributed to consultation undertaken by the Department of Culture and the Arts regarding the current and future requirements of regional venues. This included a Feasibility Study on Entertainment Facilities, attendance at a workshop facilitated by the Pilbara Development Commission and survey feedback. This consultation was in response to the WA Regional Capitals Alliance (WARCA) identification of ageing infrastructure in regional performing arts centres as a long standing issue for regional centres and the need to ensure that asset management and ensuing plans for State Government owned facilities were established. Following on from the work by WARCA, the State Government announced the Regional Venues Improvement Fund to ensure venue assets are maintained for the broader community.

Consultative work undertaken by the Department of Culture and the Arts Council, supported by Pilbara Development Commission and the Entertainment Feasibility Study undertaken by Town of Port Hedland in 2011-2012 informed the decision by Council in 2012-13 to endorse an interim technical upgrade of the Matt Dann Theatre and Cinema. The upgrade included the implementation of a digital cinema system, a winch down screen, a winch down lighting system, and some upgrade to lighting and audio stock with a total project cost of \$745,000.

The current proposed funding application to the Royalties for Regions Regional Venues Improvement Fund encompasses a number of priority items which provide a community benefit, occupational safety and/or an efficiency improvement for the staff of the Matt Dann Theatre and Cinema. Eligibility for funding has been confirmed with the Grants Project Officer at the Department of Culture and the Arts.

The items being considered for funding may include:

- Audio Hearing Loop for people with hearing impairment which is a requirement of the Disability Access and Inclusion Plan (DAIP);
- Safety Harness grid to support OSH compliance for staff working at heights;
- External/roadside digital signage to improve marketing opportunities and raise awareness and profile of the Matt Dann Theatre and Cinema
- Upgrade of current lighting equipment to lighter, more efficient equipment which will improve production quality and reduce staff time.

- Upgrade of current sound equipment including a new sound desk which will improve production quality and requires less technical expertise thereby reducing demand on limited staff capacity.
- Replacement of stage curtains; to replace aged curtains and allow for additional entry/exit points as well as save staff time in changing curtain configurations prior to and post performances
- Upgrade power supply, stage data points, Bio Box and truss, fluorescent control from Bio Box, smoke alarm isolator, house lights dimmer from desk, dimmer circuits to overhead bar and stage which will improve capacity for venue hires and broader range of technology options.
- Replacement of speakers for external events which will improve staff efficiency through negating the need to pack down and reset permanent venue equipment.
- Projector and camera which will improve customer service through options available for venue hire presentations and improved marketing material.

NB: The Bio Box is the dedicated room within the theatre used by the technicians to operate and control the audio visual equipment.

Final quotes / projected costs are still being finalised, and there may need to be some flexibility in the actual content of the grant application and the equipment being requested. Whilst the above list is required, what actually can be applied for must sit within the budget parameters of \$550,000, noting that the application has both a minor (up to \$50K) and major equipment (up to \$500K) categories.

In addition to the interim technical upgrade, in 2013 Council endorsed that further investigation of a major upgrade including structural change requirements to improve functionality and refurbishment be added to the Corporate Business Plan with a completion date of December 2015. This investigation builds on information from the Feasibility Study which maximises the community benefit of the venue and a more efficient working model for both patrons and staff through undertaking building refurbishment and development. This investigation has identified the refurbishment of the foyer, kiosk and toilets and the development of a separate entrance and box office from the area that houses the Technical Room. The Department of Culture and the Arts have indicated that funding for this type of functional upgrade will be suited to a future funding round which is likely to be advertised in March 2016.

CONSULTATION

Internal communication has been undertaken with the Executive Leadership Team, the Manager Community Development, Coordinator of Community & Cultural Development and the Grants Officer.

External communication has been undertaken with the Department of Culture and the Arts, Department of Education, Circuitwest, Stagecraft and Hedland Senior High School. In addition wider consultation was undertaken some time ago through the ToPH Community - Entertainment Feasibility Study.

FINANCIAL AND RISK IMPLICATIONS

If the grant submission is successful, \$275,000 which is the Town's contribution, will need to be considered for allocation in the 2015/16 Budget. This matching funding required to be provided by the Town is currently not budgeted for in the Town's 2015/16 Budget.

It is proposed that once the outcome of the grant is known a separate report be prepared for Council's consideration of the funding agreement and allocation of the Town's contribution.

The budgeted operating deficit for the Matt Dann Theatre in 2015/16 is approximately \$800,000. The upgrades and renewal of equipment proposed as part of this project may decrease operating costs however the amount of those decreases is not currently known.

STATUTORY AND POLICY IMPLICATIONS

Town of Port Hedland Policy

8/003 Access Policy for people with disabilities, their families and carers.

The Audio Hearing Loop would assist with compliance with the Town's DAIP

1/016 Town of Port Hedland Occupational Health and Safety Policy

Maintenance of the assets acquired would be in accordance with Town of Port Hedland Policy: 9/010 Asset Management Policy

2/017 Town of Port Hedland Grants Policy

Town of Port Hedland Disability Access and Inclusion Plan

Outcome 1: People with disability have the same opportunities as other people to access services of, and any event organised by, the Town of Port Hedland.

Strategy: Ensure people with hearing impairment are able to access information provided at events

Strategic Community Plan

1.1 A unified community across our townships

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

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

ATTACHMENTS

1. Entertainment Feasibility Study (Under Separate Cover)

9 October 2015

12.1.3 New Delegation – Planning and Development (Local Planning Schemes) Regulations 2015

Adam Majid, Manager Development Services
File No. 13/02/0001

DISCLOSURE OF INTEREST BY OFFICER

Nil

RECOMMENDATION

That Council:

- 1. Adopts proposed new Delegation 4.1 – Planning and Development (Local Planning Schemes) Regulations 2015 to replace existing Delegation 4.1 in the Town of Port Hedland 2015/16 Delegations Register.**
- 2. Remove Delegation 4.2 – Power of Entry to Perform Functions Related to Compliance with the Port Hedland Town Planning Scheme No. 5 from the Town of Port Hedland 2015/16 Delegations Register.**
- 3. Rename Part 4 of the Town of Port Hedland 2015/16 Delegation Register from ‘Town Planning Scheme No. 5’ to ‘Planning and Development (Local Planning Schemes) Regulations 2015’.**

201516/064 COUNCIL DECISION

MOVED: CR BLANCO

SECONDED: CR BUTSON

That Council:

- 1. Adopts proposed new Delegation 4.1 – Planning and Development (Local Planning Schemes) Regulations 2015 to replace existing Delegation 4.1 in the Town of Port Hedland 2015/16 Delegations Register.**
- 2. Remove Delegation 4.2 – Power of Entry to Perform Functions Related to Compliance with the Port Hedland Town Planning Scheme No. 5 from the Town of Port Hedland 2015/16 Delegations Register.**
- 3. Rename Part 4 of the Town of Port Hedland 2015/16 Delegation Register from ‘Town Planning Scheme No. 5’ to ‘Planning and Development (Local Planning Schemes) Regulations 2015’.**
- 4. That all planning and development refusals in accordance with 2a) b of the instrument of Delegation, be presented to Council for consideration.**

CARRIED BY ABSOLUTE MAJORITY VOTE 9/0

EXECUTIVE SUMMARY

On 25 August 2015 the Minister for Planning gazetted the Planning and Development (Local Planning Schemes) Regulations 2015. The Town is now required to amend its delegations to be consistent with the new Regulations which come into effect on 19 October 2015.

A new instrument of delegation is attached to this report as Attachment B which will delegate to the CEO the necessary powers to undertake planning matters on behalf of Council.

DETAILED REPORT

As part of the State governments planning reform program, work was undertaken to review the Town Planning Regulations 1967 in an effort to modernise how Local Planning Schemes are developed and formatted. As a result, the Minister for Planning gazetted the Planning and Development (Local Planning Schemes) Regulations 2015 (Regulations).

The Regulations can essentially be broken down into four main functional parts, which are:

- Parts 1 to 9 – Preparing/amending a Local Planning Scheme:
 - These parts are the procedural Regulations in relation to Local Planning Strategies and the preparation or amendment of Local Planning Schemes.
- Schedule 1 – Model provisions:
 - These are the provisions that set out the purpose and aims of the local authorities Local Planning Scheme. It is the functional part which allows for the classification by zone of land (including land use definitions) and the development requirements for land zoned pursuant to these provisions.
- Schedule 2 – Deemed provisions:
 - These provisions apply to all Local Planning Schemes and where a local planning scheme has a Clause which is at odds with the deemed provisions, then the deemed provisions will prevail. It also introduces set provisions for the preparation of Structure Plans, Activity Centre Plans and Local Development Plans; and
 - It provides what and how local governments determine applications for planning approval and the process to be taken in undertaking such consideration.
- Schedule 3 – Legends used in the Scheme:
 - This schedule details the colours to be used in relation to mapping of Reserves and Zones as well as all the various additional information areas such as Special Control Areas and the like.

In relation to delegations, this is standardised across the State through Schedule 2, Part 10, Division 2 – Delegations, Regulations 82 and 83. Under the Town's current Town Planning Scheme No. 5, the Council delegates directly to officers employed by the Town. This method of delegation is considerably outdated which is rectified by the before mentioned Regulation(s).

The deemed provisions now standardise the method of delegation to be consistent with the common approach already in existence under other legislation such as the Local Government Act 1995. That is, the Council by resolution may delegate to a committee or the CEO any or all of the local government's powers pursuant to Regulation 82.

A committee may be established by the local government pursuant to Section 5.8 of the Local Government Act 1995 and can consist of a number of combinations including but not limited to:

- Councillors only;
- Councillors and employees;
- Councillors, employees and other persons.

Committees operate generally in the same manner as a Council meeting in terms of operations (quorum, voting, minutes etc.) save that committees have a presiding member and a deputy presiding member elected by members of the committee. Rules to establishing a committee require that the purpose be specifically defined to ensure that only appropriate items are considered by the committee.

From an operational perspective, a committee can be seen as cumbersome in that it would delay the processing time of applications due to officers having to spend longer on applications rather than determining such as per standard practice. This could also frustrate applicants and developers generally.

As there are no committee(s) of Council, the proposal is to delegate to the CEO in line with existing delegation(s). Further to this, the CEO pursuant to Regulation 83 may then sub-delegate to any employee of the local government.

In delegating to the CEO, the Council may impose conditions attached to those delegations as is currently practiced and evidenced by those conditions attached to previous delegations (refer Attachment 1). New conditions attached to the delegation are proposed in the draft delegation instrument presented as Attachment 2.

Generally, the Conditions indicate when a development application is to be referred to Council for determination. It also requires that any application proposed to be refused is to be referred to Council with the exception of when the proposal is for a use denoted as "~" in the Zoning table of the Scheme. Such uses (identified by "~" in the Scheme) are uses not permitted as per Clause 3.2.2 of the Scheme. Additionally, Clause 3.2.4 of the Scheme identifies that where no symbol is provided in the Zoning Table for a particular use in a particular zone then such use is not permitted and is therefore capable of being refused under delegation.

It is important for Council to note that since January 2012, records indicate that only twelve (12) applications have been refused and five (5) of those were by Council.

Other conditions relate to variations to Local Planning Polices which allows flexibility in the assessment of development applications which further enhances processing times and builds relationships with the public.

Additionally, minor amendments to Structure Plans and the like, also enables the faster consideration of minor amendments to such plans. Minor amendments generally refer to non-substantial textual or mapping changes and are determined as minor by the Western Australian Planning Commission.

In summary, the proposed new delegation is consistent with the previous delegation in that the CEO is able to determine applications for planning approval unless the application has been advertised and negative comments received.

Another point of discussion in relation to the proposed delegation is that of the *exemptions*. These exemptions are necessary to clearly identify that the relevant Regulation(s) are at a level where a Council decision is required. That is, the matters which are exempted from Delegation are considered to be significant decisions requiring inclusion of full Council.

In addition to the above, it is also proposed to revoke and remove Delegation 4.2 which provides the power of entry pursuant to Clause 9.1(c) of Town Planning Scheme No. 5. This delegation will be redundant as Regulation 79 provides that the CEO may by a written instrument authorise officers for entry and inspection of premises. Therefore, there is no requirement for a delegation to be provided.

It is recommended that Council support the proposal by way of revoking, and removing, delegations 4.1 and 4.2 from the 2015/16 Delegation Register and rename Delegation 4 and insert new Delegation 4.1 pursuant to the Planning and Development (Local Planning Schemes) Regulations 2015. And in doing so, delegates to the CEO the powers of the local government subject to those exemptions and conditions in the proposed delegation.

Consultation

- Director Community and Development Services
- Governance Coordinator
- Acting Senior Strategic Planner
- Statutory Planner

FINANCIAL AND RISK IMPLICATIONS

Should the delegation not be adopted, the risk to the organisation would be that of not being able to undertake its day-to-day operational town planning activities in a timely manner. This would impact on the service that the Town offers to the community and have negative financial side effects, particularly in those areas that require a determination to be conducted within a specific timeframe.

In particular, should the delegation not be adopted the Town would be at risk of:

- Not meeting its statutory processing times in relation to development applications;
- Inconsistency in decision making thereby affecting proper and orderly planning;
- Negatively impacting on relationships with the development industry.

Any perceived risk associated with a town planning decision made as result of approving this delegation is mitigated through the use of conditions and limitations proposed in the delegation instrument.

STATUTORY AND POLICY IMPLICATIONS

Planning and Development (Local Planning Schemes) Regulations 2015:

As previously stated, these new regulations have been implemented to modernise the Western Australian town planning system and instil consistency across Local Planning Schemes throughout the state. The Regulations are deemed provisions and therefore override any existing delegation method in the Town's Town Planning Scheme No. 5.

Approval of the delegation will be consistent with the legislative requirements of both the Regulations and Town Planning Scheme No. 5.

Section 4.1 'Strategic and best practice local government administration' of the Strategic Community Plan 2014 – 2024 applies as providing delegation to the CEO allows for operational planning matters to be carried out in an effective and efficient manner.

ATTACHMENTS

1. Current instrument of delegation
2. Proposed new instrument of delegation

6 October 2015

ATTACHMENT 1 TO ITEM 12.1.3

Delegation Register

2015/16

4. TOWN PLANNING SCHEME NO. 5**4.1 Town Planning Scheme No. 5**

LEGISLATIVE POWER	Town Planning Scheme No. 5 - Clause 9.2
DELEGATES	Chief Executive Officer Director Community and Development Services Manager Development Services Senior Statutory Planning Officer

FUNCTION TO BE PERFORMED

1. Consideration of Applications for Planning Approval

Delegated officers may:

- Determine applications with a use permissibility classification of 'P', 'IP', 'AA' and '~' in the Zoning Table for Planning Approval in accordance with Part III – Zones, Part IV – Use and Development of Land and Part VIII – Non-Conforming Uses of the Town of Port Hedland Town Planning Scheme No 5 and/or Western Australian Planning Commission State Planning Policy 3.1 – Residential Design Codes and impose conditions as required.
- Determine applications with a use permissibility classification of 'SA' in the Zoning Table for Planning Approval in accordance with Part III – Zones, Part IV – Use and Development of Land and Part VIII – Non-Conforming Uses of the Town of Port Hedland Town Planning Scheme No 5 and/or Western Australian Planning Commission State Planning Policy 3.1 – Residential Design Codes where no objections have been received after advertising and impose conditions as required.
- Determine applications in accordance with Part II – Reservations of the Town of Port Hedland Town Planning Scheme No 5.
- All delegations and sub-delegations are restricted to developments less than ten (10) million dollars in value in accordance with regulation 5(c) of the Planning and Development (Development Assessment Panels) Regulations 2011.

2. Determining Advertising and Extending Advertising

Delegated officers may:

- Notify and advertise applications for planning approval in accordance with Clause 4.3 of the Town of Port Hedland Town Planning Scheme No 5 and/or Part 4 of State Planning Policy 3.1 - Residential Design Codes determine that a particular application will be advertised and carry out the means and extent of such advertising.

-
- Extend the advertising period for planning scheme amendments where it is considered necessary to provide for adequate consultation and/or accommodate specific community consultation exercises.

3. *Local Planning Policies*

Delegated officers may determine all requests for variation of provisions of all Council adopted Local Planning Policies.

4. *Signs and Hoardings*

Delegated officers may determine all signage / hoarding applications that comply with the Local Laws and policies of the Council.

ATTACHMENT 2 TO ITEM 12.1.3

4. PLANNING AND DEVELOPMENT (LOCAL PLANNING SCHEMES) REGULATIONS 2015

4.1 Planning and Development (Local Planning Schemes) Regulations 2015

LEGISLATIVE POWER Schedule 2, Part 10, Division 2 – Delegations, Regulation 82

DELEGATES Chief Executive Officer

FUNCTION TO BE PERFORMED

To undertake the powers and duties of the local government pursuant to Schedule 2, Part 10, Division 2 – Delegations, Regulation 82 of the Planning and Development (Local Planning Schemes) Regulations 2015, subject to the following *Exemptions* and *Conditions*.

1. Exemptions

The following items, are exempted from the effect of this delegation and are matters to be determined by Council:

Schedule Regulation	2	Description
4(1)		Initiate preparation of, or amendment to a local planning policy
4(3)		Resolve to proceed with/not proceed with local planning policy
8(3)(d)		Resolve to enter/not enter a place in the heritage list
9		Designation of heritage areas
10		Enter a heritage agreement
19(1)		Structure Plan(s) – consider submissions – <i>does not include 29(3) minor amendments</i>
20(2)(e)		Structure Plan(s) – make report and recommendations to WAPC – <i>does not include 29(3) minor amendments</i>
35(1)		Activity Centre Plan(s) – consider submissions – <i>does not include 45(3) minor amendments</i>
36(2)(e)		Activity Centre Plan(s) – make report and recommendations to WAPC – <i>does not include 45(3) minor amendments</i>
51		Local Development Plan(s) – consider submissions – <i>does not include 59(4) minor amendments</i>
52(1)		Local Development Plan(s) – Determination – <i>does not include 59(4) minor amendments</i>

2. Conditions

- a) Development Application(s):
 - a. No approval to any application for development approval shall be granted where the application has been advertised pursuant to Clause 4.3 of Town Planning Scheme No. 5 and a negative comment has been received. Where comments of a negative nature have been received the application shall be referred to Council for determination;
 - b. Where refusal of an application is proposed, the matter is to be referred to Council unless the proposal is for a use indicated as a '~' use in the Zoning Table or where no symbol exists in the Zoning Table pursuant to Clause 3.2.4 of Town Planning Scheme No. 5.
 - c. Where applications are considered to be of a controversial nature, or is likely to be controversial then the matter shall be referred to Council for determination.
- b) Minor Amendments – Structure Plan(s), Activity Centre Plan(s) and Local Development Plan(s):
 - a. The CEO shall refer minor amendments to Council for consideration where in the opinion of the CEO the modification is likely to be controversial.
- c) Local Planning Policies
 - a. Delegated officers may determine all requests for variation of provisions of all Council adopted Local Planning Policies.

12.1.4 Proposed Initiation of the Draft Control of Signs and Advertising Devices Local Planning Policy

Ben McKay, Statutory Planning Officer
File No. 18/01/0024

DISCLOSURE OF INTEREST BY OFFICER

Nil

201516/065 RECOMMENDATION/ COUNCIL DECISION

MOVED: CR ARIF SECONDED: MAYOR HOWLETT

That Council:

1. Approves to advertise the Draft Control of Signs and Advertising Devices Policy as a Local Planning Policy;
2. Gives notice of the Port Hedland Control of Signs and Advertising Devices Policy in accordance with section 5.1.4 of the Town Planning Scheme No. 5 as follows:
 - a. Publishes a notice of the proposed Policy once a week for 2 consecutive weeks in a newspaper circulating in a Scheme area, giving the details of:
 - i. Where the draft Policy may be inspected,
 - ii. The subject and nature of the draft Policy, and
 - iii. In what form and during what period (being not less than 21 days from the day the notice is published) submissions may be made.
3. After expiry of the period within which submissions may be made, Council shall:
 - a. review the proposed Policy in the light of any submissions made, and
 - b. resolve to adopt the Policy with or without modification, or not to proceed with the Policy.

CARRIED 9/0

EXECUTIVE SUMMARY

This report is before Council to consider the initiation of the Draft Control of Signs and Advertising Devices Policy for advertising.

DETAILED REPORT

The Town has engaged DL Consulting to assist Council with the local law review process.

As part of the review process it was resolved that Council repeal the *Town of Port Hedland Signs, Hoardings and Billpostings Local Law* gazetted 3 August 2000 and replace it with a Local Planning Policy that addresses the development requirements relating to signs and advertising devices.

The Town of Port Hedland Signs, Hoardings and Billpostings Local Law was made pursuant to the power conferred upon it by the Local Government Act 1995.

The Local Law therefore has no statutory power as a Planning document and needs to be made pursuant to the Town of Port Hedland Planning Scheme No. 5 and the Planning and development Act 2005.

The draft policy contains definitions, restrictions, standards and objectives to guide Council when considering proposals for signage. The policy has been prepared to ensure there is an equitable approach to the incorporation of signage within the Town.

The key objectives of the policy are as follows;

- a) Whether a new sign is compatible with any existing signs on the site;
- b) Whether a new sign complements or detracts from the dominant character of the surrounding landscape;
- c) Whether a new sign complements or detracts from the architectural style and character of the building, site or area;
- d) Whether a new sign compromises surrounding land uses due to its size, design, location or the use of illumination or devices such as flashing or moving elements;
- e) Whether a new sign may be hazardous to vehicular or pedestrian traffic;
- f) Whether a new sign on or attached to a heritage building is discreet and complements the building and area, and
- g) Whether rationalisation or reduction in the number of existing signs is appropriate and achievable.

Public consultation will be undertaken as part of the advertising process required by section 5.1.4 of the Town of Port Hedland Town Planning Scheme No. 5, for a period of not less than 21 days.

FINANCIAL AND RISK IMPLICATIONS

The draft local planning policy relates to the regulation of development, and therefore, the effect of the recommendation has no direct budgetary or financial implications for the Town.

STATUTORY AND POLICY IMPLICATIONS

Statutory Implications

Section 5.1 of TPS5 enables the Council to make a Local Planning Policy and details the process being;

5.1.4 If Council resolves to prepare a Local Planning Policy, it:

- (a) shall publish a notice of the proposed Policy once a week for 2 consecutive weeks in a newspaper circulating in the Scheme area, giving the details of:
 - i. where the draft Policy may be inspected,
 - ii. the subject and nature of the draft Policy, and
 - iii. in what form and during what period (being not less than 21 days from the day the notice is published) submissions may be made, and
- (b) may publish a notice of the proposed policy in such other manner and carry out such other consultation as it considers appropriate.

5.1.5 After expiry of the period within which submissions may be made, Council shall:

- (a) review the proposed Policy in the light of any submissions made, and
- (b) resolve to adopt the Policy with or without modification, or not to proceed with the Policy.

5.1.6 If Council resolves to adopt the Policy, it shall:

- (a) publish notice of the Policy once in a newspaper circulating in the Scheme area, and
- (b) if, in the opinion of Council, the Policy affects the interests of the Commission, forward a copy of the Policy to the Commission.

5.1.7 A Policy has effect on publication of a notice under clause 5.1.6(a).

Policy Implications

The proposed Local Planning Policy would be known as Local Planning Policy 12 – Control of Signs and Advertising Devices Policy. The Local Planning Policy, if adopted, will be reviewed on a 12 monthly basis to ensure the effective operation whilst still achieving the aims of the Local Planning Policy.

Sections 3.0 ‘Balancing our built and natural environment’ and 3.3 ‘safe, attractive and accessible environment’ of the Strategic Community Plan 2014 – 2024 are considered relevant to this proposal. The proposed policy will provide guidelines which will deliver high quality signage and advertising in the Town which will allow for local businesses and residents to showcase their businesses and services, whilst adding to the vibrancy and character of the Town.

ATTACHMENTS

1. Proposed Town of Port Hedland Control of Signs and Advertising Devices Policy (Under Separate Cover)

09 October 2015

12.1.5 Delegated Planning & Building Approvals for September 2015

Keryn Dempsey, Development Services Administration Officer
File No. 18/07/0002 & 07/02/0003

DISCLOSURE OF INTEREST BY OFFICER

Nil

201516/066 RECOMMENDATION/ COUNCIL DECISION

MOVED: CR ARIF SECONDED: CR MELVILLE

That Council receive the Schedule of Planning and Building Approvals, Building and Planning Orders issued by Delegated Authority and the listing of current legal actions for the month of September 2015.

CARRIED 6/3

EXECUTIVE SUMMARY

This item relates to the Planning and Building Approvals considered under Delegated Authority for the month of September 2015.

DETAILED REPORT

A listing of Planning and Building Approvals and Environmental Health, Building and Planning Orders issued by Council's Planning, Building and Environmental Health Services under Delegated Authority for the month of September 2015 are attached to this report. Further to Council's request a listing of current legal actions is also attached to this report.

FINANCIAL IMPLICATIONS

Nil

STATUTORY AND POLICY IMPLICATIONS

Town of Port Hedland Delegation Register outlines the limitations of delegated authority and requires a list of approvals made under it to be provided to Council. This report is prepared to ensure Council is advised of the details of applications which have been dealt with under delegated authority.

ATTACHMENTS

1. Statistics for Building, Planning and health Approvals for the month of September 2015

2 October 2015

ATTACHMENT 1 TO ITEM 12.1.5

DELEGATED PLANNING APPROVALS FOR SEPTEMBER 2015

Applic No	Description	Lot	Property Address	Date apprvd	Applicants name.	Development Value	Fee Charged	Authorisation Officer	Delegation
2015/124	CRIB ROOM	5813	5813 NORTH CIRCULAR ROAD SOUTH HEDLAND 6722	02/09/2015	TOWN OF PORT HEDLAND	\$ 65,289.48	Yes	Manager Development Services	3.2
2015/136	RESERVE - COMMUNITY USE - CIVIC CENTRE REFURBISHMENT	1483	13 MCGREGOR STREET PORT HEDLAND 6721	29/09/2015	Ian Wilkes Architects	\$ 6,400,000.00	Yes	Manager Development Services	3.2
2015/139	HOME BUSINESS - BAKED GOODS	2662	5 LIMPET CRESCENT SOUTH HEDLAND 6722	28/09/2015	Lakshani Erandika	\$ -	Yes	Manager Development Services	3.2
2015/140	MOTOR VEHICLE MARIE REPAIR - WORKSHOP EXTENSION	2	5 OXIDE WAY WEDGEFIELD 6722	28/09/2015	HEATH Buswell	\$ 115,000.00	Yes	Manager Development Services	3.2
TOTAL 4						\$ 6,580,289.48			

COUNCIL PLANNING APPROVALS FOR SEPTEMBER 2015

Applic No	Description	Lot	Property Address	Date apprvd	Applicants name.	Development Value	Fee Charged	Authorisation Officer	Delegation
2015/078	CHANGE OF USE - 'RESIDENTIAL BUILDING' TO 'MULTIPLE DWELLINGS'	1542	110 SUTHERLAND STREET PORT HEDLAND 6721	23/09/2015	Pound Planning & Land Development	0.00	Yes		
TOTAL 1						0.00		Council	N/A

Note: There were no applications approved by JDAP in September.

DELEGATED BUILDING APPROVALS FOR SEPTEMBER 2015

BUILDING PERMITS										
Permit Number	Decision Date	Property Address	Locality	Applicant	Description of Work	Estimated Construction Value (\$)	Floor area square metres	Building Classification	Decision	No of SOU Dwellings
15-130	01.09.2015	L9007 AIRPORT STREET	PORT HEDLAND 6721	Shade Engineering Pty Ltd	INCIDENTAL SHADE STRUCTURE	\$ 99,000.00	164	10a	A	
15-119	28.09.2015	72B MORGANS STREET	PORT HEDLAND 6721	Survey Group	TRANSPORTABLE BUILDING - STORAGE	\$ 12,000.00	36	10a	A	
15-135	17.09.2015	12 MOORAMBIN E STREET	WEDGEFIELD 6724	Gordian Otte	FENCING	\$ 20,000.00	0	10b	A	
15-136	18.09.2015	14 GRATWICK STREET	PORT HEDLAND 6721	Nathan Cairns	DECKING AROUND POOL AREA	\$ 17,100.00	42	10b	A	
15-140	30.09.2015	6 NEPTUNE PLACE	PORT HEDLAND 6721	Gary Walker	ABOVE GROUND SWIMMING POOL SHADE SAIL AND POOL FENCE	\$ 10,000.00	0	10b	A	
15-040A	09.09.2015	1 WISE TERRACE	SOUTH HEDLAND WA 6722	Gerry Murphy	REVISED DETAILS TO EXISTING MIXED USE DEVELOPMENT	\$ 200,000.00	11100	1a 2 5 6 10a 10b	A	
14-380A	29.09.2015	43 MORGANS STREET	PORT HEDLAND 6721	RSA Consulting Engineers	AMENDMENT TO PREVIOUS BUILDING PERMIT 14-380 TO INCLUDE FIRE REPORT.	\$ -	484	2 & 10a	A	
15-138	25.09.2015	9-31 THROSSELL ROAD	SOUTH HEDLAND 6722	IT Constructions (WA) Pty Ltd	FITOUT TENANCY 18 - MICASA KITCHENWARES	\$ 66,000.00	0	6	A	
15-095	18.09.2015	38 ANDERSON STREET	PORT HEDLAND 6721	THOMMO'S CARPENTRY	Undercover Carpark	\$ 21,780.00	90	7a	A	
TOTAL	9					\$ 445,880.00	11916			

TOWN OF PORT HEDLAND CERTIFICATION	
Certificate Type	Number Issued
Certificate of Design Compliance	6
Certificate of Construction Compliance	2
TOTAL	8

OVERVIEW SUMMARY FOR SEPTEMBER 2015

SUMMARY					
No of Permits	Permit Type	Estimated Construction Value	Floor Area in square metres	Average cost per square metre	
	Demolitions	\$0	0	\$0.00	
1	Dwellings	\$200,000	11,100	\$18.02	
2	Class 10a	\$111,000	200	\$555.00	
3	Class 10b	\$47,100	42	\$1,121.43	
3	Commercial	\$87,780	574	\$152.93	
4	Occupancy	N/A	N/A	N/A	
1	Strata	N/A	N/A	N/A	
14		\$445,880	11,916		

Ranger Services Monthly Statistical Information

2015	Jan-15	Feb-15	Mar-15	Apr-15	May-15	Jun-15	July-15	Aug-15	Sept-15	Oct-15	Nov-15	Dec-15	Year Total
Camping Jobs	0	4	2	2	2	3	1	3					
Cat Jobs	9	12	18	23	25	22	25	29					
Dog Jobs	78	67	71	82	114	84	98	108					
Fire Jobs	16	19	7	5	6	18	22	21					
Litter Jobs	22	30	38	13	33	28	29	36					
Livestock Jobs	0	2	1	1	0	0	0	2					
Off road Vehicles Jobs	0	0	0	0	0	0	3	1					
Parking Jobs	47	45	29	27	70	50	30	43					
Abandoned Vehicies Jobs	42	27	47	39	34	26	10	30					
Wildlife Jobs (Snakes etc.)	10	9	10	5	8	5	1	17					
Dog Health Program	0	0	0	0	0	0	0	0					
Dogs Impounded	34	38	40	30	44	29	49	43					
Cats Impounded	5	13	24	20	21	32	37	36					
Total Infringements	43	108	107	28	30	83	72	41					
Animals Adopted	10	5	4	4	12	1	6	6					
Fires Overtime Hrs	10.5	3.5	2	0	2	0	1	3					
Overtime Hrs	62	38	27	38.5	30	30	27	18					
Additional hrs by Contract Staff	43.5	21	17	19.5	36.5	24.5	12.5	23					
*Total Jobs Attended	227	215	227	177	311	243	237	306					

*Total jobs attended not reflective of the following: -Patrols of parks, reserves, foreshores & pound duties NB: Cat Jobs relates to calls about lost, found, wanted, abandoned or feral trapped cats. Cats impounded relates to the total number of impounded cats.

CURRENT LEGAL MATTERS FOR SEPTEMBER 2015

CURRENT LEGAL MATTERS			
File No.	Address	Issue	Current Status
117650G	Lot 2505 #7 Moorambine Street, Wedgefield	Unauthorised Residential Structures	Trial Adjourned until 11 th November 2015
			Responsible Officer Statutory Planning Officer

12.2 Works and Services**12.2.1 Award of Tender 11/15 Tyre Disposal Service**

Grant Voss Coordinator Engineering Operations
 Peter Hoar Manager Waste
 File No. 31/13/0006

DISCLOSURE OF INTEREST BY OFFICERS

Nil

RECOMMENDATION

That Council:

1. Reduce the Transfer to Waste Reserves by \$450,000 and amend the 2015/16 Budget as per the below schedule of Budget Variations:

Account Description	Current Budget	Amended Budget	Budget Impact
Transfer to Waste Reserve	\$2,917,800	\$2,467,800	Contra Adjustment
Tyre Disposal Service	\$0	\$450,000	Contra Adjustment

2. Award the Tender 11/15 Tyre Disposal Service to NWSP Pty Ltd for the disposal of 900 tonnes of assorted tyres at the South Hedland Landfill Facility for an amount of _____ based on a schedule of rates.

201516/067 COUNCIL DECISION

MOVED: CR BLANCO SECONDED: CR WHITWELL

That Council:

1. Reduce the Transfer to Waste Reserves by \$450,000 and amend the 2015/16 Budget as per the below schedule of Budget Variations:

Account Description	Current Budget	Amended Budget	Budget Impact
Transfer to Waste Reserve	\$2,917,800	\$2,467,800	Contra Adjustment
Tyre Disposal Service	\$0	\$450,000	Contra Adjustment

2. Award the Tender 11/15 Tyre Disposal Service to NWSP Pty Ltd for the disposal of 900 tonnes of assorted tyres at the South Hedland Landfill Facility for an amount of \$438,536.00 based on a schedule of rates with an eight month period.

CARRIED BY ABSOLUTE MAJORITY VOTE 9/0

EXECUTIVE SUMMARY

The purpose of this report is to summarise the assessment of submissions received for Request for Tender (RFT) 11/15 Tyre Disposal Service.

This tender is for the removal of approximately 900 tonnes of tyres, and consists of existing stockpiles of light, vehicle truck and earthmoving tyres. The Town of Port Hedland (Town) has only estimated the volume of tyres to be removed and does warrant or guarantee the actual quantity of tyres to be removed. The price is based on a schedule of rates and since the estimates is for 900 tonnes the controls to monitor the processed tonnes will include weighing the exiting trucks containing shredded tyres.

The charges will be for the exact tonnes of the tyres shredded and shipped for disposal. Removal of the tyres offsite is a priority as the storage makes the Town in breach of the Department of Environmental Regulation (DER) licence conditions. Recycling of the tyres is desirable and can only be achieved by transporting to Perth or an Eastern States facility. Importantly, the removal will also allow valuable landfill airspace to be reclaimed.

Awarding of Tender 11/15 will allow for the removal of existing stockpiles and ongoing management of the controlled waste for a period of three (3) years with an additional one (1) year option to attend site annually to reduce the incoming tyre quantities.

DETAILED REPORT

Background

A report compiled in 2006 on behalf of DER and the Waste Management Board of WA indicated a range of risks associated with the receipt, storage and burial onsite of tyres at Western Australian regional landfill facilities. At this time the Town was in possession of 852 tonnes of tyre waste materials made up of 20% passenger, 30% truck, 50% oversize. At the time best management practice was the stockpiling of tyres in lots of 100 with intention to bury them on site. Recent improvements in technology and the establishment of recycling and waste to energy facilities allows tyres to be recycled.

The tyre stock pile has since built up to a level that the SHLF is non-compliant with its licence conditions as stated under Statutory and Policy Implications of this report.

Since the report in 2006, the SHLF has received estimated 900 tonnes of tyres of various sizes and includes passenger, truck, and a range of oversized tyres.

Options Considered

The Town issued a tender to select from the market the best option for the removal and disposal of tyres with the following scope:

- Disposal of the existing tyre stockpile of approximately 900 tonnes of tyres of varying types at the SHLF; and

- Annual disposal of tyres collected and stored at the SHLF for a maximum of two (2) years.

The price is based on a schedule of rates and since the estimates is for 900 tonnes the controls to monitor the processed tonnes will include weighing the exiting trucks containing shredded tyres. The charged will be for the exact tonnes of the tyres shredded and shipped for disposal.

The RFT was advertised on 1 August 2015 and the submission deadline was 2pm on Thursday 20 August 2015 with six (6) submissions received from the below listed companies:

- JLW Services Pty Ltd;
- New Energy Corporation Pty Ltd;
- NWSP Pty Ltd;
- Tyre Collections WA Pty Ltd (Lexan Corporation Pty Ltd);
- Green Circle Recycling Pty Ltd; and
- Tyre Storage and Recovery WA (Tambo Nominees Pty Ltd).

The following compliance criteria was used to assess the award of the submissions as described in the tender document:

- Business information;
- Evaluation criteria – general;
- Occupational Safety and Health (OSH) Management System;
- Evidence of controlled waste carrier registration;
- Statement of Conformance;
- Statutory declaration;
- Price schedule; and
- Regional price preference.

Three (3) tenderers, JLW Services Pty Ltd New Energy Corporation Pty Ltd, Tyre Storage and Recovery WA (Tambo Nominees Pty Ltd) provided qualified pricing tenders, however, were non-compliant with an important condition in the tender regarding a Controlled Waste Carrier Registration under the DER Regulations for controlled waste.

These tenderers did not meet this essential condition and were not considered any further.

The following selection criteria was used to assess the awarding of the Contract as described in the tender document:

Criteria	Weighting
Price inclusive of regional preference policy	60%
Project delivery	20%
Business capacity	10%
OSH management system	10%

Price criteria was determined firstly by subtracting the Regional price Preference from the conforming tenders and then applying the following formula:

Price Score = Lowest Price / (Tendered Price x Weighting)

Conforming TENDERS EVALUATION

1. NWSP Pty Ltd – based in Paraburdoo

Project delivery

Showed a full understanding of the project and has dedicated plant and equipment and understands the requirement of the task. Recycling will take place in NSW by Tyre Recycle NSW.

The dedicated plant and equipment outlined in their submission demonstrated that they can remove the tyres well within an acceptable timeframe. Mobilisation and demobilisation will take five (5) days and the actual shredding and removal of approximately 20 days.

NWSP tender detailed a number of case studies on past performance and experience and have the capability and experience to perform the task.

Based in Paraburdoo, the business qualifies for the Regional Price Preference Policy.

Business capacity

NWSP detailed an organisational chart, details of their financial position with referees. These include Shell and Galvins. Referees include Rio Tinto Paraburdoo mine site and Shire of Ashburton for providing shredding service.

Occupational Safety and Health (OSH) Management System

The submission detailed a comprehensive Health Safety and Environment Management plan.

Evidence of controlled waste carrier registration

NWSP are a controlled waste carrier under the Western Australian DER Regulations

2. WA Green Circle Recycling Proprietary Limited

Project delivery

The submission showed a good understanding of the task and is capable of doing the task with the plant and equipment listed. It is intended to bale the tyres onsite and remove them via road trains to Perth. They are considering a number of recycling options from reuse to pyrolysis (burning in the absence of air) to produce a syngas or a fuel for boilers and diesels engines. However, the submission does not detail specific contractors or disposal methods. Landfill would be considered an option where other recycling and reuse options fail.

The submission's project delivery matrix indicates that the task would take 6 weeks an acceptable timeframe to the Town.

Business Capacity

WA Green Circle Recycling have been tendering under their current business name for only one month and therefore cannot establish a track record for past performance and experience. The assessment panel contacted the referees one could not remember dealing with the group and the other had only dealt with them on a very small scale. The contact himself said that he only deals with tyres in a limited capacity.

In terms of business capacity the tenderer fails to meet minimum requirements.

Occupational Safety and Health (OSH) Management System

The submission detailed an OSH Safety plan.

Evidence of controlled waste carrier registration

WA Green Circle Recycling Pty Ltd are a controlled waste carrier under the Western Australian DER Regulations.

3. Tyre Collections WA Pty Ltd (Lexan Corporation Pty Ltd)

Project delivery

The disposal option is for reuse of tyres where possible and the rest is disposal at other landfills such as the Meekatharra and Australind landfills. This is considered to be a low level disposal option. The staffing levels and equipment to be used onsite is significantly over resourced compared to the other submissions.

Business Capacity

The tenderer has been operating since August 2012 as a tyre collection service. The tender has been submitted by Tyre Collections WA Pty Ltd in association with Lexan Corporation (25 Wottan Street Bayswater WA) and the Central Kimberley Regional Services.

References in their submission only showed that they were reliable collectors of tyres and scrap in and around Perth commercial and industrial areas. There was no referee that could provide information on the task in the tender.

Occupational Safety and Health (OSH) Management System

The submission detailed an OSH Safety plan.

Evidence of controlled waste carrier registration

Tyre Collections WA Pty Ltd are a controlled waste carrier under the Western Australian DER Regulations.

Assessment

The assessment panel consisted of the Coordinator Engineering Operations, Leading Hand Waste, and Manager Waste. The assessment was completed in accordance with the assessment guidelines.

The following table provides an assessment of the tender results:

Tender / assessment Criteria	Price (60%)	Project Delivery (20%)	Business Capacity (20%)	OSH Management System (10%)	Total Score (100%)	Ranking	
JLW Services Pty Ltd	Nonconforming submission						
New Energy Corporation Pty Ltd	Nonconforming submission						
NWSP Pty Ltd	4	5	4	4	18	1	
Tyre Collections WA Pty Ltd	3	2	2	2	10	3	
WA Green Circle Pty Ltd	5	4	1	3	13	2	
Tyre Storage & Recovery WA	Nonconforming submission						

Price Assessment

Conforming submissions were assessed after applying the Regional Price Preference where applicable according to the guidelines. A \$50,000 price reduction was given to the NWSP Pty Ltd submission. WA Green Circle Recycling and Tyre Collections WA Pty Ltd did not apply for the regional price preference.

The tender document specifically states that the Town does not guarantee the number of tonnes of tyres onsite and provided an estimate of tyres for disposal. Onsite meeting of tenderers indicated that the number was substantially underestimated. To cover this potential underestimation the tender recommendation provides for a worst case scenario for the Town.

STATUTORY AND POLICY IMPLICATIONS

Under the *Environmental Protection Act 1986* in relation tyre storage, it states that the licensee shall ensure that tyres are only stored on level ground and surrounded by an earthen area of five (5) metres wide. The licensee shall ensure that individual tyre stacks are separated at least six (6) metres from each other and do not exceed 100 square metres in area and three (3) metres in height.

They also have an unacceptable risk in terms of fire and disease carrying airborne vectors such as mosquitoes.

Under 3.1 Sustainable services and infrastructure of the 2014 – 2024 Strategic Community Plan we aim to provide and promote sustainable waste management practices for the ToPH.

The Local Government Act (1995) section 3.57 and the Local Government (Functions and General) Regulations 1996 part 4, division 2 provide statutory requirements for the release, assessment and award of tenders.

RFT 15-09 was conducted in accordance with these regulations, the Towns Procurement Policy 2/007, Tender Policy 2/011 and Regional Price Preference Policy 2/016.

Sections of this report pertaining to price submissions from tenderers have been deemed confidential in accordance with the *Local Government Act (1995) section 5.23 part 2(e)(iii)*.

ATTACHMENTS

1. Evaluation for Landfill Tyre Disposal (Confidential – Under Separate Cover)

15 October 2015

12.3 Corporate Services**12.3.1 Amendment to Policies 1/018 ‘Public Agenda Briefings’ and 1/019 ‘Confidential Concept Forums’ and Review of Meeting Schedule**

Grace Waugh, Governance Officer
File No. 04/03/0001 and 13/06/0003

DISCLOSURE OF INTEREST BY OFFICER

Nil

RECOMMENDATION

That Council:

1. Adopt the below reviewed meeting schedule for Confidential Concept Forums to commence in November 2015:

First Thursday Each Month	Third Thursday Each Month
5:30pm Confidential Concept Forum	5:30pm Confidential Concept Forum

2. Adopt and advertise the following Ordinary Council Meeting dates, times and venues for the year ahead:

Date	Time	Venue
Wednesday, 27 January 2016	5:30pm	Council Chambers
Wednesday, 24 February 2016	5:30pm	Council Chambers
Wednesday, 23 March 2016	5:30pm	Council Chambers
Wednesday, 27 April 2016	5:30pm	Council Chambers
Wednesday, 25 May 2016	5:30pm	Council Chambers
Wednesday, 22 June 2016	5:30pm	Council Chambers
Wednesday, 27 July 2016	5:30pm	Council Chambers
Wednesday, 24 August 2016	5:30pm	Council Chambers
Wednesday, 28 September 2016	5:30pm	Council Chambers
Wednesday, 26 October 2016	5:30pm	Council Chambers
Wednesday, 23 November 2016	5:30pm	Council Chambers
Wednesday, 14 December 2016	5:30pm	Council Chambers

3. Adopt Public Agenda Briefings to be held on the third Wednesday of the month, one week prior to Ordinary Council Meetings.
4. Adopt amended policies 1/018 ‘Public Agenda Briefings’ as per attachment 1 and 1/019 ‘Confidential Concept Forums’ as per attachment 2.

SIMPLE MAJORITY VOTE REQUIRED

201516/068 AMENDED RECOMMENDATION/ COUNCIL DECISION**MOVED: CR ARIF****SECONDED: CR GILLINGHAM****That Council:**

1. **Adopt the below reviewed meeting schedule for Confidential Concept Forums to commence in November 2015:**

First Wednesday Each Month	Third Wednesday Each Month
5:30pm Confidential Concept Forum	6:30pm Confidential Concept Forum

2. **Adopt and advertise the following Ordinary Council Meeting dates, times and venues for the year ahead:**

Date	Time	Venue
Wednesday, 27 January 2016	5:30pm	Council Chambers
Wednesday, 24 February 2016	5:30pm	Council Chambers
Wednesday, 23 March 2016	5:30pm	Council Chambers
Wednesday, 27 April 2016	5:30pm	Council Chambers
Wednesday, 25 May 2016	5:30pm	Council Chambers
Wednesday, 22 June 2016	5:30pm	Council Chambers
June/ July 2016 (Date TBC)	Day time (TBC)	Yandeyarra
Wednesday, 27 July 2016	5:30pm	Council Chambers
Wednesday, 24 August 2016	5:30pm	Council Chambers
Wednesday, 28 September 2016	5:30pm	Council Chambers
Wednesday, 26 October 2016	5:30pm	Council Chambers
Wednesday, 23 November 2016	5:30pm	Council Chambers
Wednesday, 14 December 2016	5:30pm	Council Chambers

3. **Adopt Public Agenda Briefings to be held on the third Wednesday of the month, one week prior to Ordinary Council Meetings.**
4. **Adopt amended policies 1/018 'Public Agenda Briefings' as per attachment 1 and 1/019 'Confidential Concept Forums' as per attachment 2.**

CARRIED 9/0**EXECUTIVE SUMMARY**

Council is requested to adopt the reviewed meeting schedule, the 2016 Ordinary Council Meeting dates and amended policies 1/018 'Public Agenda Briefings' and 1/019 'Confidential Concept Forums'.

The *Local Government (Administration) Regulations 1996* requires a local government to give local public notice of the dates, times and place at which the Ordinary Council meetings are to be held for the next 12 months.

DETAILED REPORT

Council has determined its meeting dates up to and including the 16 December 2015 Ordinary Meeting and will need to consider meeting dates for the next 12 months.

It is recommended that Council continue holding ordinary meetings on the fourth Wednesday of each month at 5:30pm in Council Chambers and to advertise this information to the public via way of public notice as per statutory regulations, and to upload it on the Town's website. The Civic Centre refurbishment may take place at the start of 2016 therefore the venue for the Council Meetings will need to be changed and will be determined by Council.

With regard to the December 2016 meeting, it is proposed to hold it on the second Wednesday of the month, being 14 December 2016, as opposed to the fourth Wednesday, being 28 December 2016 to ensure availability of elected members in the lead up to the Christmas holiday period.

The Easter holiday period for 2016 commences Friday 25 March. Therefore the OCMs for both March and April can remain on the standard fourth Wednesday of the month.

At the Ordinary Meeting on 28 August 2013 Council adopted a reviewed meeting framework and procedures for Concept Forums and Agenda Briefings. The reviewed schedule had Confidential Concept Forums scheduled every Wednesday, a Public Agenda Briefing on the third Wednesday and the Ordinary council Meeting on the fourth Wednesday.

The Confidential Concept Forum and Public Agenda Briefing procedures were reviewed and made into policies which were adopted at the Ordinary Council Meeting on 25 February 2015 (Council Decision 201415/177).

The current framework has been in place since August 2013 however a number of considerations related to the timing and attendance have arisen and have been considered by the Town. The framework has been reviewed and Council is requested to adopt the modified framework and recommended times, days and frequency of forums.

It was decided in 2013 by the Chief Executive Officer (CEO) and Elected Members that Wednesday is the day Council related business will be scheduled to occur, however to increase the effectiveness of the Confidential Concept Forums that support and lead to Council meetings the following changes are proposed:

First Thursday	Third Wednesday	Third Thursday	Fourth Wednesday
5:30pm Confidential Concept Forum	5:30pm Public Agenda Briefing	5:30pm Confidential Concept Forum	5:30pm Ordinary Council Meeting

The main changes are the frequency of forums from every week to bi-monthly and the time to 5:30pm instead of 12:30pm to ensure maximum attendance by Elected Members who may be unable to attend due to work commitments during the day. All efforts will be made to schedule presentations by external parties during the proposed forums, however, if logistically not feasible presentations by external parties will be scheduled during business hours and an invitation to attend issued to all Elected Members.

Policies 1/018 'Public Agenda Briefings' and 1/019 'Confidential Concept Forums' have been reviewed in conjunction with the reviewed framework and are listed as attachment 1 and 2. The policies no longer list exact times and dates so that if any changes are made throughout the course of the year the policy will not be required to be amended each time.

FINANCIAL AND RISK IMPLICATIONS

There are no financial implications related relating to this item. Lunch is currently provided during Wednesday afternoon forums. It is now proposed that dinner will be provided if forums were to commence at 5:30pm.

The after-hours time for Confidential Concept Forums will provide more opportunity for Elected Members to attend to discuss upcoming projects, future Town strategies and other matters. This will ensure Elected Members have the opportunity to make the best possible decision for all residents of the Town of Port Hedland.

Costs of the delivery and advertising of the Town of Port Hedland meeting dates is incorporated in the 2015/16 Budget.

STATUTORY AND POLICY IMPLICATIONS

Confidential Concept Forums and associated documents are confidential in accordance with Part 2 Section 6 of the Local Government (Rules of Conduct) Regulations 1997.

Section 12 of the *Local Government (Administration) Regulations 1996* state that at least once each year a local government is to give local public notice of the dates, time and place for when Ordinary Council meetings are to be held for the next 12 months.

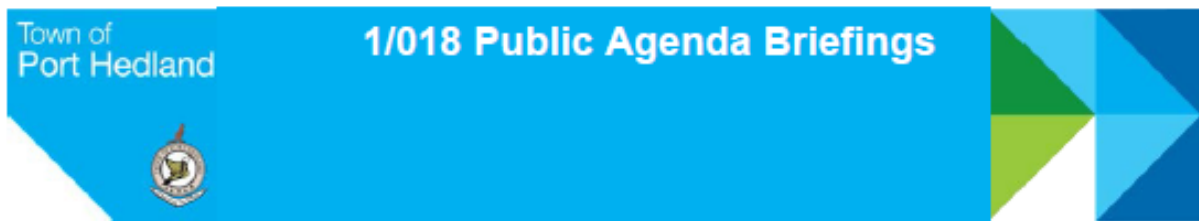
Sections 4.1 'Strategic and best practice local government administration' and 4.2 'Engage our community and stakeholders' of the Strategic Community Plan 2014 -2024 apply as Confidential Concept Forums and Public Agenda Briefings provide Elected Members with the background and information to make informed decisions and provides the Town with Council's strategic direction.

ATTACHMENTS

1. Amended Policy 1/018 'Public Agenda Briefing'
2. Amended Policy 1/019 'Confidential Concept Forums'

5 October 2015

ATTACHMENT 1 TO ITEM 12.3.1

**POLICY OBJECTIVE**

The modern role of the Elected Council is to set policy and strategy, and provide goals and targets for the local government (Town of Port Hedland). The Town of Port Hedland (ToPH) officers, through the Chief Executive Officer, have the task of implementing the decisions of the Elected Council.

The object of this policy is to set up a well-structured framework that will provide the Elected Council, members of the public and ToPH officers with the opportunity to:

- Ask questions
- Make statements
- Provide additional information

and ensure that the elected body is fully informed to make the best possible decision for all the residents of the Town of Port Hedland.

POLICY CONTENT

Public Agenda Briefings will involve Elected Members, ToPH officers, and external advisors (where appropriate) and will be open to the public.

~~The date and time for Public Agenda Briefings will be decided by the Town of Port Hedland Council. are generally held on the third Wednesday of the month or the week before the Ordinary Council Meeting and will commence at 5:30pm.~~

No Decision Making

As Public Agenda Briefings are designed to allow Elected Members and members of the public to ask questions on items on the agenda no debate or decision making will be allowed to take place.

Town of Port Hedland Code of Conduct and Values

All participants at Public Agenda Briefings are expected to abide by the Town's values, these being:

- Quality
- Unity
- Integrity

ToPH officers and Elected Members are also expected to abide by the Town of Port Hedland Code of Conduct.

Confidentiality



Public Agenda Briefings will be closed to the public when confidential items listed on the agenda are to be discussed.

Breaches of confidentiality will be treated in accordance with section 6 'Use of Information' of the Local Government (Rules of Conduct) Regulations 2007.

Confidential items will be dealt with at the end of the briefing as per Council meetings.

Disclosure of Interest

Elected Members and ToPH officers shall disclose their impartiality, proximity and financial interests on any matter listed on the agenda for the Public Agenda Briefing.

Any disclosures of proximity and financial interest will require the person(s) declaring the interest to leave the room whilst the matter subject of their disclosure is being considered.

Presiding Member

The Mayor is to be the Presiding Member at Public Agenda Briefings. If the Mayor is unable to assume the role of Presiding Member, then the Deputy Mayor may preside at the briefing. If the Deputy Mayor is unable, those elected members present may select one from amongst themselves to preside at the briefing.

Timeframes

Members of the public and Elected Members are encouraged to submit their questions to the ToPH Governance team as soon as possible after the Ordinary Council meeting agenda is made public on the Town's website to ensure the most comprehensive answers can be provided.

At the Public Agenda Briefing the Presiding Member will ensure that time is made available to allow for all matters of relevance to be covered.

Record keeping

A record shall be kept of all Public Agenda Briefings. As no decisions are made at a briefing, the record need only be a general record of the items covered, attendance and apologies and any disclosure of interests as declared by individuals. A copy of the record will be published on the Town's website. Public Agenda Briefings will not be audio recorded.

Definitions

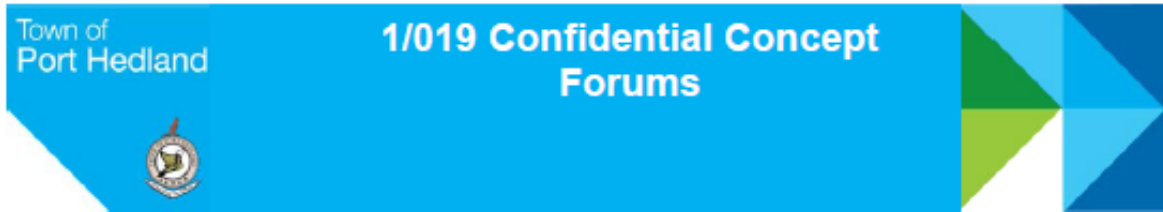
Nil

Town of
Port Hedland

1/018 Public Agenda Briefings

Council adoption date and resolution no.	25 February 2015 OCM 201415/177
Date of adoption of amendment and resolution number do not delete the previous dates	
Relevant legislation	Local Government Act 1995 Town of Port Hedland Standing Orders Local Law 2014 Local Government Operational Guidelines Number 05
Delegated authority	
Business unit	Corporate Information
Directorate	Corporate Services
Review frequency	Annually

ATTACHMENT 2 TO ITEM 12.3.1

**POLICY OBJECTIVE**

The modern role of a local government Council is to set policy and strategy, and provide goals and targets for the local government. The Town of Port Hedland (ToPH) officers, through the Chief Executive Officer, have the task of implementing the decisions of the Elected Council.

The object of this policy is to set up a well-structured framework that will provide the Council and Town officers the opportunity to:

- Share information on upcoming projects linked to the Town's Strategic Community Plan and associated vision
- Discuss future Town strategies and associated projects implementation
- Clarify outstanding matters

This will ensure that all Elected Members have the opportunity to make the best possible decision for all the residents of the Town of Port Hedland, whilst maintaining a high level of accountability, openness and transparency, probity and integrity.

POLICY CONTENT

Confidential Concept Forums will involve Elected Members, ToPH officers and, where appropriate, external advisors and provide the opportunity to exchange information and ideas for the development of the Town of Port Hedland.

Confidential Concept Forums will generally involve projects or matters that are in the early planning stages and might result in said matters being presented to a future Council meeting for a formal decision.

No decision making

The input through open and free-flowing exchange of ideas and the willingness to contribute to the Confidential Concept Forums will provide invaluable direction to the Chief Executive Officer for the research and eventual reports on the matter, however no debate or decision making will be allowed to take place.

Town of Port Hedland Code of Conduct and Values

All participants at Concept Forums are expected to abide by the Town's values, these being:

- Quality
- Unity
- Integrity

ToPH officers and Elected Members are also expected to abide by the Town of Port Hedland Code of Conduct.



Confidentiality

Confidential Concept Forums will be closed to the public and all agendas and matters discussed during the forums will be treated as confidential.

Breaches of confidentiality will be treated in accordance with section 6 'Use of Information' of the Local Government (Rules of Conduct) Regulations 2007.

Disclosure of interest

Elected Members, ToPH officers and relevant consultants shall disclose their impartiality, proximity and financial interests on any matter listed for the Confidential Concept Forum.

Any disclosures of proximity and financial interest will require the person(s) declaring the interest to leave the room whilst the matter subject of their disclosure is being considered.

Timeframes

~~The frequency, day and -etime of Confidential Concept Forums will be decided by the Town of Port Hedland Council from time to time. take place every Wednesday afternoon at a time specified by the Town's administration and circulated in advance to all elected members.~~

Where a proponent has provided a presentation to a forum, a report on the matter raised during the presentation will not be progressed to the next scheduled meeting of Council.

Presiding Member

The Mayor is to be the Presiding Member at concept forums. If the Mayor is unable to assume the role of Presiding Member, then the Deputy Mayor may preside at the forum. If the Deputy Mayor is unable, those ~~e~~Elected ~~m~~Members present may select one from amongst themselves to preside at the forum.

Record Keeping

A public record shall be kept of all Confidential Concept Forums. As no decisions are made at a forum, the record need only be a general record of the items covered, attendance and any disclosure of interests as declared by individuals. A copy of the record ~~will~~may be published on the Town's website. Confidential Concept Forums will not be audio recorded.

Elected ~~m~~Members not in attendance at the Confidential Concept Forums will be presented with all information tabled at the forums.

**Definitions**

Nil

Council adoption date and resolution no.	25 February 2015 OCM 201415/177
Date of adoption of amendment and resolution number do not delete the previous dates	
Relevant legislation	Local Government Act 1995 Town of Port Hedland Standing Orders Local Law 2014 Local Government Operational Guidelines Number 05 Town of Port Hedland Code of Conduct Town of Port Hedland Vision and Values
Delegated authority	<u>N/A</u>
Business unit	Corporate Information
Directorate	Corporate Services
Review frequency	Annually

12.3.2 Review of Committees, Working Groups, Forums and Membership on External Organisations

Josephine Bianchi, Governance Coordinator
File No. 13/05/0001

DISCLOSURE OF INTEREST BY OFFICER

Nil

RECOMMENDATION 1

That Council:

1. Adopt the terms of reference for the Audit, Risk and Governance Committee as described in Attachment 1;
2. Re-appoints the following community members as Audit, Risk and Governance Committee members:
 - Bill Hrambanis
 - Nina Pangahas
3. Nominates the following Elected Members to be part of the Audit, Risk and Governance Committee:

201516/069 AMENDED RECOMMENDATION 1/ COUNCIL DECISION

MOVED: CR BUTSON

SECONDED: CR WHITWELL

That Council:

1. Adopt the terms of reference for the Audit, Risk and Governance Committee as described in Attachment 1 with the addition of another elected member which now totals four elected members;
2. Nominates the following Elected Members to be part of the Audit, Risk and Governance Committee:

Cr Butson
Cr Whitwell
Cr Blanco
Mayor Howlett

Proxies

Cr Arif
Cr Hooper

- 3. Seeks expression of interest from two community members to be part of the Audit, Risk and Governance Committee, from 29.10.15 to 19.11.15, and with a view of presenting a late item for Council's consideration at the November Ordinary meeting; and
- 4. Thanks Mr Bill Hrambanis and Ms Nina Pangahas for their service on the committee and invites them to resubmit and application as part of the expression of interest process.

CARRIED BY ABSOLUTE MAJORITY VOTE 9/0

RECOMMENDATION 2

That Council:

- 1. Adopt the terms of reference for the Port Hedland International Airport (PHIA) Committee as described in Attachment 1;
- 2. Re-appoints the following community members as PHIA Committee members:
 - Ms Florence Bennett
 - Mr Brad Pawlenko
 - Mr Jason Green
- 3. Nominates the following Elected Members to be part of the PHIA Committee:
 -
 -
 -
 -

201516/070 AMENDED RECOMMENDATION 2/ COUNCIL DECISION

MOVED: CR BLANCO

SECONDED: CR GILLINGHAM

That Council:

- 1. Adopt the terms of reference for the Port Hedland International Airport (PHIA) Committee as described in Attachment 1 with the addition of another two elected members which now totals six elected members, and the change of day of meeting to the second Wednesday of the month;
- 2. Nominates the following Elected Members to be part of the PHIA Committee:
 - Cr Blanco
 - Cr Gillingham
 - Cr Arif
 - Cr Butson

**Cr Whitwell
Mayor Howlett**

Proxies

**Cr Melville
Cr Hooper**

CARRIED BY ABSOLUTE MAJORITY VOTE 9/0

201516/071 COUNCIL DECISION

MOVED: CR ARIF

SECONDED: CR MELVILLE

- 1. Seeks expression of interest from 4 community members to be part of the Port Hedland International Airport (PHIA) Committee, from 29.10.15 to 19.11.15, and with a view of presenting a late item for Council's consideration at the November Ordinary meeting; and**
- 2. Thanks Ms Florence Bennet, Mr Brad Pawlenko and Mr Jason Green for their service on the committee and invites them to resubmit and application as part of the expression of interest process.**
- 3. Set the date for the next (PHIA) Committee to be held on Wednesday 11 November at 5:30pm**

CARRIED 9/0

201516/072 RECOMMENDATION 3/ COUNCIL DECISION

MOVED: CR MELVILE

SECONDED: CR ARIF

That Council:

- 1. Nominates the following Elected Members to be part of the Development Assessment Panel:**

**Cr Blanco
Mayor Howlett**

Proxies

**Cr Butson
Cr Arif**

- 2. Nominates the following Elected Members to be part of the Port Hedland Retirement Village (Inc):**

**Cr Arif
Cr Newbery**

3. Nominates the following Elected Members to be part of the Port of Port Hedland Community Consultation Committee:

Cr Newbery

Proxy
Cr Butson

4. Nominates the following Elected Members to be part of the Pilbara Development Commission:

Cr Whitwell
Cr Arif

CARRIED 9/0

RECOMMENDATION 4

That Council disband the following working groups and forums:

BHPBIO/ToPH Sustainability Partnership Working Group
Community Safety and Crime Prevention Working Group
Port Hedland Community Integration Working Group
Coastal Foreshore Management Working Group
Town of Port Hedland Local Housing Strategy Working Group
Developers Forum
South Hedland CBD Forum

201516/073 COUNCIL DECISION

MOVED: CR BLANCO

SECONDED: CR ARIF

That Council disband the following working groups and forums:

BHPBIO/ToPH Sustainability Partnership Working Group
Port Hedland Community Integration Working Group
Coastal Foreshore Management Working Group
Town of Port Hedland Local Housing Strategy Working Group
Developers Forum
South Hedland CBD Forum

CARRIED 9/0

EXECUTIVE SUMMARY

All local government committees are required to be reviewed after each local government election. This item asks the Council to consider reviewing the terms of reference, inclusive of membership, of its Audit Risk and Governance (ARG) Committee as well as its Port Hedland International Airport (PHIA) committee.

Elected members also represent the Town on a number of external organisations; these appointments will require review depending on whether current members are re-elected.

As the Town runs a number of informal working groups and forums, it is also considered appropriate to review these at this time.

DETAILED REPORT

Following the Ordinary Local Government elections to be held on Saturday 17 October 2015, Council has to consider reviewing its current committees and fill elected member vacancies.

Committees

Local Government committees are a formal type of meeting established as part of the administrative structure of the Town of Port Hedland. The role of committees is to assist the Council in its decision making process by providing advice about specific issues.

Committees are very similar to Ordinary Council meetings, as they have to follow a series of statutory requirement in accordance with the Act and the Town of Port Hedland's Local Law on Standing Orders.

The Town of Port Hedland Council currently has two committees, these being the Audit Risk and Governance (ARG) Committee and the Port Hedland International Airport Committee.

ARG Committee

The ARG Committee terms of reference were reviewed on 27 May 2015 to ensure that changes in Regulation 17 of the Local Government (Audit) Regulations 1996 were captured. These changes extended the responsibilities of Audit Committees and Chief Executive Officers of local governments in relation to the reviewing and reporting of local governments' systems and procedures in regard to risk management, internal control and legislative compliance.

In view of this the terms of reference of the ARG Committee are proposed to be maintained in their current format.

In terms of membership, it is proposed that the current members of the public on the ARG Committee, Mr Bill Hrambanis and Ms Nina Pangahas remain part of the committee, due to the extensive process that the Town undertook to recruit them.

To ensure that members of the public can attend these meetings a revised time of Tuesdays at 5:30pm is recommended.

PHIA Committee

The current terms of reference for the PHIA Committee are as follows:

The Airport Committee is established to ensure that the Port Hedland International Airport is recognised as a leading regional airport in the area of passenger and freight movements and customer satisfaction and to:

Develop a comprehensive Airport Master Plan and commence implementation of key initiatives that are identified;

Actively pursue the generation of income from a variety of sources at the Airport including through leases, rentals, advertising, freight and any other means; and

Upgrade terminal facilities including baggage screening and departure lounges.

Elected Members: five with two deputies

Community Members:

Ms Florence Bennett

Mr Brad Pawlenko

Mr Jason Green

The quorum for the Committee is to be a minimum of 50% of its membership.

Delegations:

i) To determine whether a tender is required to be sought or not as specified in LG (F&G) Reg 11F.

ii) To choose tenderers for products services on behalf of the local government in accordance with LG (F&G) Reg 18.

Tenure: Ongoing

Meeting frequency, dates and venue: First Wednesday of the month at 12:30pm in Council Chambers

As the Airport has recently been leased, the terms of reference this committee require amending. The revised terms are as follows:

The PHIA Committee is established to:

1. Develop a productive and professional relationships with the Consortium; and
2. Lead the transition plan review between the Town of Port Hedland and the Consortium.

The number of members is proposed to be reviewed to include four elected members rather than five; this will ensure the committee does not have an even number of members which might result in tied votes.

The current community members on the PHIA committee, Ms Florence Bennett, Mr Brad Pawlenko and Mr Jason Green, have expressed their desire to remain part of the committee. In view of the extensive process that the Town undertook to recruit these three members of the public to be part of this committee, it is recommended that the Council consider reappointing them.

To ensure that members of the public can attend these meetings a revised time of Tuesdays at 5:30pm is recommended.

The quorum is proposed to remain as 50% of the committee's membership.

Delegations will no longer be required and the tenure of the committee should be until the completion of the transition process which is envisaged to be early 2016, after which the committee will be disbanded.

External

Elected Members also represent the Town on a number of external bodies. Depending on the election outcome elected members might be required to nominate for the following external groups:

- Development Assessment Panels – 1 member and 1 deputy (currently Mayor Howlett is a member and Cr Butson a deputy member)
- Port Hedland Retirement Village (Inc) – 1 member
- Port of Port Hedland Community Consultation Committee – 2 members
- Pilbara Development Commission – up to 2 members

Under the Development Assessment Panel (DAP) regulations, each DAP will determine development applications that meet set type and value thresholds as if it were the responsible authority under the relevant planning instrument, such as the local planning scheme or region planning scheme. The DAP regulations state that DAP applications cannot be determined by local government or the Western Australian Planning Commission (WAPC). The role of DAP members is to determine development applications within a certain type and value threshold through consistent, accountable, and professional decision-making.

The Pilbara Development Commission (PDC) is established under the Regional Development Commissions Act (1993). The Governing Minister for the Commission is the Hon Terry Redman MLA Minister for Regional Development; Lands; Minister Assisting the Minister for State Development. The Commission plays a lead role in facilitating planning and development for the Pilbara, to broaden the economic base, improve social infrastructure and to attract and sustain a rapidly growing residential population. The PDC is inviting each local government in the Pilbara to nominate up to two Councillors to fill three local government positions. A nomination form will have to be completed and forwarded to Minister Redman for consideration and selection.

Membership for the Pilbara Regional Council, Regional Roads Group and Local Emergency Committee is set as part of the Town's current policy 4/007 which stipulates that these groups will be represented by the Mayor and the Deputy Mayor at all times.

Other external representations are listed under Attachment 1 for reference only.

Town of Port Hedland Working Groups and Forums

The Town from time to time also sets up informal working groups and forums, which include elected members as part of their membership. It is recommended that these groups are reviewed at this time.

All current terms of reference are included as part of attachment 1. All proposed changes are summarised in the table below:

TITLE	ACTION	REASON
BHPBIO/ToPH Sustainability Partnership Working Group	Disband	No longer operating. The money for this project was put back into the reserve account.
Community Safety and Crime Prevention Working Group	Disband	No longer operating
Chief Executive Officer Performance Review Working Group	To be reviewed in conjunction with policy 3/019 CEO Performance Review	Both the policy and the working group need to be aligned to reflect the current process related to the CEO's performance review
Port Hedland Community Integration Working Group	Disband	No longer operating
Coastal Foreshore Management Working Group	Disband	As the marina project has developed this group has been superseded by the Marina Waterfront Development Reference Group
Marina Waterfront Development Reference Group	Continue as per current TORs	This group met repeatedly in the first half of 2015 and will be re-engaged shortly to continue working through this project
Town of Port Hedland Local Housing Strategy Working Group	Disband	To ensure there are resources available to continue preparing a Local Housing Strategy grant funding and/or a budget item will be sought in the 16/17 FY and the group's format will be reconsidered at that time if appropriate
Aboriginal Consultation Forum	Continue as per current TORs	This forum has proven a very effective engaging vehicle and will continue as per its current schedule
Developers Forum	Disband	This forum is no longer required as when major planning projects are undertaken by the Town advertising and

		consultation are mandatory
South Hedland CBD Forum	Disband	This forum is no longer required as these discussions can be had through an alternative avenue. Stakeholders will continue to be engaged.

Additional Information on the Town of Port Hedland Local Housing Strategy Working Group:

Stage 1 of the local housing strategy project which involved a gap analysis to identify key characteristics of local housing and the preparation of an infill densification model has been undertaken. The second stage of the project will involve the preparation of a draft local housing strategy and will costs in the order of \$150K. As there are currently no resources available in the 2015/16 financial year to prepare this strategy the working group is not required and as such it is recommendation that it be disbanded at this point in time. When funding is secured to undertake this work an engagement plan will be developed as part of the project scope.

Consultation

- Executive Leadership Team
- ARG committee community members
- PHIA committee community members

FINANCIAL AND RISK IMPLICATIONS

Costs associated with all committees, working groups and forums are included in the Town of Port Hedland 2015/16 Budget as operational expenditure.

STATUTORY AND POLICY IMPLICATIONS

The Local Government Act 1995 and the Local Government (Administration) Regulations 1996 outline the processes associated with the establishment of committee meetings.

Part 2 of the Town's Local Law on Standing Orders deals with the establishment and membership of committees.

Section 4.1 'Strategic and best practice local government administration' of the Strategic Community Plan 2014 -2024 applies as committees are established to assist with the

ATTACHMENTS

1. ToPH Committee, Working Groups and Forums Terms of Reference Booklet (Under Separate Cover)
2. Port of Port Hedland Community Consultation Committee Terms of Reference
8 October 2015

**PORT OF PORT HEDLAND
COMMUNITY CONSULTATION
COMMITTEE**



ATTACHMENT 2 TO ITEM 12.3.2

TERMS OF REFERENCE

1. Purpose

To establish Pilbara Ports Authority's (PPA) Port of Port Hedland Community Consultation Committee (PHCCC) in accordance with section 14A of the *Port Authorities Act 1999 (WA)*.

2. Scope

The PHCCC scope is to:

- a) Promote and facilitate two-way communication.
- b) Share information and consult with the community and members of the public who are interested or may be affected by port operations.
- c) Include representation from the Town of Port Hedland.

It is important to note, that the PHCCC is not a decision-making committee, and the role of the PHCCC is not to direct or govern the strategic or operational decisions of the PPA Board or Executive. However, the input and feedback of the PHCCC membership will be considered by the PPA's Executive and Board, as appropriate.

Examples of topics that might be covered on a typical PHCCC agenda include marine operations and environmental updates, and updates on PPA community initiatives and sponsorships. Topics of a commercial nature and the business of PPA proponents will not be discussed.

3. Membership

Membership will be pursued by an initial courtesy contact to relevant local community, interest and business groups in consultation with the Town of Port Hedland. This will be followed by a public Expression of Interest process (supported by a local press advertisement) to ensure a broad cross-section of the community and interested parties are included.

The committee will have a maximum of 25 members, and will include representatives from PPA, Town of Port Hedland, relevant local community, interest and business groups, local community members and other Government departments as required.

The membership of the PHCCC will include the following PPA representatives:

- General Manager Operations (Chairperson).
- Manager Environment and Heritage .
- Director Corporate and Government Affairs.

To ensure that a cross section of community/organisations participate in the CCC, community representatives will be selected as follows:

**PORT OF PORT HEDLAND
COMMUNITY CONSULTATION
COMMITTEE**



- a) A call for nominations for positions will be issued in January of each year.
- b) Existing members wishing to remain on the Committee from one year to the next will be eligible to re-nominate.
- c) New members will be chosen by a selection committee consisting of the PPA representatives on the PHCCC.
- d) Membership candidates will be assessed to ensure no conflicts of interest with PPA exists.
- e) Terms of one year and two years will be allotted initially via a draw on names. Thereafter, committee members will be elected for a two year terms.
- f) Membership of the CCC will be ratified by the PPA Executive; and
- g) A Town of Port Hedland representative and potentially broader local government representation will be invited and encouraged to sit on the CCC.

Conditions of Membership are as follows:

- Members formally agree that they do not have authority to speak, represent, or go on the public record on behalf of the PHCCC and that authority lies entirely with PPA's Board or its delegate (this does not preclude the Members' rights as a citizen or sector they may represent at the PHCCC); and
- Members agree to abide by PPA Code of Ethics and Conduct when onsite and/or when in attendance or representing in the capacity as a member of the PHCCC.

The Chairperson may invite other persons to attend meetings as considered appropriate for matters under discussion, e.g. senior PPA subject matter experts, external subject matter experts, project proponents, consultants and representatives from other Government agencies.

4. Chairperson

The PPA Executive has appointed the General Manager Operations as Chairperson for a term of one year commencing on 31 January 2015.

5. Meetings

Meetings shall be held approximately every four months (i.e. three meetings per annum) and PPA will be responsible for organising the meeting venue and providing secretariat services.

6. Attendance

Attendance of a meeting may be in person or via suitable electronic means. Meeting attendance, including apologies, will be noted in the minutes of each meeting. A proxy

**PORT OF PORT HEDLAND
COMMUNITY CONSULTATION
COMMITTEE**



member may also be nominated to attend on behalf of a Member to maintain representation.

It is expected that members (not their proxy) should attend at least two of the three meetings per calendar year. Members who fail to attend at least two meetings in a calendar year may have their membership revoked.

7. Agenda

The Chairperson of the PHCCC or authorised delegate will nominate a date, time and location for the meeting with at least one month's notice. The Chairperson will also collate agenda items and circulate an agenda one week prior to the meeting. Where (or if) an agenda item cannot be addressed sufficiently in the time leading up to the proposed meeting date, it will be the Chairperson's responsibility to ensure the item is carried over and addressed in either a subsequent meeting or through appropriate correspondence.

8. Minutes

Minutes will be taken on behalf of the Chairperson and circulated to all stakeholders within two weeks of a meeting occurrence. PPA will be responsible for retaining meeting minutes and circulating copies of the minutes to PHCCC members and stakeholders along with publishing on PPA's website.

9. Out of Session Items

Where an issue of importance arises out of session that cannot be dealt with at a meeting, but does not require calling an additional meeting, the chair may circulate material out of session.

10. Review of Terms of Reference

A review of these Terms of Reference will be undertaken one year after inception and then every third year as required. Administrative changes will be made as necessary by PPA.

12.3.3 Proposed Repeal Local Law 2016

Josephine Bianchi, Governance Coordinator
File No. 19/01/0001

DISCLOSURE OF INTEREST BY OFFICER

Nil

201516/074 RECOMMENDATION/ COUNCIL DECISION

MOVED: CR WHITWELL SECONDED: CR ARIF

That Council:

1. **Adopt the proposed *Town of Port Hedland Repeal Local Law 2016* for advertising purposes;**
2. **Pursuant to section 3.12 of the *Local Government Act 1995*, give Statewide public notice that it intends to make the *Town of Port Hedland Repeal Local Law 2016*, as contained in Attachment 1:
 - (a) **the purpose of which is to repeal superfluous, defunct and obsolete local laws; and**
 - (b) **the effect being more efficient and effective local government by removing outdated local laws from the public record.****
3. **Submit a copy of the *Town of Port Hedland Repeal Local Law 2016* to the Minister for Local Government and Communities for comment.**

CARRIED 9/0

EXECUTIVE SUMMARY

To allow:

1. the Presiding Person to give notice to the meeting of the intent to make a proposed Repeal Local Law 2016;
2. the Presiding Person to give notice of the purpose and effect of the proposed Repeal Local Law 2016;
3. for the Council to adopt the proposed Repeal Local Law 2016 for advertising purposes, and
4. for advertising of the proposed Repeal Local Law 2016 for public comment.

DETAILED REPORT

Section 3.16 of the *Local Government Act 1995* requires that a periodic review of all local laws is undertaken within a period of 8 years from the date the local law commenced or was last reviewed.

The Town has engaged DL Consulting to assist Council with the local law review process.

As part of the review process it was resolved that Council repeal the *Town of Port Hedland Signs, Hoardings and Billpostings Local Law* gazetted 3 August

2000 and replace it with a Local Planning Policy that addresses the development requirements relating to signs and advertising devices. Public consultation will be undertaken as part of the advertising process required by section 3.12(3), for a period of not less than 42 days.

The Department of Local Government Communities Operational Guideline No 16, released in September 2006, details the position of the Department in relation to local laws relating to signs:

Some local governments are attempting to deal with signage on private land through their signs local laws, whereas the correct place for dealing with this issue is under their town planning scheme [sic]. Signs local laws should only deal with the issue of signage on local government property.

A draft Local Planning Policy dealing with Signs and Advertising Devices has been prepared in consultation with the Planning Department. The Planning Department will be progressing the adoption of the Signs and Advertising Devices Local Planning Policy under the Town of Port Hedland Town Planning Scheme.

Given the above information, and that Council's proposed Local Government Property Local Law will deal with all matters pertaining to local government property, the *Town of Port Hedland Signs, Hoardings and Billpostings Local Law* is no longer required and should be repealed.

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

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

The purpose and effect of the proposed Repeal Local Law 2016 is –

Purpose – To repeal superfluous, defunct and obsolete local laws.

Effect – Being more efficient and effective local government by removing outdated local laws from the public record.

FINANCIAL AND RISK IMPLICATIONS

The placement of an advertisement in the West Australian Newspaper is required at an estimated cost of \$400-\$700, depending on structure and layout. These costs are included in the current budget.

STATUTORY AND POLICY IMPLICATIONS

Section 3.12 of the *Local Government Act* 1995 outlines the procedure for making local laws. Once Council adopt the proposed local law the Town will advertise for public comment for 42 days.

Section 4.1 'Strategic and best practice local government administration' of the Strategic Community Plan 2014 – 2024 applies as ensuring all local laws are up to date and relevant provides high quality corporate governance accountability and compliance.

ATTACHMENTS

1. Proposed Town of Port Hedland Repeal Local Law 2016

8 October 2015

ATTACHMENT 1 TO ITEM 12.3.3**LOCAL GOVERNMENT ACT 1995***Town of Port Hedland*

REPEAL LOCAL LAW 2016

Under the powers conferred by the *Local Government Act 1995* and under all other powers enabling it, the Council of the Town of Port Hedland resolved on [insert adoption resolution date here] to make the following local law.

1 Citation

This local law is cited as the *Town of Port Hedland Repeal Local Law 2016*.

2 Commencement

This local law will come into operation 14 days after the day on which it is published in the *Government Gazette*.

3 Repeal

The *Town of Port Hedland Signs, Hoardings and Billpostings Local Law*, as published in the *Government Gazette* on 3 August 2000 is repealed.

Dated: [date].

The Common Seal of the Town of Port Hedland was affixed by authority of a resolution of the Council in the presence of —

K HOWLETT, Mayor.

M OSBORNE, Chief Executive Officer.

12.3.4 Statement of Financial Activity for the period ended 30 September 2015

Laura Delaney, Acting Manager Financial Services
File No. 12/14/0003

DISCLOSURE OF INTEREST BY OFFICER

Nil

201516/075 RECOMMENDATION/ COUNCIL DECISION

MOVED: CR ARIF

SECONDED: CR WHITWELL

That Council:

- 1. Receive the Monthly Financial Health Check for the period ended 30 September 2015;**
- 2. Receive the Statement of Financial Activity (and supporting information) for the period ended 30 September 2015;**
- 3. Receive the Port Hedland International Airport Statement of Financial Activity for the period ended 30 September 2015;**
- 4. Receive the Waste Management Statement of Financial Activity for the period ended 30 September 2015**
- 5. Note the accounts paid during September 2015 under delegated authority.**

CARRIED 9/0

EXECUTIVE SUMMARY

This report presents the Statement of Financial Activity for the period ended 30 September 2015. It should be noted that some of the figures presented in this report and the attachments may change pending adjustments made as a result of end of year finalisation of accounts and completion of the audit of the Town's annual financial reports for 2014/15.

DETAILED REPORT

The Statement of Financial Activity is presented in a similar format to the Rate Setting Statement as included in the 2015/16 Annual Budget.

The following commentary is provided on variances between year to date actuals and year to date budget for the period ended 30 September 2015:

Account Description	YTD Variance	Comment
Operating Revenue		
Operating Grants, Subsidies & Contributions	-25%	Grants, subsidies and contributions under budget due to timing of payments.
Fees & Charges	13%	Fees & Charges higher than anticipated due to rubbish collection fees of \$2.876m for the entire year raised with the rates.
Interest Earnings	-81%	Interest earnings will balance across the financial year due to staggering maturities on investments and accruals.
Other Revenue	-35%	Reimbursements across multiple accounts yet to be raised based on timing of when these are due.
Operating Expenditure		
Materials and Contracts	-32%	Activity based costing journals have yet to be completed. A revised methodology to distribute admin costs will be presented as part of the Quarterly Budget Review. Community Amenities: YTD budget of \$973k with actuals of \$180k. difference related to Landfill Business Unit mainly in recovery of plant and the Landfill Masterplan with \$118k actuals compared to YTD budget of \$561k; Town Planning/Regional Development \$12k actuals to date with YTD budgeted spend of \$235k; and Rubbish collection \$46k actuals to date with YTD budgeted spend of \$126k due to timing. Recreation & Culture: YTD budget of \$1.3m with actuals of \$213k. Difference related to Sportsgrounds mainly in plant recovery and park maintenance with \$118k actuals compared to YTD budget of \$464k; and YMCA operations costs and management fees not yet paid compared to YTD budget of \$594k due to timing of payments due. Transport (excl Airport): YTD budget of \$523k with actuals of \$93k mainly in Infrastructure Maintenance due to timing of works and invoicing.
Utilities	-53%	Utilities under budget due to timing of payment of bills.
Depreciation	-100%	Depreciation journals have yet to be completed. To be reviewed post QBR.
Interest Expense	-89%	Variation due to timing of payments for interest on Town's loans.
Insurance Expense	139%	Property Insurance paid across two installments.

Other Expenditure	-31%	Activity based costing journals have yet to be completed. A revised methodology to distribute admin costs will be presented as part of the Quarterly Budget Review. Variance mainly related to timing of expenditure.
Capital Expenditure and Revenue		
Acquisition of Infrastructure, Property, Plant and Equipment	-77%	Due to timing of completion of capital works program which are currently in design and procurement phase.
Proceeds from Disposal of Assets	-49%	Under budget due to the timing of asset sales.
Capital Grants and Contributions for the Development of Assets	-53%	Capital Grants and contributions under budget due to timing of payment.
New Loan Borrowings	-100%	No loan funds as budgeted have been drawn down.
Proceeds from Self Supporting Loans	52%	Over budget due to the timing of Self Supporting Loan payments made to the Town.
Transfers to/from Reserves	-100%	Reserves journals are yet to be completed. To be reviewed post QBR.

The net current asset position as at 30 September 2015 is \$28.02m. This balance is expected to decline significantly across the course of the year, as projects are delivered and operational budgets are expended.

The unrestricted cash position as at 30 September 2015 is \$9.7m and is calculated as follows:

	2015/16 Actual (000's)
Current Assets: Cash and Investments	\$89,185
Restricted Cash – Reserves	(\$79,487)
Unrestricted Cash Position as at 31 August 2015	\$9,698

It should be noted that the unrestricted cash position stated above is an interim cash position and may change pending finalisation and audit of the Town's annual financial reports for 2014/15.

FINANCIAL IMPLICATIONS

A municipal surplus occurs where revenue exceeds expenditure in a particular financial year. As per the adopted 2015/16 budget, the estimated municipal surplus was \$1.960m based on a carry forward surplus of \$2.950m.

The 2015/16 municipal surplus position projected as per the unaudited 2014/15 financial statements is \$4.074m due to a revised carry forward surplus of \$5.064m. The surplus can primarily be attributed to interim rate revenue, advanced payment of 50% of the Town's Annual Financial Assistance Grant for 2015/16, increased interest earnings and other revenue and to some capital projects that were budgeted however not completed in the 2014/15 financial year.

The 2015/16 Capital Works Program will be reviewed in its entirety as part of the September Quarterly Budget Review and any carryovers will be identified.

The following reconciliation is provided:

	000's
Budget Municipal Surplus Brought Forward 30 June 2016	\$1,960
Municipal Surplus Carried Forward 1 July 2015 – Budget	(\$2,950)
Municipal Surplus Carried Forward 1 July 2015 – Interim Actual	\$5,064
Amended Budget Municipal Surplus Brought Forward 30 June 2016	\$4,074

RISK IMPLICATIONS

The Town of Port Hedland is exposed to a number of financial risks in both its Annual Budget and Long Term Financial Plan (which is underpinned by some key assumptions). Most of these risks exist in respect to recurrent revenue streams which are required to meet current service levels. Any reduction in these revenue streams into the future is likely to have an impact on the Town's ability to meet service levels or asset renewal funding requirements, unless the Town can replace this revenue or alternatively reduce costs.

2015/16 Budget General Ledger Number and Description	Summary
#301301 Rates Revenue GRV	The 2015/16 Budget includes rate revenue of \$3,348,800 from six mass accommodation facilities. The Town has been in active discussions with the Department of Local Government over the last two years, with respect to the rating methodology of these facilities. For the 2015/16 financial year the Department requested the Town to reduce the rate in the dollar by \$0.02, impacting on total rate yield (advertised rates model was \$3,685,176). It is likely that mass accommodation rates will come under further pressure in future years.
#1303353 Precinct 3 Lease Payment	The 2015/16 Budget includes income of \$3,795,258 from BHP for the Precinct 3 lease payment. As this land has been included in the Airport lease transaction the Town of Port Hedland will no longer be entitled to this lease payment. As advised during the Airport lease process, the Town will require an income source of \$8.2m from the investment of the Airport lease proceeds to replace lost revenue sources.

#1303357 Other Revenue – Lease Income	The 2015/16 Budget includes income of: \$1,072,218 from the Port Haven lease \$203,075 from the Port Haven Car Park lease \$195,982 Mia Mia lease As this land has been included in the Airport lease transaction the Town of Port Hedland will no longer be entitled to this lease payment. As advised during the Airport lease process, the Town will require an income source of \$8.2m from the investment of the Airport lease proceeds to replace lost revenue sources.
#1304350 Operating Grants, Subsidies & Contributions – Community Contribution: Mia Mia	The 2015/16 Budget includes a community contribution of \$464,845 under the Mia Mia lease. This lease expires in December 2019 and income is uncertain after this date.
#304380 Interest Revenue – Interest on Investments	The 2015/16 Budget includes income of \$2.1m from interest on investments. All interest earnings on Reserves are applied to Municipal revenue, with the exception of interest earnings on the Spoilbank Reserve which is applied against the Asset Management Reserve and the BHP Reserve which is applied back to the BHP Reserve. As Reserve balances are depleted, the Town will receive a lower income from interest on these balances.
#304399 Internal Transfer – Transfer from Airport: Return on Investment	The 2015/16 Budget includes income of \$3,383,415 from the Airport business unit as a return on investment into Municipal funds. As the Airport has been leased, the Town of Port Hedland will no longer receive this income. As advised during the Airport lease process, the Town will require an income source of \$8.2m from the investment of the Airport lease proceeds to replace lost revenue sources.
#1304395 Proceeds from Sale of Kingsford Smith Business Park (KSBP)	The 2015/16 Budget includes income of \$4,807,500 from lot sales at KSBP. The 2015/16 Budget has been remodelled with the Airport business unit as a discontinued operation, with \$2.8m still required in annual sales from KSBP to balance the budget. Resolution number 201112/351 provided for a total of \$40m in sales from the KSBP to be transferred into the Airport Reserve with any further proceeds in excess of the first \$40m to be transferred into the Municipal fund. This resolution was in response to a supplementary resolution to transfer \$40m out of the Airport Reserve to the Spoilbank Reserve for the purpose of developing the Spoilbank precinct. This transfer was advertised in accordance with Section 6.11 of the Local Government Act. The Town was required to demonstrate a \$40m commitment towards the Spoilbank precinct

	<p>development in order to secure State Government funding of \$112m.</p> <p>Once financial close is reached on the Airport lease (expected January / February 2016) all proceeds from the sale of lots at KSBP will be transferred into the Municipal fund.</p>
#1122321 Operating Grants, Subsidies & Contributions – FMG Memberships	<p>FMG under agreement with the Town provide an annual contribution of \$500,000 towards the operations of Wanangkura Stadium. Under the agreement FMG employees are entitled to drawdown on this amount for activities through the Wanangkura Stadium and Matt Dann, with budgeted expenses of \$240,000 for Stadium activities and \$10,000 for Matt Dann activities, effectively providing a subsidy of \$250,000. This agreement will expire in 2016.</p>
Waste Management Reserve	<p>As at the 30 June 2016 the budgeted closing balance of the Waste Management Reserve is \$12.171m. The budgeted annual operating surplus from Waste services is approximately \$4m (this excludes capital expenditure). Council will need to adopt a strong policy position with regards to the replenishment of the Waste Management Reserve in order to meet future capital costs for the closure and rehabilitation of the current landfill site at the end of its useful life and for the establishment of a new landfill site.</p>
#1123353 Non-Operating Grants, Subsidies & Contributions – Scotty's Cafe	<p>The 2015/16 Budget includes a capital contribution of \$1.2m from FMG for the construction of Scotty's Café at Marquee Park. The funding agreement is currently on hold and the project will not proceed until funding has been secured. Should Council decide to fund the project from own source funds, the Town would be required to also fund operational expenses which were to be originally captured under the funding agreement with FMG for the first 3 years (\$1.1m recurrent funding requirement over 3 years).</p>

STATUTORY AND POLICY IMPLICATIONS

Regulation 34 of the *Local Government (Financial Management) Regulations 1996* requires the Town to prepare a monthly Statement of Financial Activity. The monthly Statement of Financial Activity is to be presented to the Council at an ordinary meeting within 2 months after the end of the month to which the statement relates. The operating section of the Interim Statement of Financial Activity is shown by program in accordance with Regulation 34 (3)(b) of the *Local Government (Financial Management) Regulations 1996*.

Regulation 13 of the *Local Government (Financial Management) Regulations 1996* requires the Town to prepare a list of accounts due and submitted each month for payments made from municipal fund by CEO.

ATTACHMENTS

1. Monthly Financial Health Check for the Period Ended 30 September 2015
2. Statement of Financial Activity for the Period Ended 30 September 2015
(Under Separate Cover)
3. Port Hedland International Airport Statement of Financial Activity for the
Period
Ended 30 September 2015
4. Waste Management Statement of Financial Activity for the Period Ended
30
September 2015
5. Accounts paid under delegated authority for the month of September 2015
(Under Separate Cover)

14 October 2015

ATTACHMENT 1 TO ITEM 12.3.4

MONTHLY FINANCIAL HEALTH CHECK



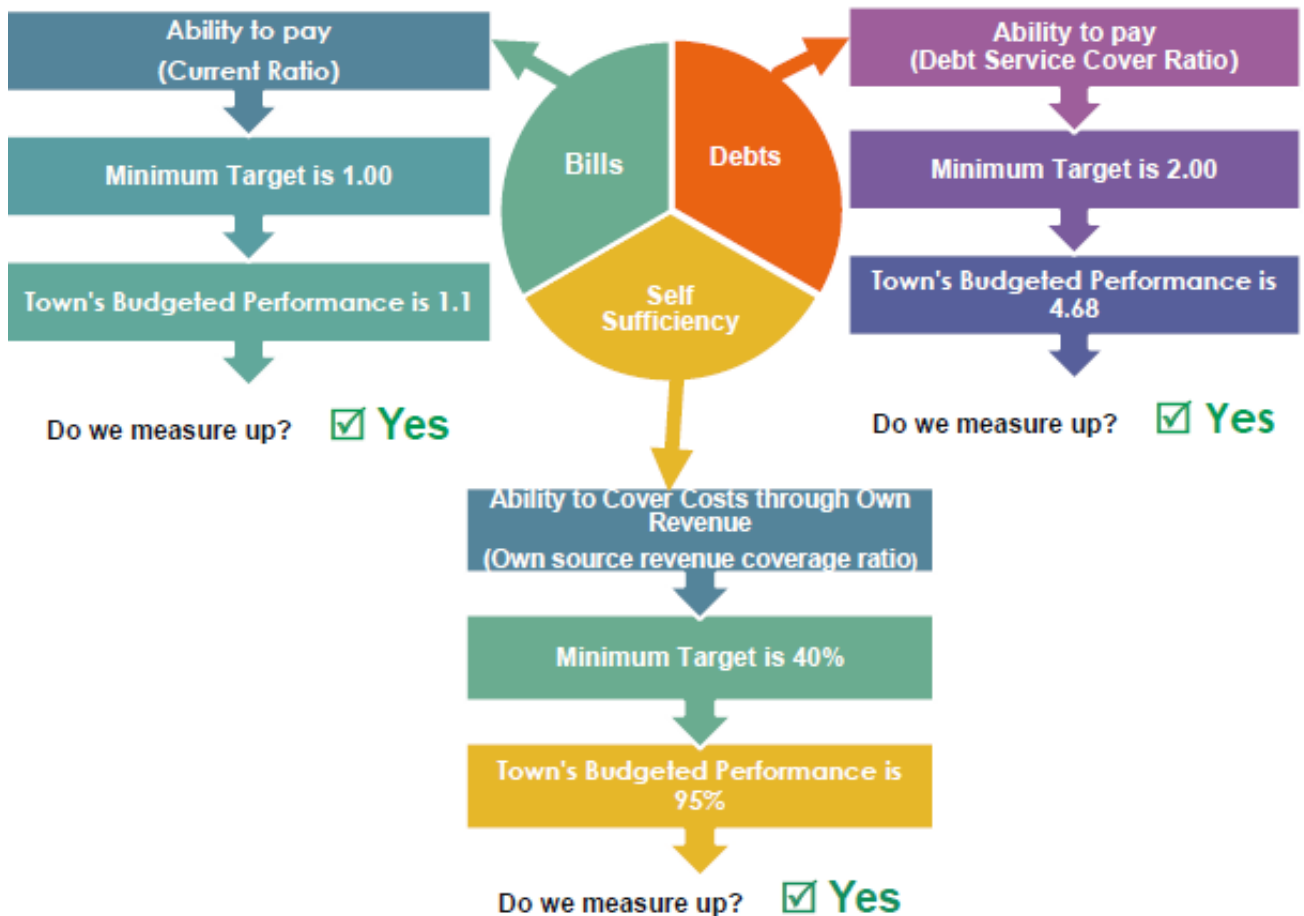
As at 30 September 2015

The Town aims to operate sustainably in the short and long term



Financial Snapshot (Year to Date)	Actual (000's)
Operating Revenue	\$35,719
Operating Expenditure (excl non-cash items)	-\$11,452
Capital Revenue	\$1,175
Capital Expenditure	-\$2,214
Loan Repayments	-\$267
Transfers to/from Reserves	-\$1
Surplus Carried Forward 1 July 2015	\$5,064
Current Municipal Surplus Position at 31 August 2015	\$28,024

Financial health indicators



Cash in the bank



► Is the Town financially sustainable?

Operating Surplus Ratio

A measure of the Town's ability to cover its operational costs including depreciation and have funds left over to cover capital expenditure (including principal loan repayments) without relying on debt or reserves.

Minimum Target is 1%

Town's Budgeted Performance is 1%

Do we measure up? Yes

Asset Sustainability Ratio

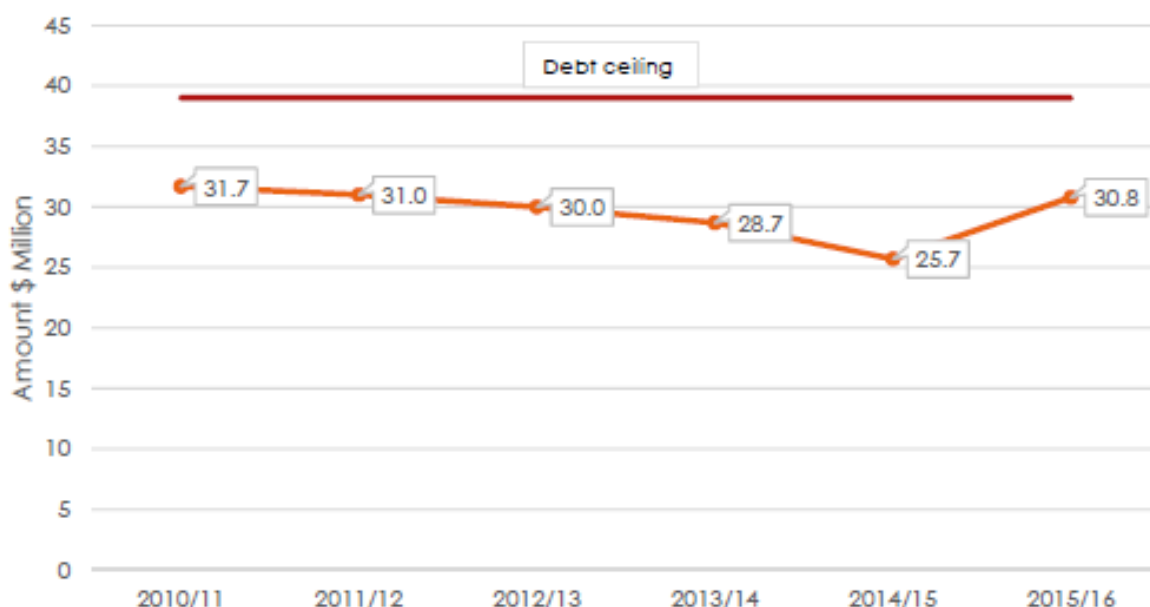
Measures if the Town is replacing or renewing existing non-financial assets at the same rate that its overall asset stock is wearing out.

Minimum Target is 90%

Town's Budgeted performance is 90%

Do we measure up? Yes

▶ Debt levels



Debt ceiling = \$39M
Current debt = \$25.5M
New loans = \$5.32M

Intergenerational Loans		
Loan Purpose	Outstanding Amount	Remaining Term
1. Marquee Park	\$4.68M	16 years
2. JD Hardie Upgrade	\$2.72M	16/18 years
3. Wananagkura Stadium	\$9.30M	16/18 years
4. GP Housing	\$1.40M	18 years

Any feedback on this document is greatly appreciated and can be emailed to council@porthedland.wa.gov.au

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ATTACHMENT 3 TO ITEM 12.3.4

**TOWN OF PORT HEDLAND
PORT HEDLAND INTERNATIONAL AIRPORT
STATEMENT OF FINANCIAL ACTIVITY BY PROGRAM
FOR THE PERIOD ENDED 30 SEPTEMBER 2015**

30/09/2015

Account Description	Adopted Budget	YTD Budget	YTD Actuals	YTD Variance	
	\$000's	\$000's	\$000's	%	\$000's
Operating Revenue					
Fees & Charges: Discretionary - Passenger Security Screening Charges - Airport Administration	1,645	411	318	-23%	93
Fees & Charges: Discretionary - Landing Charges - Airport Administration	4,230	1,058	734	-31%	323
Fees & Charges: Discretionary - Passenger Service Charges - Airport Administration	9,400	2,350	1,613	-31%	737
Fees & Charges: Discretionary - Common User Check In Fees - Airport Administration	0	0	13	0%	-13
Fees & Charges: Discretionary - Short Term Paid Parking Fees - Airport Administration	100	25	103	310%	-78
Fees & Charges: Discretionary - Long Term Paid Parking Fees - Airport Administration	500	125	13	-89%	112
Fees & Charges: Discretionary - Business Pass Card Paid Parking - Airport Administration	7	2	0	-93%	2
Other Revenue - Lease Income - Airport Administration	478	119	157	31%	-37
Other Revenue - Hire Car Licence Fees - Airport Administration	226	57	38	-33%	19
Other Revenue - Concessions - Airport Administration	1,087	272	190	-30%	82
Other Revenue - Reimbursement: Water Corp Charges - Airport Administration	3	1	(8)	-1096%	9
Other Revenue - Reimbursement: Airport Electricity Charges - Airport Administration	150	38	(0)	-100%	38
Other Revenue - Terminal Advertising (Contract) - Airport Administration	38	10	6	-34%	3
Other Revenue - Fuel Reimbursement - Airport Administration	11	3	1	-51%	1
Other Revenue - Lease Income - Airport Cafe & Bar	191	48	26	-46%	22
Internal Transfer - From Municipal Fund: Kingsford Business Park - Airport Administration	4,718	1,179	0	-100%	1,179
Total Operating Revenue	22,784	5,696	3,204	-44%	2,492
Operating Expenditure					
Employee Costs - Fringe Benefits Tax - Airport Administration	(15)	(4)	0	-100%	-4
Employee Costs - Protective Clothing & Equipment - Airport Administration	(15)	(4)	(1)	-62%	-2
Employee Costs - Salaries - Airport Administration	(1,659)	(415)	(421)	2%	6
Employee Costs - Superannuation - Airport Administration	(162)	(41)	(40)	-1%	0
Employee Costs - Superannuation Co Contribution - Airport Administration	(26)	(7)	(5)	-21%	-1
Employee Costs - Training & Development - Airport Administration	(45)	(11)	(19)	72%	8
Employee Costs - Travel & Accommodation - Airport Administration	(40)	(10)	(9)	-6%	-1
Employee Costs - Workers Compensation Insurance - Airport Administration	(28)	(7)	(14)	100%	7
Materials and Contracts - Airconditioning Terminal - Airport Maintenance	(128)	(32)	(13)	-58%	-19
Materials and Contracts - Airport Governance Review - Airport Administration	(700)	(175)	(727)	316%	552
Materials and Contracts - Airport House 10: Maintenance - IAP Administration	(5)	(1)	(0)	-90%	-1
Materials and Contracts - Airport House 2: Maintenance - IAP Administration	(3)	(1)	0	-100%	-1
Materials and Contracts - Airport House 3: Maintenance - IAP Administration	(3)	(1)	0	-100%	-1
Materials and Contracts - Airport House 4: Maintenance - IAP Administration	(3)	(1)	0	-100%	-1
Materials and Contracts - Airport Office Fitout - Airport Administration	0	0	(11)	0%	11
Materials and Contracts - Airside Maintenance - Airport Maintenance	(100)	(25)	(14)	-44%	-11
Materials and Contracts - Aviation Compliance - Airport Administration	(500)	(125)	(45)	-64%	-80
Materials and Contracts - Building Terminal - Airport Maintenance	(156)	(39)	(48)	24%	9
Materials and Contracts - CCTV Maintenance - Airport Administration	(200)	(50)	(1)	-97%	-49
Materials and Contracts - Cleaning - Airport Maintenance	(260)	(65)	(61)	-6%	-4
Materials and Contracts - Depot Supplies - Airport Maintenance	(50)	(13)	(9)	-28%	-4
Materials and Contracts - Electrical Repairs Airside - Airport Maintenance	(75)	(19)	(8)	-56%	-10
Materials and Contracts - Electrical Repairs Terminal - Airport Maintenance	(50)	(13)	(25)	101%	13
Materials and Contracts - Equipment Maintenance - Airport Maintenance	(250)	(63)	(13)	-79%	-49
Materials and Contracts - Fire Appliances - Airport Maintenance	(30)	(8)	(48)	535%	40
Materials and Contracts - Fuel: Diesel & Unleaded - Airport Plant	(50)	(13)	(4)	-69%	-9
Materials and Contracts - Grading of Drains - Airport Administration	(150)	(38)	(1)	-98%	-37
Materials and Contracts - Ground Maintenance - Airport Maintenance	(4)	(1)	(1)	-17%	0
Materials and Contracts - Land Development Costs - Airport Administration	(50)	(13)	0	-100%	-13
Materials and Contracts - Landside Maintenance - Airport Maintenance	(50)	(13)	(4)	-71%	-9
Materials and Contracts - Markers & Markings - Airport Maintenance	(24)	(6)	0	-100%	-6
Materials and Contracts - Office Expenses - Airport Administration	(6)	(2)	(8)	404%	6
Materials and Contracts - Paid Parking Expenses - Airport Administration	(65)	(16)	(7)	-55%	-9
Materials and Contracts - Pavement Repairs - Airport Maintenance	(96)	(24)	0	-100%	-24
Materials and Contracts - Plant Hire - Airport Maintenance	(10)	(3)	(2)	-3%	0
Materials and Contracts - Plumbing - Airport Maintenance	(12)	(3)	(4)	19%	1
Materials and Contracts - Recovery of Plant Operating Costs - Airport Administration	(48)	(12)	0	-100%	-12
Materials and Contracts - Recovery of Plant Operating Costs: Heavy - Airport Plant	(76)	(19)	0	-100%	-19
Materials and Contracts - Road Maintenance - Airport Maintenance	(22)	(6)	0	-100%	-6
Materials and Contracts - Security Screening Contract Fees - Airport Administration	(1,516)	(379)	(134)	-65%	-245
Materials and Contracts - Small Equipment Maintenance - Airport Plant	(7)	(2)	(1)	-69%	-1
Materials and Contracts - Street Lighting (Reactive Repair) - Airport Maintenance	(80)	(20)	0	-100%	-20
Materials and Contracts - Valuation, Survey & Legal Expenses - Airport Administration	(29)	(7)	(0)	-100%	-7
Materials and Contracts - Building Maintenance (buildings covered under lease arrangements) - Airport Administration	(10)	(3)	0	-100%	-3
Utilities - Telephone - Airport Administration	(15)	(4)	(5)	41%	2
Utilities - Electricity Charges - Airport Administration	(500)	(125)	73	-158%	-198
Utilities - Water Corporation Charges - Airport Administration	(30)	(8)	(6)	-17%	-1
Insurance - Property Insurance - Airport Administration	(314)	(78)	(157)	100%	78
Insurance - Public Liability Insurance - Airport Administration	(19)	(5)	(19)	300%	14
Interest Expense - Loan Interest Payments: Airport Housing (131) - Airport Administration	(76)	(19)	0	-100%	-19
Other Expenditure - Airport Owners Assoc Fees - Airport Administration	(8)	(2)	0	-100%	-2
Other Expenditure - Asc Card Expense - Airport Administration	(2)	(1)	(0)	-60%	0
Other Expenditure - Public Relations Promotion - Airport Maintenance	(50)	(13)	(20)	58%	7

Account Description	Adopted Budget	YTD Budget	YTD Actuals	YTD Variance	
Other Expenditure - Admin Costs Distributed - Airport Administration	(1,692)	(423)	0	-100%	-423
Depreciation on Assets - Airport Maintenance	(1,765)	(441)	0	-100%	-441
Internal Transfer - Transfer To Municipal Funds: Payment For Airport Investment - Airport Administration	(3,383)	(846)	0	-100%	-846
Total Operating Expenditure	(14,663)	(3,666)	(1,834)	-50%	-1,831
Operating Surplus/(Deficit)	22,784	5,696	3,204	-44%	2,492
Add Back Non Cash Items					
Depreciation on Assets - Airport Maintenance	1,765	441	0	-100%	441
Capital					
Capital Expenditure - Work In Progress - Solar Farm - Airport Administration	(4,726)	(1,181)	(25)	-98%	-1,156
Capital Expenditure - Work In Progress - Carpark : Ground Transport Reconfiguration - Airport Administration	(800)	(200)	(138)	-31%	-62
Capital Expenditure - Buildings: Airport - Terminal Precinct - Airport Administration	(790)	(198)	(54)	-73%	-144
Capital Expenditure - Work In Progress - Solar Farm Development Costs - Airport Administration	(75)	(19)	(18)	-5%	-1
Capital Expenditure - Work In Progress - International Terminal Works Expansion - Airport Administration	0	0	(5)	0%	5
Capital Expenditure - Furniture & Equipment - IT Network Upgrade - Airport Administration	(20)	(5)	(2)	-60%	-3
Capital Expenditure - Work In Progress - Water & Sewer Services - Airport Administration	(2,375)	(594)	0	-100%	-594
Capital Expenditure - Buildings: Airport - Staff Housing Refurbishment - Airport Administration	(16)	(4)	0	-100%	-4
Capital Expenditure - Buildings: Airport - Building Upgrades - Airport Administration	(750)	(188)	(18)	-90%	-169
Capital Expenditure - Infrastructure: Airport - Taxiway Overlay - Airport Administration	(4,750)	(1,188)	0	-100%	-1,188
Capital Expenditure - Infrastructure: Airport - Main Apron Strengthening - Airport Administration	(755)	(189)	0	-100%	-189
Capital Expenditure - Work In Progress -Infra:Airport - Perimeter Fence Upgrade and Crash Gates - Airport Administration	(1,250)	(313)	(0)	-100%	-312
Capital Expenditure - Infrastructure: Airport - Runway Resheet : Northern Apron Extension - Airport Administration	(400)	(100)	0	-100%	-100
Capital Expenditure - Infrastructure: Airport - Electrical Infrastructure - Airport Administration	0	0	(611)	0%	611
Capital Expenditure - Work In Progress -Infra: Airport - Apron Lighting Upgrades - Airport Administration	(1,050)	(263)	0	-100%	-263
Capital Expenditure - Infrastructure: Airport - Storm Water Drainage - Airport Administration	(100)	(25)	0	-100%	-25
Capital Expenditure - Work In Progress - Freight & Logistics Zone - Airport Administration	0	0	(105)	0%	105
Capital Expenditure - Work In Progress - Security Upgrades CTO - Airport Administration	(400)	(100)	0	-100%	-100
		0			
Funding					
Capital Expenditure - Repayment of Debentures - Loan Principal Payments : Airport Housing (131) - Airport Administration	(44)	(11)	0	-100%	-11
Movement in Airport Reserve (Transfer Required from the Airport Reserve)	6,248		2,229		
Airport Reserve Opening Balance 1 July 2015	20,874		20,874		
Airport Reserve Forecast Closing Balance 30 June 2016	27,122		23,103		

ATTACHMENT 4 TO ITEM 12.3.4

TOWN OF PORT HEDLAND
WASTE MANAGEMENT
INTERIM STATEMENT OF FINANCIAL ACTIVITY BY PROGRAM
FOR THE PERIOD ENDED 30 SEPTEMBER 2015

Account Description	Adopted Budget	YTD Budget	YTD Actuals	YTD Variance	
	\$000's	\$000's	\$000's	%	\$000's
Operating Revenue					
Fees & Charges: Discretionary - Classic Collection Fees - Classic Collection	2,206	552	2,226	304%	(1,675)
Gain on Sale of Asset - Plant: Landfill - Classic Collection	35	9	0	-100%	9
Fees & Charges: Discretionary - Premium Collection Fees - Premium Collection	647	162	647	300%	(485)
Fees & Charges: Discretionary - Charges: Replacement Bins & Bin Hire - Premium Collector	15	4	3	-18%	1
Total Operating Revenue - Collection	2,903	726	2,876	296%	(2,150)
Fees & Charges: Discretionary - Tyres - Landfill Business Unit	80	20	20	-1%	0
Fees & Charges: Discretionary - Washdown - Landfill Business Unit	13	3	2	-23%	1
Fees & Charges: Discretionary - General Tipping Fees & Scrap Metal - Landfill Business Unit	4,000	1,000	763	-24%	237
Fees & Charges: Discretionary - Hazardous Waste:Asbestos - Landfill Business Unit	1,500	375	639	71%	(264)
Fees & Charges: Discretionary - Scrap Metal Sales & Recyclables Revenue - Landfill Business Unit	5	1	2	23%	(0)
Fees & Charges: Discretionary - Liquid Waste - Landfill Business Unit	2,000	500	561	12%	(61)
Non Operating Grants Subsidies & Contributions - Department of Planning Funding - Landfill Business Unit	380	95	0	-100%	95
Other Revenue - Reimbursement: Staff Housing Rent - Landfill Business Unit	6	2	1	-54%	1
Total Operating Revenue - Landfill	7,984	1,996	1,988	0%	9
Total Operating Revenue	10,888	2,722	4,863	79%	(2,142)
Operating Expenditure					
Depreciation on Assets - Classic Collection	(42)	(11)	0	-100%	(11)
Materials and Contracts - Classic Collection - Classic Collection	(252)	(63)	(76)	20%	13
Materials and Contracts - Recovery of Plant Operating Costs: Garbage & Sanitisation - Classic Collector	(315)	(79)	0	-100%	(79)
Materials and Contracts - Classic MGB's Repairs Delivery - Classic Collector	(77)	(19)	(17)	-13%	(3)
Materials and Contracts - Bin Purchases (New, Premium, Replacement, Damaged, Stolen, Parks & Reserves) - Classic Collector	(102)	(26)	(25)	-2%	(1)
Other Expenditure - Admin Costs Distributed - Classic Collector	(103)	(26)	0	-100%	(26)
Materials and Contracts - Waste Collection - Premium Collection	(324)	(81)	(71)	-12%	(10)
Materials and Contracts - Premium MGB Repairs & Delivery - Premium Collection	(59)	(15)	(12)	-18%	(3)
Other Expenditure - Admin Costs Distributed - Premium Collection	(50)	(13)	0	-100%	(13)
Total Operating Expenditure - Collection	(1,326)	(331)	(201)	-39%	(131)
Materials and Contracts - Landfill Management - Landfill Business Unit	(1,294)	(323)	(209)	-35%	(114)
Employee Costs - Superannuation - Landfill Business Unit	(148)	(37)	(2)	-95%	(35)
Employee Costs - Superannuation Co Contribution - Landfill Business Unit	(29)	(7)	0	-100%	(7)
Employee Costs - Workers Compensation Insurance - Landfill Business Unit	(43)	(11)	(21)	100%	11
Materials and Contracts - Building Maintenance - Landfill Business Unit	(26)	(7)	(0)	-99%	(6)
Insurance - Property Insurance & Pollution Legal Liability - Landfill Business Unit	(3)	(1)	(28)	3686%	27
Materials and Contracts - Cleaning - Landfill Business Unit	(6)	(2)	(1)	-36%	(1)
Materials and Contracts - Washdown Bay Maintenance - Landfill Business Unit	(25)	(6)	(1)	-89%	(6)
Materials and Contracts - Road, Ground, Litter Maintenance & Repairs - Landfill Business Unit	(68)	(17)	(10)	-42%	(7)
Utilities - Utility Charges - Landfill Business Unit	(12)	(3)	(4)	45%	1
Materials and Contracts - Supply Clean Fill - Landfill Business Unit	(500)	(125)	(81)	-35%	(44)
Materials and Contracts - Office Expenses - Landfill Business Unit	(14)	(3)	(1)	-57%	(2)
Materials and Contracts - Recovery of Plant Operating Costs: Heavy - Landfill Business Unit	(743)	(186)	0	-100%	(186)
Materials and Contracts - External Plant Hire - Landfill Business Unit	(50)	(13)	(1)	-92%	(12)
Materials and Contracts - Fire Suppression Expenses - Landfill Business Unit	(96)	(24)	(31)	30%	7
Materials and Contracts - Monitoring & Licensing - Landfill Business Unit	(150)	(38)	(17)	-54%	(20)
Materials and Contracts - Management & Business Plans - Landfill Business Unit	(55)	(14)	(4)	-71%	(10)
Materials and Contracts - Weighbridge Maint Costs - Landfill Business Unit	(25)	(6)	0	-100%	(6)
Materials and Contracts - Recovery of Plant Operating Costs - Landfill Business Unit	(78)	(20)	0	-100%	(20)
Materials and Contracts - Development of Landfill Master Plan - Landfill Business Unit	(380)	(95)	0	-100%	(95)
Other Expenditure - Admin Costs Distributed - Landfill Business Unit	(490)	(122)	0	-100%	(122)
Total Operating Expenditure - Landfill	(4,233)	(1,058)	(412)	-61%	(847)
Materials and Contracts - Litter Collection - Sanitation Other	(723)	(181)	(139)	-23%	(42)
Materials and Contracts - Illegal Dumping Clean Up - Sanitation Other	(12)	(3)	(16)	416%	13
Other Expenditure - Admin Costs Distributed - Sanitation Other	(96)	(24)	0	-100%	(24)
Materials and Contracts - Pre Cyclone Clean Up - Waste Management & Recycling	(182)	(45)	(1)	-97%	(44)
Materials and Contracts - Cyclone Response Expenditure - Waste Management & Recycling	(18)	(5)	0	-100%	(5)
Materials and Contracts - Street Cleaning - Waste Management & Recycling	(294)	(74)	(66)	-10%	(7)
Materials and Contracts - Footpath Sweeping - Waste Management & Recycling	(202)	(51)	(24)	-52%	(26)
Total Operating Expenditure - Other	(1,528)	(382)	(246)	-36%	(136)
Total Operating Expenditure	(7,087)	(1,772)	(859)	-52%	(913)
OPERATING SURPLUS / (DEFICIT)	3,801	950	4,005	321%	(3,054)
Add Back Non Cash Items					
Depreciation on Assets - Classic Collection	42	11	0	-100%	11
Gain on Sale of Asset - Plant: Landfill - Classic Collection	(35)	(9)	0	-100%	(9)
Capital					
Capital Expenditure - Infrastructure - Site Infrastructure - Landfill Business Unit	0	0	(16)	0%	16
Capital Expenditure - Furniture & Equipment - ICT Hardware Landfill - Landfill Business Unit	0	0	(1)	0%	1
Capital Expenditure - Plant And Equipment - Heavy Plant Purchases - Landfill Business Unit	(300)	(75)	0	-100%	(75)
Capital Expenditure - Work In Progress - Waste Water Reuse System - Waste Management & Recycling	(650)	(163)	(95)	-42%	(68)
Capital Income - Proceeds from Sale of Assets: Plant - Landfill Business Unit	60	15	0	-100%	15
Movement in Waste Management Reserve (Transfer required to/from the Waste Management Reserve)	2,918		3,893		
Waste Management Reserve Opening Balance 1 July 2015	10,704		10,704		
Waste Management Reserve Forecast Closing Balance 30 June 2016	13,622		14,597		

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12.3.5 Rates Concession Application by the Port Hedland Peace Memorial Seafarers Centre for 60 A & B Goode Street, Port Hedland

Carmen Walsh, Senior Rates Officer
File No. 128510G

DISCLOSURE OF INTEREST BY OFFICER

Nil

201516/076 RECOMMENDATION/ COUNCIL DECISION

MOVED: CR ARIF SECONDED: CR BLANCO

That Council decline the rates concession application from the Port Hedland Peace Memorial Seafarers Centre for their property A128510 60 A & B Goode Street, Port Hedland.

CARRIED 9/0

EXECUTIVE SUMMARY

An application for concession of rates has been received from the Port Hedland Peace Memorial Seafarers Centre for their property at 60 A & B Goode Street, Port Hedland. The application has been assessed in accordance with the Town's policy and a rates concession is not recommended.

DETAILED REPORT

Each year, as part of the Annual Budget, Council provides rates concessions and exemptions to a number of community, recreation and welfare organisations.

As per Council Policy 2/014 community groups are required to reapply for rates concessions or exemption every two years by 31 March of the prior rating year. Council has previously declined a Concession for the three residential dwellings at 60 Goode Street as they were previously rented out to a third party and not used by the Seafarers Centre.

The Town did not receive a concession application from the Port Hedland Peace Memorial Seafarers Centre prior to the 31 March 2015 although applications were invited via an advertisement in the Northwest Telegraph. The Centre advised that the delay in the application was due to the original application being lost in the mail and a subsequent application being delayed due to several senior staff being on leave and lack of time due to the increased number of tourists and seafarers.

The applicant has submitted a copy of their constitution, copies of their audited financial statements and a written statement outlining the purpose of the property their concession or exemption application is relating to.

Officers reviewed all information supplied within the application and assessed it against the Town's policy which is quite clear in terms of time frames for applications. In addition to that the policy states that '*rates concessions for residential properties not used in the primary service delivery of the community group or association's activities or services will not be eligible for a concession*'.

Port Hedland Peace Memorial Seafarers Centre

Benefit to the Community

Port Hedland Peace Memorial Seafarers Centre use their properties at 60 A & B Goode Street, Port Hedland to provide permanent accommodation for full-time staff and temporary accommodation for volunteers of their organisation. No payment is received.

Financial Information

The most up to date information provided was the financial statements for the year ended 30 November 2013. The income statement shows a profit of \$516,104. Although the personal and spiritual service provided is free of charge, a fee is charged to tourists who take part in harbour cruises run by the Port Hedland Peace Memorial Seafarers Centre.

Rates (2015/16)

\$4,025.38

Concession applied for by Applicant

100%

Officer's Recommendation

Port Hedland Peace Memorial Seafarers Centre provide advocacy, practical, spiritual and personal support to all crew members of iron ore carriers that visit the Port Hedland harbour. As this is provided at the Seafarer Centre in Wilson Street and the property for which the concession is applied for is not used in the primary service delivery of the community group a concession is not recommended as per Council policy.

FINANCIAL IMPLICATIONS

The 2015/16 budget for Rates Concession is \$107,874. Concessions totaling \$113,026.43 have already been approved so no further funds are available. The budget will be reviewed during the September Quarterly Budget Review.

STATUTORY AND POLICY IMPLICATIONS

Section 6.47 'Concessions' of the Local Government Act 1995 states that subject to the Rates and Charges (Rebates and Deferments) Act 1992, a local government may at the time of imposing a rate or service charge or at a later date resolve to waive (absolute majority) a rate or service charge or resolve to grant other concessions in relation to a rate or service charge.

Council Policy 2/014 Rates Concession Policy (Rateable Land) applies.

Section 4.1 'Strategic and best practice local government administration' of the Strategic Community Plan 2014 – 2024 applies.

ATTACHMENTS

1. Concession Application by Port Hedland Peace Memorial Seafarers Centre
2. Written Statement from Port Hedland Peace Memorial Seafarers Centre
3. Financial Statements (Under Separate Cover)
4. Rates Exemption Policy

8 October 2015

ATTACHMENT 1 TO ITEM 12.3.5



Port Hedland Peace Memorial Seafarers Centre Inc.

ABN 94 692 917 863

30 September 2015

Ms Carmen Walsh
Senior Rates Officer
Town of Port Hedland
PO Box 41
PORT HEDLAND WA 6721

Dear Carmen

RE APPLICATION FOR RATES EXEMPTION
60 and 60A GOODE STREET

Attached please find our Application for Rates Exemption for Goode Street, Assessment No. A128510.

Please note that we have not provided copies of Item No 4 "Document Requirements", as these have previously been sent to you for our Industrial premises at P/48 Wharf Road, and Concessional Adjustment was duly applied to these premises. The floor plan of the Goode Street premises would be on your files.

Thank you for assistance in this matter.

Yours faithfully

Janette Ives

Per Ps Alan Mower

Snr Chaplain/Operations Manager

PO Box 63 Port Hedland WA 6721

Ph: 08 91731315 Fax: 08 91732413

Email: admin@phseafarers.orgWeb: www.phseafarers.org

For God so loved the world that he gave his one and only Son, that whoever believes in him shall not perish but have eternal life. John 3:16



APPLICATION FOR RATES EXEMPTION

Section 6.26 of the *Local Government Act 1995*

Privacy

The personal information collected on this form will only be used by the Town of Port Hedland for the sole purpose of providing requested and related services. Information will be stored securely by the Town and will not be disclosed to any third parties without your express written consent.

Instructions: Please print clearly in the spaces provided and fill out the attached checklist.

This application form is to be used by organisations seeking a rates exemption, pursuant to Section 6.26 of the *Local Government Act 1995*. The provision of this exemption will result in a decision to be prepared, and you will be advised of the outcome in due course. Please attach any additional documents requested, as failure to do so may result in the application being refused.

1. PROPERTY OWNER DETAILS

Organisation:	PORT HEDLAND PEACE MEMORIAN SEAFARERS CENTRE		
Property Owner:	AS ABOVE		
Property Address:	60 & 60A GOODE ST, PORT HEDLAND		
Telephone:	9173 1315	Postcode:	6721
Mobile:		Facsimile:	
Email:	chaplain@phseafarers.org		

2. APPLICANT DETAILS

Contact Person:	Alan Mower or Janette Ives		
Position Title:	Senior Chaplain		
Postal Address:	PO Box 63, Port Hedland.		
Telephone:	9173 1315	Postcode:	6721
Mobile:		Facsimile:	
Email:	chaplain@phseafarers.org		

3. PLEASE ANSWER THE FOLLOWING QUESTIONS BY TICKING THE APPROPRIATE BOX

YES	NO	
<input checked="" type="checkbox"/>	<input type="checkbox"/>	Are you the owner or lessee and occupier of the land with the rate notice being issued in the organisation's name?
<input type="checkbox"/>	<input checked="" type="checkbox"/>	Is your organisation an Incorporated body? If so, please provide the certificate of incorporation.
<input checked="" type="checkbox"/>	<input type="checkbox"/>	Is your organisation considered not for profit?
<input type="checkbox"/>	<input type="checkbox"/>	Is the organisation considered a Public Benevolent Institution for taxation purposes? If so, please provide the relevant Taxation information.



TOWN OF PORT HEDLAND Civic Centre, McGregor Street, Port Hedland
 PO Box 41, PORT HEDLAND WA 6721
 Telephone: (08) 9158 9300 Fax: (08) 9158 9399 Email: council@porthedland.wa.gov.au



APPLICATION FOR RATES EXEMPTION

Section 6.26 of the *Local Government Act 1995*

- Does the organisation own or lease the rateable land? (If leased, is the lessee responsible for rates under the lease agreement)?
If so, please provide a certificate of the lease.
- Is the organisation exempt from the payment of rates under Legislation other than the Local Government Act?
If so, please provide details of the specific Legislation.


4. DOCUMENT REQUIREMENTS

Please provide a copy of (in addition to those specified in Section 3):

- Organisation's Constitution
- Written statement, outlining the nature of the organisation's operations. It should include the following details:
- Use and occupancy of the property
 - Type of service provided (e.g. food, accommodation etc)
 - Frequency of service provision (e.g. full-time, daily, weekly etc)
 - Whether payment is received for the service
- Floor plan of the leased property area, if only part of the property is to be exempt
- Copies of the current years audited financial or other statements for the organisation to the satisfaction of Council.

5. AUTHORISATION

- By signing this application, I hereby certify that the information provided is true and correct to the best of my knowledge.
- I understand that Applications must be submitted by 31 March of any year to be considered for the next two financial years. Applications lodged after this date may be considered for the second financial year only.
- Organisations who are granted rates exemption by Council will be asked to reapply every financial year, if Council considers this appropriate.
- I have read and understand the Town's *Rates Exemption Policy*.

Name:	KATHLEEN SOUTH		
Position:	CASH OFFICE / ASSISTANT MANAGER		
Organisation:	PORT HEDLAND PEACE MEMORIAL SEAFARERS CENTRE		
Signed:		Date:	30.9.2015



TOWN OF PORT HEDLAND Civic Centre, McGregor Street, Port Hedland
PO Box 41, PORT HEDLAND WA 6721
Telephone: (08) 9158 9300 Fax: (08) 9158 9399 Email: council@porthedland.wa.gov.au

ATTACHMENT 2 TO ITEM 12.3.5



Port Hedland Peace Memorial Seafarers Centre Inc.

ABN 94 692 917 863

1 October 2015

APPLICATION FOR RATES EXEMPTION

USE AND OCCUPANCY OF PROPERTY

- 60 and 60A Goode Street have three residential dwellings on the site

TYPE OF SERVICE PROVIDED

- Accommodation for permanent full-time staff, and temporary accommodation for volunteers

FREQUENCY OF SERVICE PROVISION

- Two of the dwellings are used full-time, and one dwelling is used as required by volunteers

NO PAYMENT IS RECEIVED FOR THE DWELLING

LATE APPLICATION

The Centre was unaware that an exemption application had to be lodged before 31 April. When the current rate notice was received, the application was then posted to Council, but unfortunately was lost in the post.

As several of our senior staff have since been on annual leave, this matter was not followed up.

The Centre is very busy with and increase in tourists and seafarers.

PORT HEDLAND PEACE MEMORIAL SEAFARERS CENTRE INC

PO Box 63 Port Hedland WA 6721

Ph: 08 91731315 Fax: 08 91732413

Email: admin@phseafarers.orgWeb: www.phseafarers.org

For God so loved the world that he gave his one and only Son, that whoever believes in him shall not perish but have eternal life. John 3:16



2/013 RATES EXEMPTION POLICY (NON RATEABLE LAND)

1. Introduction

This policy will provide an administrative framework for assessing any application for properties to be classified as not rateable land on the ground of being used for charitable purposes.

2. Purpose and Application of the Policy

In accordance with s6.26 (2)(g) of the *Local Government Act 1995*

6.26(2)(g)

The following land is not rateable –

(g) Land used exclusively for charitable purposes

The purpose of this policy is to identify a process to be followed by any organisation that wishes to claim that land it uses is not rateable land by virtue of the application of section 6.26(2)(g) of the *Local Government Act 1995* and to provide guidance on when land is rateable under section 6.26(2)(g)

3. Provisions

- a. All applications for exemption under s6.26(2)(g) of the *Local Government Act 1995* must be in writing on the prescribed form and contain a declaration as to the accuracy of the information contained therein,
- b. An application will be required to be lodged every two years and is to be assessed in accordance with this policy,
- c. Council may request information from an organisation on a yearly basis if, Council considers this appropriate,
- d. Council may request additional information from an organisation making application if it considers it necessary to do so,
- e. Information requested under paragraph d. above is not limited to, but typically include copies of the Constitution of the organisation, recent financial statements of the organisation and information demonstrating precisely how any land the subject of the application is used,
- f. For land to be treated as newly recognised not rateable land under section 6.26(2)(g), or if a new application for exemption is required under paragraphs b. or c. above, an application must be made by 31 March for the rating year that precedes the rating year to which the applications relates.

4. Policy

Determination of whether land is 'used exclusively for charitable purposes' for the purpose of section 6.26(2)(g) of the *Local Government Act 1995* is made by reference to the common law on charitable purposes. Council is only able to grant



an exemption from rates under section 6.26(2)(g) if an applicant demonstrates that the land in question is being used exclusively for charitable purposes according to criteria that has been developed by case law on this subject.

The essential elements for an exemption under section 6.26(2)(g) are:-

- a. It is the use of the land that is in question, not whether the body in question has a charitable purpose,
- b. The use in question must be for charitable purposes as that is defined by common law; and
- c. The land must be used exclusively for a charitable purpose.

Charitable purpose is defined at common law by reference to the *Charitable Uses Act 1601 (UK)*. It is generally considered that to be a charitable purpose by reference to that Act the purpose must fall within one of the following four headings:

- a. Relief of poverty,
- b. Advancement of education,
- c. Advancement of religion, and
- d. Other purposes beneficial to the community not falling under any of the preceding headings

For the last heading in d. above to apply the use must be both:

- i. beneficial to the community, and
- ii. falls within the 'spirit and intendment' of the preamble to the *Charitable Uses Act*.

(Adopted by Council at its Ordinary Meeting held 22 June 2011)

(Amended by Council at its Ordinary Meeting held 22 February 2012)



2/014 RATES CONCESSION POLICY (RATEABLE LAND)

1. Introduction

This policy will provide an administrative framework for assessing an applications requesting the waiving or granting concession from rates to 'not for profit' community based organisations occupying rateable land.

2. Purpose and Application of the Policy

In accordance with section 6.47 of the *Local Government Act 1995*

6.47 Concessions

Subject to the Rates and Charges (Rebates and Deferments) Act 1992, a local government may at the time of imposing a rate or service charge or at a later date resolve to waive a rate or service charge or resolve to grant other concessions in relation to a rate or service charge.*

The purpose of the policy is to identify a process to be followed by any 'not for profit' community based organisation providing a benefit to the community from rateable land for the relief from rates.

3. Provisions

- a. All applications for exemption must be in writing on the prescribed form and contain a declaration as to the accuracy of the information contained therein.
- b. An application will be required to be lodged every two years and is to be assessed in accordance with this policy.
- c. Council may request information from an organisation on a yearly basis if, Council considers this appropriate,
- d. Council may request additional information from an organisation making an application if it considers it necessary to do so,
- e. Information requested under paragraph c. above is not limited to, but may typically include copies of the Constitution of the organisation, recent annual financial statements of the organisation and information demonstrating precisely how any land the subject of an application is used,
- f. An application must be made by 31 March of the rating year that precedes the rating year to which the application relates.

4. Policy

It is the policy of the Town of Port Hedland that any concession of rates in respect of any rateable land in the Council area will be available only when the applicant satisfies the requirement of this Policy.

Rates concessions will only be provided to community groups or associations that operate as a body corporate or an Incorporated Association and not to an individual.

The Town of Port Hedland will determine what is of benefit to the community for the purpose of this policy.



Town of Port Hedland : Policy | 2011/12

Rates concessions for residential properties not used in the primary service delivery of the community group or association's activities or services will not be eligible for a concession.

Community groups or associations, that in the opinion of the Council, provide activities, which are not core activities, and are in direct competition with a service provided by any established private operator within the district, will not be eligible for a rates concession.

The percentage ranges from 50% to 100% of the rates that are payable. Whether a concession is granted in response to an application or, if a concession is granted, the percentage of the rates that may be waived, is entirely at the discretion of Council and the granting of a concession in any year, will not guarantee that any future concessions will be granted.

(Adopted by Council at its Ordinary Meeting held 22 June 2011)

(Amended by Council at its Ordinary Meeting held 22 February 2012)

12.4 Office of the CEO**12.4.1 Port Hedland International Airport long-term lease –
Special Electors Meeting Decision Paper**

Mal Osborne, Chief Executive Officer
File No. 30/12/0014

DISCLOSURE OF INTEREST BY OFFICER

Nil

201516/077 COUNCIL DECISION

MOVED: CR BLANCO

SECONDED: MAYOR HOWLETT

That Recommendations 1-4 be carried by exception resolution.

CARRIED 9/0

RECOMMENDATION 1

That Council provide the Ratepayers Association a copy of the *‘Exploring an alternative governance model – Port Hedland International Airport governance review’* report which outlines the three potential airport governance models and recommends that the leasehold option is pursued.

CARRIED BY EXCEPTION RESOLUTION

RECOMMENDATION 2

That Council release the names of the proponents which submitted expressions of interest for the Port Hedland International Airport lease, noting that full documentation cannot be provided due to commercial in confidence agreements.

CARRIED BY EXCEPTION RESOLUTION

RECOMMENDATION 3

That Council:

- 1. Outline the process undertaken by the Town to seek non-binding bids from suitable parties to enter a long-term lease of the Port Hedland International Airport**
- 2. Provide details of the evaluation process and panel members which determined the shortlist of non-binding bid proponents to submit binding bids**
- 3. Outline the criteria and conditions for the non-binding bids**
- 4. Outline how the two proponents were advised of the extension of time to the tender close**

5. **Outline that only the two proponents were notified of the extension of time as the other proponents were not included in the final binding-bid stage**
6. **Provide financial information available to bidders including the Town's annual financial statements and special purpose financial report provided by the Town's auditors RSM Bird Cameron.**

CARRIED BY EXCEPTION RESOLUTION

RECOMMENDATION 4

That Council thank the electors for their attendance and participation in the Special Electors Meeting.

AMENDED RECOMMENDATION 4

That Council:

1. **Thank the electors for their attendance and participation in the Special Electors Meeting.**
2. **Provide the Port Hedland Ratepayers Association with hard copies of the responses.**

CARRIED BY EXCEPTION RESOLUTION

EXECUTIVE SUMMARY

Council has previously endorsed a review of Port Hedland International Airport's (Airport) governance structure to determine if a more efficient and economically viable operating model is available. This review determined that a long-term lease was the most beneficial approach.

The Town of Port Hedland has through a tender process, sought expressions of interest, non-binding, and then binding bids from suitable parties to enter a long-term lease agreement for the Airport and land.

At a Special Council Meeting on Tuesday 25 August 2015, Council awarded tender 05/15 Port Hedland International Airport Long-Term Lease to AMP Capital Investors Limited and Infrastructure Capital Group Limited (the Consortium). At the meeting, Council considered the following items:

- Adoption of the Business Plan (Port Hedland International Airport Long - Term Lease Business Plan)
- Long-Term Lease (Award of Tender 05/15 Long-Term Lease of Port Hedland International Airport)
- Long-Term Lease Recommendations (Port Hedland International Airport Long-Term Lease – Wealth Management Strategy Framework)

The minutes from the 25 August 2015 Special Council Meeting are available on the Town's website at:

<http://www.porthedland.wa.gov.au/Assets/Documents/Document-Centre/Minutes/2015/SCM/20150825MinutesSCM.pdf>

On 21 August 2015, the Town received a request under Section 5.28 of the Local Government Act 1995 for an electors' special meeting. The electors' special meeting was held on 16 September 2015 (being the Special Electors Meeting).

DETAILED REPORT

Background

The Special Electors Meeting was requested by more than 100 electors.

The request was received by the Town's Mayor and sought the Special Electors Meeting to discuss the four points outlined below.

The Mayor considered that the request complied with the provisions of Section 5.28 of the Local Government Act 1995 and determined that an electors' special meeting was to take place on Wednesday 16 September at 7.00pm at Council Chambers in the Civic Centre, McGregor Street, Port Hedland.

Details of the matters that were tabled and discussed at the Special Electors Meeting are:

1. Port Hedland International Airport proposed lease arrangement(s) and/or agreement(s) and other matters concerning this project.
2. The feasibility study/studies as to the benefits or otherwise to the ratepayers.
3. Proponent particulars, nature and type.
4. Offers made and proposed conditions of the lease(s) or arrangement(s).

The following decisions were tabled and carried.

201516/001 DECISION

MOVED: RON ATTWOOD

SECONDED: MARY ATTWOOD

That all reports, financial viability details of the three preferred feasibility studies:

- **Commercialisation**
- **Council controlled organization**
- **Leasing**

And the internal report by the authorised senior officer that determined the decision to lease the PH International Airport is supplied to the Ratepayers Association for review.

VOTE: CARRIED 15/0

Response

The Town undertook a review of airport governance models to identify the most appropriate governance structure to support the future redevelopment program and the future commercial operations of the airport. Models considered as part of the review were commercialisation, council controlled organisation and a lease option as these options retain airport ownership. The three models were assessed against key criteria and it was determined that the only the leasehold option addressed all of the Town's objectives and critical success factors.

As part of its consideration for the governance review, Council noted the 'exploring an alternative governance model – Port Hedland International Airport governance review' report at its 24 September 2014 ordinary meeting (decision 201415/056) and available at:

http://www.porthedland.wa.gov.au/Assets/Documents/Document-Centre/Minutes/2014/ordinary_meetings/20140924/20140924MinutesConfirmedWithChanges.pdf

The report includes:

- ownership and governance considerations
- agreed objectives and critical success factors
- details of the three preferred models and their advantages and disadvantages
- standalone financial analysis and estimated returns to the Town of Port Hedland
- comparison of each model against the agreed objectives and critical success factors
- conclusions and recommendations

The report was originally presented as a confidential attachment as it contained commercially sensitive information that could hinder the lease transaction process. As the Town has concluded the governance review and entered a long-term lease agreement, the report can be publically released. The governance review report is available at attachment 1.

201516/002 DECISION**MOVED: TRICIA HEBBARD****SECONDED: ARNOLD CARTER**

That the electors request a copy of all proponent details and documents pertaining to the proponents who submitted an expression of interest for the PH International Airport lease.

VOTE: CARRIED 15/0*Response*

The Town of Port Hedland sought expressions of interest, non-binding, and then binding bids from suitable parties to enter a long-term lease agreement for the Airport and land through tender 05/15.

Expressions of interest were sought from suitably qualified experienced organisations to provide proposals for the long-term lease of the airport. The EOI opened on 24 April and closed on 14 May 2015. There were 52 parties that downloaded the EOI documentation. Bidders were required to accept and be bound by a confidentiality undertaking.

Given the potential breadth of potential investors, a range of criteria was included in the EOI to be taken into account in assessing the suitability of a partner for the lease of the airport, including financial capacity, community engagement and corporate responsibility, relevant experience, and conflicts of interest.

Each investor who submitted an EOI was judged against all of these objective criteria and a recommendation to proceed was established. The Town received nine expressions of interest. The Airport Group, as the Town's appointed subject matter expert, completed an initial evaluation and scoring of the EOI responses, and then met with Town's internal evaluation team to consider their evaluation and recommendations.

The evaluation team reviewed the recommendations and confirmed that a recommendation report together with the proposed acceptable parties to be invited to submit non-binding tenders be prepared for final approval by the CEO.

Given the high quality of EOIs, all nine proponents were invited to submit non-binding tenders.

The names of the nine bidding companies were publically announced at the opening of the EOI submissions after the EOI's closed. These names are a matter of public record, and are as follows:

1. Airport Development Group Pty Ltd
2. AMP Capital Investors Limited
3. CP2 Limited
4. Deutsche Australia Limited
5. Fengate Capital Management Australia Pty Ltd
6. Infrastructure Capital Group Limited
7. Palisade Investment Partners Limited
8. Partners Group UK LTD
9. QIC Limited

The EOI proponents were bound by a confidentiality undertaking, and in accordance with the Town's probity protocols, only the evaluation team and relevant personnel and advisors were granted access to the confidential information contained in the EOIs.

The EOI process was described in further detail in Agenda Item 13.2 at the 24 June 2015 Ordinary Council Meeting. It can be found at:

<http://www.porthedland.wa.gov.au/Assets/Documents/Document-Centre/Minutes/2015/OCM/20150624Minutes.pdf>

201516/003 DECISION

MOVED: LOUISE NEWBERY

SECONDED: MARY ATTWOOD

That the Town provides a report:

1. **On the procedural process taken by the Town of all the non-binding bids received**
2. **Who determined the shortlist?**
3. **What was the criteria and conditions the non-binding bids had to meet**
4. **How the final two bids (tenders) were advised of the extension of the time of the closing of the tender**
5. **Was all tenders including the two binding bids who originally expressed an interest given the same opportunity to the extension of time as the final two selected bids**
6. **All financial information supplied to the tenderers**

VOTE: CARRIED 15/0

Response

1. The Town of Port Hedland sought expressions of interest, non-binding, and then binding bids from suitable parties to enter a long-term lease agreement for the Airport and land through tender 05/15.

Non-binding bids were sought from all nine proponents who submitted EOIs. These were invited in writing on 22 May 2015 by the chief executive officer through the Tenderlink portal. Proponents were required to submit their non-binding bid by 19 June 2015.

The process was overseen by the Town's appointed legal advisors and probity advisors. Advice was also sought from the Department of Local Government and Communities.

This process is outlined in Agenda Item 13.1 at the 22 April 2015 Ordinary Council Meeting and is available at:

<http://www.porthedland.wa.gov.au/Assets/Documents/Document-Centre/Minutes/2015/OCM/20150422Minutes.pdf>

2. From the nine proponents invited to submit non-binding bids, four were submitted. These were assessed and two proponents were invited to submit binding bids. This was to ensure there was competitive tension in the bids.

The shortlist of bidders to proceed to the binding bid stage was determined by the evaluation team in accordance with an evaluation plan. The Airport Group, as the Town's subject matter expert, completed an initial evaluation/scoring of the non-binding bids, and then a meeting was held on 25 June 2015 with the evaluation team to consider this initial evaluation and recommendations.

The evaluation team was comprised of key members of the executive:

- a. Director Corporate Services
- b. Director Community and Development Services
- c. Director Works and Services
- d. Manager Financial Services

The review and final recommendations were submitted to the CEO for approval. The Acting General Manager was excluded from the assessment process.

The evaluation team reviewed the recommendations and endorsed the recommended shortlist of The Airport Development Group and AMP Capital Investors (who later combined with Infrastructure Capital Group to form a consortium bid).

3. The assessment criteria and conditions of tendering that applied to the non-binding bid phase were set in the “request for tender” documentation which was released to the respondents who were invited to submit a non-binding bid. The criteria included identity of tenderer, price, financing arrangements, time to completion, management and development of the airport, and acceptance and amendments to the transaction documents.

The criteria is further detailed in Agenda Item 7.1.2 at the 25 August 2015 Special Council Meeting and is available at:

<http://www.porthedland.wa.gov.au/Assets/Documents/Document-Centre/Minutes/2015/SCM/20150825MinutesSCM.pdf>

4. The nominated representatives for the two bidders were each advised via their designated email addresses of an extension of time of four days to the deadline for binding bids, with the same amount of notice, and both representatives acknowledged this extension of time. The extension of time was granted after consultation with the Town’s probity advisor and legal counsel.
5. Of the nine EOI bidders invited to submit a non-binding, four bidders submitted a non-binding bid. From these non-binding bidders two bidders were invited to submit a binding bid. The extension of time related to the deadline for submission of binding bids. Therefore, it was only necessary to notify the two bidders that had been invited to submit binding bids, that an extension had been granted. As outlined in paragraph 4, both parties who were invited to submit a binding bid were given notice of the extension of time.
6. The financial information made available to bidders consisted of the Town’s annual 2014/15 budget which included the airport’s budgeted information, and the Special Purpose Financial Report prepared by the Town’s auditors RSM Bird Cameron. Further background commentary on information provided to bidders is included in the Agenda Item 7.1.2 which was tabled at the Special Council Meeting held on the 25 August 2015 and available at:
<http://www.porthedland.wa.gov.au/Assets/Documents/Document-Centre/Minutes/2015/SCM/20150825MinutesSCM.pdf>

FINANCIAL IMPLICATIONS

Nil

STATUTORY AND POLICY IMPLICATIONS

Under section 5.28(1)(a) of the Local Government Act 1995, a special meeting of the electors of a district is to be held on the request of not less than 100 electors or 5% of the number of electors — whichever is the lesser number. A request was received by the Town on 21 August 2015 with in excess of 100 elector signatures and an electors' special meeting was held on the 16 September 2015.

In accordance with section 5.33(1) of the Local Government Act, all decisions made at an electors' special meeting are to be considered at the next ordinary council meeting (unless that is not practicable, in which case it can be considered at the first of the following ordinary council meeting or a special meeting called for that purpose), and the contents of this agenda item have been prepared for this purpose.

ATTACHMENTS

1. Port Hedland International Airport Governance Review report (Under Separate Cover)

14 October 2015

ITEM 13 LATE ITEMS AS PERMITTED BY PRESIDING MEMBER/ COUNCIL**13.1 Audited Annual Financial Report for the Year Ended 30 June 2015**

Linda Zietsman, Acting Manager Financial Services
File No. 12/14/0001

DISCLOSURE OF INTEREST BY OFFICER

Nil

201516/078 RECOMMENDATION/ COUNCIL DECISION

MOVED: CR ARIF SECONDED: CR HOOPER

That Council:

- 1. Receive and endorse the Audited Financial Report and External Auditor's Report for the Year Ended 30 June 2015.**
- 2. Pursuant to section 6.8 of the Local Government Act 1995, amend the 2015/16 Budget by increasing the transfer to the Asset Management Reserve from \$1.05m to \$3.166m, an increase of \$2.116m being the additional unbudgeted carried forward surplus amount.**

CARRIED BY ABSOLUTE MAJORITY VOTE 9/0

EXECUTIVE SUMMARY

This report presents the audited Annual Financial Report (AFR) and the Auditors Report from the Town's Auditors, RSM Bird Cameron for the year ended 30 June 2015 for the Council's consideration and endorsement.

The Unaudited AFR was considered by the Audit, Risk and Governance Committee at a meeting on Thursday 10 September 2015.

DETAILED REPORT

The Town is required to prepare general purpose financial reports each year and refer them to audit as soon as practicable, no later than 30 September following end of financial year (Section 6.4 of the Local Government Act 1995). The Audit Report is to be received by no later than 31 December (Section 7.9 of the Local Government Act 1995).

The Town's Auditors, RSM Bird Cameron, conducted the end of year audit onsite from 8-11 September 2015, with the draft Annual Financial Report submitted to the Auditors on 1 September 2015. The Audit Report on the audit from RSM Bird Cameron is attached.

The annual financial report is prepared in accordance with Australian Accounting Standards; the Local Government Act 1995; and the Local Government (Financial Management) Regulations 1996. Management's responsibility is to prepare it in accordance with the Standards, Act and Regulations and to ensure that the reports present fairly the financial performance and position of the Town, free from material misstatement, whether due to fraud or error.

The role of the Auditor is to provide an opinion based on their audit as to whether Management has fulfilled these obligations. The Auditors also prepare a separate, more detailed report for Management identifying any issues arising from the conduct of the audit, and recommending any corrective actions.

Council's Audit, Risk and Governance Committee has delegated authority to liaise with the Auditor, and receive and examine the Auditor's report and any Management Letters arising from the conduct of the audit.

Summary of Financial Report for the Year Ended 30 June 2015

It should be noted that due to the process to lease the Port Hedland International Airport being in progress at 30 June 2015, the Town was required to treat the Airport operations differently in its Annual Financial Report. As can be seen from the Statement of Comprehensive Income the Airport operations are shown under 'Discontinued Operations' and separated from the Town's continuing operations (normal business). The Statement of Financial Position was also affected and required the value of assets on the Town's books to be shown under current assets rather than non-current assets.

Independent advice regarding this accounting treatment and subsequent one off disclosures (Note 42) in the report was received from accounting firm, Moore Stephens. The advice was then agreed to by the Town's auditors, RSM Bird Cameron.

Carried Forward Surplus – the carried forward surplus as at 30 June 2015 is \$5.066m (as shown in the rate setting statement in the attached AFR). This is a \$2.1m improvement on the 15/16 budget estimate and a \$3.3m increase on the 2014/15 original budgeted closing surplus. The surplus can primarily be attributed to interim rate revenue, increased interest earnings, other revenue and savings in expenditure. It is recommended that the additional surplus of \$2.1m be allocated to the Asset Management Reserve for the purpose of funding future asset renewal and upgrades.

Operating Income – total operating income (excluding Airport operations) as at 30 June 2015 amounted to \$59.1m compared to an original Budget of \$51.4m. The variance of \$7.7m between budget and actual can be explained as follows:

- Interim and back rates generated were \$2.7m above budget. These were not included in the original budget.
- Interest earnings was \$1.5m above budget as a result of a dedicated Treasury function within Finance and a review of the investment policy, reducing restriction on our ability to invest.

- Other Revenue of \$3.5m above budget due to 'Other Revenue' classified as 'Fees & Charges' at time of 2014/15 budget adoption. Income received but not budgeted was received for reimbursement of Insurance claims, Insurance rebates and distributions, Lease Income and GP Housing Rental Income.

More detail can be found in Notes 2(a), 24(a), 29 and 30 of the attached AFR.

Operating Expenditure – total operating expenditure as at 30 June 2015 (excluding Airport operations) amounted to \$54.3m compared to an original Budget of \$58.3m. The variance of \$4.0m between budget and actual can be attributed primarily to an underspend of \$2.8m on salaries and wages due to numerous vacancies (including senior staff) carried throughout the year. The balance was a result of savings/underspend in other expenditure categories. More detail can be found in Notes 2(a) and 33 of the attached AFR.

Capital Expenditure – total capital expenditure as at 30 June 2015 amounted to \$74.53m of which \$36.7m was for construction and purchase of roads, drains, footpaths, parks & ovals, airport infrastructure, property, plant and equipment. Also contained within the \$74.53m total capital expenditure were developer contributed land assets to the Town of \$37.8m, relating to the Kingsford Smith Business Park.

Cash and Cash Equivalents - as at 30 June 2015 these amounted to \$81.1m compared to \$75.4m in the previous financial year. \$79.5m of this is restricted while \$1.6m is unrestricted. More detail can be found in Note 3 of the attached AFR.

Net Assets and Revaluation of Infrastructure – total net assets as at 30 June 2015 amounted to \$586.3m compared to \$401m as at 30 June 2014. The increase in net assets is primarily explained by the revaluation of land and buildings with total asset revaluation of \$115m. The value of Property, Plant and Equipment increased from \$188m to \$195m whilst the value of Infrastructure assets increased from \$164m to \$252m.

FINANCIAL AND RISK IMPLICATIONS

As demonstrated by the Statement of Comprehensive Income (by nature and type) in the attached Annual Financial Report the Town's financial position is strong with an Operating Result from Continuing Operations of \$4.82m (excluding Airport operations) and a carry forward surplus as at 30 June 2015 of \$5.066m.

Note 22 of the audited AFR details the financial ratios which are a measure of financial sustainability. All financial ratios of the town for 2014/15 are better than minimum targets set by the Department of Local Government and Communities.

STATUTORY AND POLICY IMPLICATIONS

The 2015/16 AFR has been prepared and audited in accordance with sections 6.4 and 7.9 of the Local Government Act 1995 and regulation 36 of the Local Government (Financial Management) Regulations 1996.

Pursuant to the Community Strategic Plan, the Town is to provide high quality corporate governance, accountability and compliance. The Town will also deliver responsible management of infrastructure, assets, resources and technology.

ATTACHMENTS

1. Audited Annual Financial Report for the Year Ended 30 June 2015 and RSM Bird Cameron Independent Auditor's Report (Under Separate Cover)
2. RSM Bird Cameron Audit Findings

19 October 2015

ATTACHMENT 2 TO ITEM 13.1



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DJW:SET

20 October 2015

PRIVATE AND CONFIDENTIAL

Mr Mal Osborne
Chief Executive Officer
Town of Port Hedland
Civic Centre
McGregor Street
PORT HEDLAND WA 6721

Dear Mr Osborne

Audit Findings for the Year Ended 30 June 2015

We have now completed our final audit work subject to normal completion procedures.

This report is part of a continuing dialogue between the Town and ourselves. This report has been prepared to detail the principal audit and accounting issues of governance interest that have come to our attention as a result of the performance of our audit for the year ended 30 June 2015. We have prepared this report in accordance with ISA 260 'Communications of audit matters with those charged with governance'.

An audit of financial statements is not designed to identify all matters that may be relevant to those charged with governance. Accordingly, the audit does not ordinarily identify all such matters. For this reason the report is intended for the sole use of the Town and we consider it inappropriate for this report to be made available to third parties, or quoted or referred to, without our written consent. We do not accept responsibility to any other persons or for any reliance that third parties may place on it.

We set out below details of significant matters concerning the Town of Port Hedland (the Town) internal control, accounting practices and other observations which should be considered by management; however an audit is not designed to identify all matters relevant to governance.

Auditor's Independence

We are not aware of any other relationships between member firms of RSM Bird Cameron and the Council that, in our professional judgement, may reasonably be thought to bear on our independence or the objectivity of the audit engagement team.

We confirm that in our professional judgement, RSM Bird Cameron is independent within the meaning of regulatory and professional requirements and the objectivity of the audit engagement partner and audit staff has not been compromised.

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Adelaide and Canberra
ABN 36 965 185 036

RSM Bird Cameron Partners is a member of the RSM network. Each member of the RSM network is an independent accounting and advisory firm which practises in its own right. The RSM network is not itself a separate legal entity in any jurisdiction.





1. Internal Financial Controls

During our audit we examined the design and implementation of the internal controls relevant to the accounting and financial control systems.

The matters to report to management in relation to the Town's internal financial controls are detailed in **Annexure A**.

2. Audit Adjustments

Refer to Annexure B

Other Matters

As a result of our procedures, we have not identified any matters of fraud to report to you and we had no disagreements with management about significant accounting matters.

This letter has been prepared for the sole use of Town. It must not be disclosed to a third party or quoted to or referred to without our written consent. No responsibility is assumed by RSM Bird Cameron to any other person.

Finally, we would like to take this opportunity to thank your staff for the co-operation we have received throughout our audit. If there are any further matters which you wish to discuss concerning our audit, please do not hesitate to contact me.

Yours faithfully

A handwritten signature in black ink, appearing to read "David J Wall".

D J WALL
Director

ANNEXURE A

TOWN OF PORT HEDLAND

PERIOD OF AUDIT: 30 JUNE 2015

FINDINGS IDENTIFIED DURING THE AUDIT

INDEX OF FINDINGS	RATING		
	Significant	Moderate	Minor
New issues identified from 2015 Interim audit:			
1. High annual leave accrual at year end		✓	
2. Negative leave balances		✓	
3. Fortnightly payroll variance reporting		✓	
4. No loan agreements in place regarding self-supporting loan		✓	
5. Overhead allocation		✓	

KEY TO RATINGS

The Ratings in this management letter are based on the audit team's assessment of risks and concerns with respect to the probability and/or consequence of adverse outcomes if action is not taken. We give consideration to these potential adverse outcomes in the context of both quantitative impact (for example financial loss) and qualitative impact (for example inefficiency, non-compliance, poor service to the public or loss of public confidence).

- Significant** - Those findings where there is potentially a significant risk to the entity should the finding not be addressed by the entity promptly. A significant rating could indicate the need for a modified audit opinion in the current year, or in a subsequent reporting period if not addressed. However even if the issue is not likely to impact the audit opinion, it should be addressed promptly.
- Moderate** - Those findings which are of sufficient concern to warrant action being taken by the entity as soon as practicable.
- Minor** - Those findings that are not of primary concern but still warrant action being taken.

ANNEXURE A

TOWN OF PORT HEDLAND

PERIOD OF AUDIT: 30 JUNE 2015

FINDINGS IDENTIFIED DURING THE AUDIT**1. High annual leave accrual at year end*****Findings:***

During the course of our audit we noted that some employees have annual leave accrued balances in excess of 300 hours.

Rating:

Moderate

Implication:

Excessive annual leave accrued balances increases the risk of an adverse impact through excessive financial liabilities and may also indicate over-reliance on key individuals. This over-reliance can result in business interruption if the employee leaves the Town. Failure to take leave also increases the risk of fraud.

Recommendation:

The Town should continue to manage and monitor the excessive annual leave accrued balances to reduce the financial liability, risk of business interruption and fraud.

Management Comment:

The Town has and will continue to manage excessive leave accruals through its Leave Management Internal Operating Procedure. Staff that have in excess of 228 hours annual leave are required to negotiate with their manager for the leave to be taken within a reasonable timeframe. All staff are encouraged to take annual leave regularly for their wellbeing.

Responsible Person: Sid Jain

Completion Date: 19/10/2015

ANNEXURE A

TOWN OF PORT HEDLAND**PERIOD OF AUDIT: 30 JUNE 2015****FINDINGS IDENTIFIED DURING THE AUDIT****2. Negative leave balances*****Findings:***

During the course of our audit we noted that the Synergy payroll system contains errors regarding employee leave entitlements. As a result, some employees have large negative leave balances, which means they have overdrawn their leave entitlements and are in a position where they effectively owe that amount back to the Town.

Rating:

Moderate

Implication:

Failure to have accurate payroll information increases the risk of overpayment of leave entitlements to employees and can create the situation where employees are unable to repay the overpayment resulting in financial loss to the Town.

Recommendation:

The Town should continue to correct the Synergy payroll system and manage and monitor the annual leave taken by employees in order to avoid leave entitlements going into negative balances.

Management Comment:

The Town will continue to manage and monitor leave balances to ensure they do not go into negative. A recent audit of staff annual leave has resulted in corrections to leave balances. This has led to some staff having negative leave balances. During payroll processing, all leave applications are checked against leave balances and if no leave is available the request is processed as leave without pay. Any negative leave balances are adjusted in termination payouts should those staff leave the employment of the Town.

Responsible Person: Sid Jain***Completion Date: 19/10/2015***

ANNEXURE A

TOWN OF PORT HEDLAND**PERIOD OF AUDIT: 30 JUNE 2015****FINDINGS IDENTIFIED DURING THE AUDIT****3. Fortnightly payroll variance reporting*****Findings:***

As reported in our interim audit findings letter, a back pay of \$62,212 that was paid again in January 2015, was still not resolved by fully recovering the outstanding amount from employees. The amount still owing from employees equates to \$36,427 as at 30 June 2015.

Rating:

Moderate

Implication:

Failure to recover the overpayment of payroll on a timely basis increases the risk of non-recovery of the overpaid amount from the employees.

Recommendation:

We recommend the fortnightly exception report be reviewed and any variances between previous and current pay should be scrutinised and followed up. Exception reporting should be reviewed by a senior staff member, independent from the preparer, and evidenced by way of signature and date. Arrangements should be made with those employees, who are still repay their overpayment, to agree on the terms and conditions of the repayment of the overpaid payroll.

Management Comment:

Fortnightly payroll exception reporting is already in working and is signed off. This will not prevent a repeat of the duplicate back pay. Because there was a fortnight between the first and second back pay payments and some of the second back pay payments was correction and not straight forward duplications, this was not picked up by the exception report. Also, because it is a back pay run, it already is an exception in its own.

The original back pay run was done prior to the agreement final interpretation and acceptance. This will not happen in future. In addition, it was a manual run whereas the second was a system payrun. The system payrun picks up correct history to do the back pay. In future, no manual back pay runs will be made. Any amendments for back pay will be properly reconciled and discussed with the staff member as well as signed off by a P&C, prior to processing.

Responsible Person: Sid Jain***Completion Date: 19/10/2015***

ANNEXURE A

TOWN OF PORT HEDLAND

PERIOD OF AUDIT: 30 JUNE 2015

FINDINGS IDENTIFIED DURING THE AUDIT**4. No loan agreements in place regarding self-supporting loan*****Findings:***

During the course of our audit we noted that two loans from 2007 did not have a loan agreement in place.

Rating:

Moderate

Implication:

Failure to have loan agreements increases the risk of not recovering the balance outstanding and dispute could occur between the borrower and lender.

Recommendation:

The Town should review these two circumstances and arrange for loan agreements to be documented and signed by both parties.

Management Comment:

These loans date back to 2007 and no written agreement as such was put in place back then. We are currently negotiating with one party to get the agreement signed. All current agreements are signed and kept in the Town's records database.

Responsible Person: Sid Jain

Completion Date: 19/10/2015

ANNEXURE A

TOWN OF PORT HEDLAND

PERIOD OF AUDIT: 30 JUNE 2015

FINDINGS IDENTIFIED DURING THE AUDIT**5. Overhead allocation*****Findings:***

Regulation 14 of the *Local Government (Financial Management) Regulations 1996* (FMR) requires local government to disclose by nature or type classification operating revenue and expenses in the Statement of Comprehensive Income. In order to ensure completeness of the allocations into the appropriate program titles, the Town performs a reconciliation of the amounts in the General Ledger to the amounts allocated and disclosed in the Statement of Comprehensive Income.

During the audit testing of the overhead allocation reconciliation it was noted that plant operating cost and public works overhead amounts in the General Ledger were understated in the Statement of Comprehensive Income by \$214,607 and \$832,723 respectively. The failure to fully allocate these amounts does not affect the operating results of the Town and, on this occasion, the Town determined that these amounts are not material and did not adjust the allocations to the program titles in Statement of Comprehensive Income.

Rating:

Moderate

Implication:

Failure to properly reconcile the amounts in the General Ledger to the amounts allocated and disclosed in the Statement of Comprehensive Income increases the risk of non-compliance with FMR and inaccurate disclosure of program costs.

Recommendation:

The Town should review its procedures for the reconciliation of the amounts in the General Ledger to the amounts allocated and disclosed in the Statement of Comprehensive Income.

Management Comment:

A restructure of the General Ledger was commenced during the 2014/15 financial year. As part of this process, the classification of costs and overhead allocation is being reviewed with a view to further improvement occurring throughout 2015/16 and beyond. An internal operating procedure/policy for allocation of overheads will also be developed to formalise a methodology.

Responsible Person: Sid Jain***Completion Date: 19/10/2015***

ANNEXURE B

Prepared by	Reviewed by	Reviewed by	Reviewed by
IMACI 02/10/2015	IMACI 02/10/2015		

Year End: 30 June 2015
 Adjusting Journal entries
 Date: 01/07/2014 To 30/06/2015

Number	Date	Name	Account No	Reference	Annulation	Debit	Credit	Reconcile	Miscellaneous
RSM001	30/06/2015	Current Assets - Trade and Other Receivables	1000010060	2602			630,000.00		
RSM001	30/06/2015	Current Liabilities - Trade and Other Payable	1000010070	2602		608,000.00			
RSM001	30/06/2015	Current Liabilities - Trade and Other Payable	1000011200	2602			68,000.00		
		Correction of allocation of Prepaid expenses to creditors							
RSM002	30/06/2015	Non Current Assets - Infrastructure - Fair	1000012650			1,671,220.29			
RSM002	30/06/2015	Equity - Asset Revaluation Reserve - Rivella	1000013050				1,671,220.29		
		The adjustment to revaluation of culverts and bridges							
						2,364,220.29	2,364,220.29		

Net Income (Loss) 70,204,219.81

13.2 Proposed 2.3MWp Solar Farm

Note: This item has been withdrawn.

ITEM 14 MOTIONS OF WHICH PREVIOUS NOTICE HAS BEEN GIVEN

Nil

ITEM 15 REPORTS OF COMMITTEES

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

15.1 Audit, Risk and Governance Committee Minutes – 10 September 2015**201516/079 RECOMMENDATION/ COUNCIL DECISION**

MOVED: CR ARIF

SECONDED: CR HOOPER

That Council receive the Minutes of the Ordinary Meeting of the Audit, Risk and Governance Committee held on 10 September 2015 at 11:30am inclusive of the following decisions:

8.1 Confirmation of Minutes of the Audit, Risk and Governance Committee Meeting held on Wednesday 10 June 2015

8.2 Confirmation of Minutes of the Audit, Risk and Governance Committee Meeting held on Wednesday 17 June 2015

11.1.1 Unaudited Annual Financial Report for the Year Ended 30 June 2015

11.2.1 Community Donations – Update

11.2.2 Courthouse Gallery Quarterly Review: April to June 2015

11.2.3 GP Housing Quarterly Review: Quarter 4 – April – June 2015

11.2.4 Town of Port Hedland Leisure Facilities Management Contract June Report 2014/15 Financial Year

11.2.5 Port Hedland Visitor Centre: Financial Quarterly Review of the Fourth Quarter being April to June 2015

CARRIED 9/0

15.2 Airport Committee Minutes – 8 October 2015**201516/080 RECOMMENDATION/ COUNCIL DECISION**

MOVED: CR ARIF

SECONDED: CR GILLINGHAM

That Council receive the Minutes of the Ordinary Meeting of the Airport Committee held on 8 October 2015 at 12:30pm inclusive of the following decisions:

11.1.1 Airport Management Report

CARRIED 9/0

ITEM 16 CONFIDENTIAL ITEMS

Nil

ITEM 17 APPLICATIONS FOR LEAVE OF ABSENCE**201516/081 COUNCIL DECISION**

MOVED: CR MELVILLE SECONDED: CR BUTSON

That the following request for leave of absence:

- **Cr Gillingham 13/11/2015 – 24/11/2015**

be approved.

CARRIED 9/0

**ITEM 18 ATTENDANCE BY TELEPHONE/ INSTANTANEOUS
COMMUNICATIONS**

Nil

ITEM 19 CLOSURE**19.1 Date of Next Meeting**

The next Ordinary Meeting of Council will be held on Wednesday 25 November 2015, commencing at 5:30pm, with the Public Agenda Briefing being held on Wednesday 18 November 2015, commencing at 5:30pm.

19.2 Closure

There being no further business, the Mayor declared the meeting closed at 8:30pm.