



**Town of Port Hedland**

**MINUTES**

**OF THE**

**AIRPORT COMMITTEE  
OF THE TOWN OF PORT HEDLAND COUNCIL**

**HELD ON**

**THURSDAY 23 AUGUST 2012  
AT 5:30PM**

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

*Ian Hill  
Acting Chief Executive Officer*



**Terms of Reference****Aim/Purpose**

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.

**Membership***Elected Members:*

Councillor Arnold A Carter  
Councillor Jan M Gillingham  
Councillor Michael B Dziombak  
Councillor Julie E Hunt  
Councillor Gloria A Jacob

*Community Members:*

Ms Florence Bennett  
Ms Michelle Cook  
Mr Serge Doumergue  
Mr Chris Whalley

**Quorum**

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

**Delegation**

- 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**

Every 4 weeks

**Dates of Meetings**

The following dates have been set and advertised in accordance with the Local Government Act 1995 for Airport Committee Meetings to be held at 5:30 pm in Council Chambers:

- Thursday, 22 March 2012
- Thursday, 19 April 2012
- Thursday, 24 May 2012
- Thursday, 28 June 2012
- Thursday, 26 July 2012
- Thursday, 23 August 2012
- Thursday, 27 September 2012
- Thursday, 25 October 2012
- Thursday, 22 November 2012
- Thursday, 20 December 2012
- Thursday, 24 January 2013
- Thursday, 28 February 2013
- Thursday, 28 March 2013

**Responsible Officer**

Director Engineering Services

*(Terms of reference adopted by Council at its Ordinary Meeting held 25 January 2012. Meeting dates adopted and membership amended by Council at its Ordinary Meeting held on 14 March 2012. Additional community members appointed by Council at its Ordinary Meeting held on 9 May 2012.)*

**OUR COMMITMENT**

*To enhance social, environmental and economic well-being through leadership and working in partnership with the Community.*

<b>ITEM 1</b>	<b>OPENING OF MEETING .....</b>	<b>6</b>
1.1	OPENING.....	6
<b>ITEM 2</b>	<b>RECORD OF ATTENDANCE / APOLOGIES / APPROVED LEAVE OF ABSENCE .....</b>	<b>6</b>
2.1	ATTENDANCE.....	6
2.2	APOLOGIES .....	6
2.3	APPROVED LEAVE OF ABSENCE.....	6
<b>ITEM 3</b>	<b>RESPONSE TO PREVIOUS QUESTIONS TAKEN ON NOTICE .....</b>	<b>6</b>
<b>ITEM 4</b>	<b>PUBLIC TIME .....</b>	<b>7</b>
4.1	PUBLIC QUESTION TIME .....	7
4.2	PUBLIC STATEMENT TIME .....	7
<b>ITEM 5</b>	<b>QUESTIONS FROM MEMBERS WITHOUT NOTICE.....</b>	<b>7</b>
5.1	COUNCILLOR JACOB .....	7
	<b>CAN I HAVE AN UPDATE ON THE STATUS OF THE QANTAS LEASE? .....</b>	<b>7</b>
	<b>IS QANTAS PAYING A LEASE IN ACCORDANCE WITH MARKET VALUE PRICE?.....</b>	<b>7</b>
	<b>CAN I HAVE AN UPDATE ON THE TIMEFRAME OF QANTAS LEASE NEGOTIATIONS AS I RAISED THIS QUESTION IN 2011 AND THE SITUATION HAS NOT PROGRESSED SINCE? .....</b>	<b>7</b>
5.2	COUNCILLOR DZIOMBAK .....	7
	<b>CAN THE AIRPORT COMMITTEE HAVE AN UPDATE ON THE AVAILABILITY OF LOTS 1-33 AT PRECINCT 3?....</b>	<b>7</b>
5.3	COUNCILLOR CARTER .....	8
	<b>WHAT IS HAPPENING WITH THE RECOVERY OF FINANCE FROM STRATEGIC AIRLINES? .....</b>	<b>8</b>
<b>ITEM 6</b>	<b>DECLARATION BY MEMBERS TO HAVE GIVEN DUE CONSIDERATION TO ALL MATTERS CONTAINED IN THE BUSINESS PAPER PRESENTED BEFORE THE MEETING.....</b>	<b>8</b>
<b>ITEM 7</b>	<b>CONFIRMATION OF MINUTES OF PREVIOUS MEETING .....</b>	<b>8</b>
<b>ITEM 8</b>	<b>ANNOUNCEMENTS BY CHAIRPERSON WITHOUT DISCUSSION .....</b>	<b>8</b>
<b>ITEM 9</b>	<b>PETITIONS/DEPUTATIONS/PRESENTATIONS/SUBMISSIONS .....</b>	<b>8</b>
9.1	KATE ECCLES ACTING REGIONAL GENERAL MANAGER, NORTH WEST WA, WESTPAC BANKING CORPORATION – PORT HEDLAND PROPOSAL .....	8
<b>ITEM 10</b>	<b>REPORTS OF OFFICERS .....</b>	<b>9</b>
10.1	ENGINEERING SERVICES .....	9
10.1.1	Polar Aviation, Lease of Northern Hangar and Office at Port Hedland International Airport (File No: 05/05/0045).....	9
<b>ITEM 11</b>	<b>LATE ITEMS AS PERMITTED BY CHAIRPERSON/COMMITTEE .....</b>	<b>19</b>
<b>ITEM 12</b>	<b>MOTIONS OF WHICH PREVIOUS NOTICE HAVE BEEN GIVEN .....</b>	<b>19</b>
<b>ITEM 13</b>	<b>CONFIDENTIAL ITEMS .....</b>	<b>19</b>
<b>ITEM 14</b>	<b>APPLICATIONS FOR LEAVE OF ABSENCE.....</b>	<b>19</b>
<b>ITEM 15</b>	<b>CLOSURE.....</b>	<b>19</b>
15.1	DATE OF NEXT MEETING.....	19
15.2	CLOSURE.....	19

**ITEM 1      OPENING OF MEETING****1.1          Opening**

The Chairperson declared the meeting open at \_\_\_\_\_ and acknowledged the traditional owners, the Kariyarra people.

**ITEM 2      RECORD OF ATTENDANCE / APOLOGIES / APPROVED LEAVE OF ABSENCE****2.1          Attendance***Elected Members:*

Councillor Arnold A Carter	(Chairperson)
Councillor Michael B Dziombak	(Deputy Chairperson)
Councillor Gloria A Jacob	
Councillor Jan M Gillingham	entered at 5:48pm

*Community Members:*

Mr Chris Whalley  
Ms Florence Bennett

*Officers*

Ms Jenella Voitkevich	Acting Director Engineering Services
Miss Josephine Bianchi	Minute Taker/Governance Coordinator

Town of Port Hedland Officers	3
Members of the public	1

**2.2          Apologies**

Ms Michelle Cook  
Mr Serge Doumergue

**2.3          Approved Leave of Absence**

Councillor Julie E Hunt

**ITEM 3      RESPONSE TO PREVIOUS QUESTIONS TAKEN ON NOTICE**

Nil

**ITEM 4 PUBLIC TIME**

Chairperson opened Public Question time at 5:36pm.

**4.1 Public Question Time**

Nil.

Chairperson closed Public Question time at 5:36pm.

Chairperson opened Public Statement time at 5:36pm.

**4.2 Public Statement Time**

Nil.

Chairperson closed Public Statement time at 5:36pm.

**ITEM 5 QUESTIONS FROM MEMBERS WITHOUT NOTICE**

**5.1 Councillor Jacob**

*Can I have an update on the status of the Qantas lease?*

Manager Investment and Business Development advised that the Qantas lease is currently under negotiations.

*Is Qantas paying a lease in accordance with market value price?*

Manager Investment and Business Development advised that Qantas is currently making payment on the original lease which includes yearly CPI increases.

*Can I have an update on the timeframe of Qantas lease negotiations as I raised this question in 2011 and the situation has not progressed since?*

Acting Director Engineering Services advised that this question is taken on notice.

**5.2 Councillor Dziombak**

*Can the Airport Committee have an update on the availability of lots 1-33 at Precinct 3?*

Acting Director Engineering Services advised that this question is taken on notice.

**5.3 Councillor Carter**

*What is happening with the recovery of finance from Strategic Airlines?*

Acting Director Engineering Services advised that this question is taken on notice.

**ITEM 6 DECLARATION BY MEMBERS TO HAVE GIVEN DUE CONSIDERATION TO ALL MATTERS CONTAINED IN THE BUSINESS PAPER PRESENTED BEFORE THE MEETING**

Cr Carter	Cr Dziombak
Cr Jacob	Florence Bennett
C Whalley	

**ITEM 7 CONFIRMATION OF MINUTES OF PREVIOUS MEETING**

**AC201213/006 Officer's Recommendation/Airport Committee Decision**

**Moved: Cr Jacob**

**Seconded: Florence Bennett**

**That the Minutes of the Airport Committee Meeting held on Thursday 23 August 2012 be confirmed as a true and correct record of proceedings.**

***CARRIED 5/0***

**ITEM 8 ANNOUNCEMENTS BY CHAIRPERSON WITHOUT DISCUSSION**

Nil.

**ITEM 9 PETITIONS/DEPUTATIONS/PRESENTATIONS/SUBMISSIONS****9.1 Kate Eccles Acting Regional General Manager, North West WA, Westpac Banking Corporation – Port Hedland Proposal.**

Ms Eccles outlined Westpac's proposal to provide banking kiosks across WA Regional Airports.



## ITEM 10 REPORTS OF OFFICERS

## 10.1 Engineering Services

10.1.1 ***Polar Aviation, Lease of Northern Hangar and Office at Port Hedland International Airport (File No: 05/05/0045)***

**Officer** Sara Bryan  
**Manager Investment and Business Development**

**Date of Report** 14 August 2012

**Disclosure of Interest by Officer** Nil

**Summary**

This item seeks the Airport Committee to make a recommendation to Council in relation to the lease arrangements between the Town of Port Hedland (ToPH) and Polar Aviation in respect of the Northern Hangar and Office at the Port Hedland International Airport (PHIA).

**Background**

At the Airport Committee Meeting held Thursday 22 March 2012, the Airport Committee received an Officers report detailing the current leasing arrangements in place between the ToPH and Polar Aviation in respect of the Northern Hangar site at the PHIA. On consideration of this item, the Airport Committee made the following decision:

*“That the Airport Committee:*

1. *Agree for Officers to seek a Market Valuation for the Northern Hangar and Office in order to determine approximate purchase price; and*
2. *Request the Market Valuation to be brought back to the Airport Committee prior to commencement of negotiations with Polar Aviation.”*

Subsequent to this decision, a Market Valuation report was prepared by Australian Property Consultants in respect of the subject site in which the following rates were determined:

Guide Purchase Price	Ground Rental Value	Rental Value of Buildings/Improvements
\$2,250,000 - \$2,500,000 excluding GST	\$35,850 per annum excluding GST	\$258,000 per annum excluding GST

The market rental figures indicated in the table above, assume the Lessee is responsible for payment of all outgoings.

### Consultation

#### *External*

- Managing Director – Polar Aviation
- Certified Practice Valuer – Australia Property Consultants
- McLeods Barristers and Solicitors

#### *Internal*

- Director Engineering Services
- Manager Airport Operations

### Statutory Implications

#### *Local Government Act 1995*

#### *Section 3.58. Disposing of property*

- (1) *In this section —*
  - “dispose” includes to sell, lease, or otherwise dispose of, whether absolutely or not;
  - “property” includes the whole or any part of the interest of a local government in property, but does not include money.
- (2) *Except as stated in this section, a local government can only dispose of property to —*
  - (a) the highest bidder at public auction; or*
  - (b) the person who at public tender called by the local government makes what is, in the opinion of the local government, the most acceptable tender, whether or not it is the highest tender.*
- (3) *A local government can dispose of property other than under subsection (2) if, before agreeing to dispose of the property —*
  - (a) it gives local public notice of the proposed disposition*
    - (i) describing the property concerned; and*
    - (ii) giving details of the proposed disposition; and*
    - (iii) inviting submissions to be made to the local government before a date to be specified in the notice, being a date not less than 2 weeks after the notice is first given; and*
  - (b) it considers any submissions made to it before the date specified in the notice and, if its decision is made by the council or a committee, the decision and the reasons for it are recorded in the minutes of the meeting at which the decision was made.*
- (4) *The details of a proposed disposition that are required by subsection (3)(a)(ii) include —*
  - (a) the names of all other parties concerned; and*
  - (b) the consideration to be received by the local government for the disposition; and*

- (c) *the market value of the disposition —*
  - (i) *as ascertained by a valuation carried out not more than 6 months before the proposed disposition; or*
  - (ii) *as declared by a resolution of the local government on the basis of a valuation carried out more than 6 months before the proposed disposition that the local government believes to be a true indication of the value at the time of the proposed disposition.*
- (5) *This section does not apply to —*
  - (a) *a disposition of an interest in land under the Land Administration Act 1997 section 189 or 190; or*
  - (b) *a disposition of property in the course of carrying on a trading undertaking as defined in section 3.59; or*
  - (c) *anything that the local government provides to a particular person, for a fee or otherwise, in the performance of a function that it has under any written law; or*
  - (d) *any other disposition that is excluded by regulations from the application of this section.*

*[Section 3.58 amended by No. 49 of 2004 s. 27; No. 17 of 2009 s. 10.]*

*Section 3.59 Commercial enterprises by local governments*

*In this section —*

- (1) *acquire has a meaning that accords with the meaning of dispose; dispose includes to sell, lease, or otherwise dispose of, whether absolutely or not;*  
*land transaction means an agreement, or several agreements for a common purpose, under which a local government is to —*
  - (a) *acquire or dispose of an interest in land; or*
  - (b) *develop land;**major land transaction means a land transaction other than an exempt land transaction if the total value of —*
  - (a) *the consideration under the transaction; and*
  - (b) *anything done by the local government for achieving the purpose of the transaction, is more, or is worth more, than the amount prescribed for the purposes of this definition;*  
*major trading undertaking means a trading undertaking that —*
    - (a) *in the last completed financial year, involved; or*
    - (b) *in the current financial year or the financial year after the current financial year, is likely to involve, expenditure by the local government of more than the amount prescribed for the purposes of this definition, except an exempt trading undertaking;*  
*trading undertaking means an activity carried on by a local government with a view to producing profit to it, or any other activity carried on by it that is of a kind prescribed for the purposes of this definition, but does not include anything*

*referred to in paragraph (a) or (b) of the definition of land transaction .*

- (2) *Before it —*
  - (a) *commences a major trading undertaking;*
  - (b) *enters into a major land transaction; or*
  - (c) *enters into a land transaction that is preparatory to entry into a major land transaction, a local government is to prepare a business plan.*
- (3) *The business plan is to include an overall assessment of the major trading undertaking or major land transaction and is to include details of—*
  - (a) *its expected effect on the provision of facilities and services by the local government;*
  - (b) *its expected effect on other persons providing facilities and services in the district;*
  - (c) *its expected financial effect on the local government;*
  - (d) *its expected effect on matters referred to in the local government's current plan prepared under section 5.56;*
  - (e) *the ability of the local government to manage the undertaking or the performance of the transaction; and*
  - (f) *any other matter prescribed for the purposes of this subsection.*
- (4) *The local government is to —*
  - (a) *give Statewide public notice stating that —*
    - (i) *the local government proposes to commence the major trading undertaking or enter into the major land transaction described in the notice or into a land transaction that is preparatory to that major land transaction;*
    - (ii) *a copy of the business plan may be inspected or obtained at any place specified in the notice; and*
    - (iii) *submissions about the proposed undertaking or transaction may be made to the local government before a day to be specified in the notice, being a day that is not less than 6 weeks after the notice is given; and*
  - (b) *make a copy of the business plan available for public inspection in accordance with the notice.*
- (5) *After the last day for submissions, the local government is to consider any submissions made and may decide\* to proceed with the undertaking or transaction as proposed or so that it is not significantly different from what was proposed.*

*\* Absolute majority required.*
- (5a) *A notice under subsection (4) is also to be published and exhibited as if it were a local public notice.*
- (6) *If the local government wishes to commence an undertaking or transaction that is significantly different from what was proposed it can only do so after it has complied with this section in respect of its new proposal.*

- (7) *The local government can only commence the undertaking or enter into the transaction with the approval of the Minister if it is of a kind for which the regulations require the Minister's approval.*
- (8) *A local government can only continue carrying on a trading undertaking after it has become a major trading undertaking if it has complied with the requirements of this section that apply to commencing a major trading undertaking, and for the purpose of applying this section in that case a reference in it to commencing the undertaking includes a reference to continuing the undertaking.*
- (9) *A local government can only enter into an agreement, or do anything else, as a result of which a land transaction would become a major land transaction if it has complied with the requirements of this section that apply to entering into a major land transaction, and for the purpose of applying this section in that case a reference in it to entering into the transaction includes a reference to doing anything that would result in the transaction becoming a major land transaction.*
- (10) *For the purposes of this section, regulations may —*
  - (a) *prescribe any land transaction to be an exempt land transaction;*
  - (b) *prescribe any trading undertaking to be an exempt trading undertaking.*

*[Section 3.59 amended by No. 1 of 1998 s. 12; No. 64 of 1998 s. 18(1) and (2).]*

### **Policy Implications**

Nil

### **Strategic Planning Implications**

#### **6. Strategic Themes and Performance Indicators**

##### **6.4.1 Strategic**

##### What we do:

Deliver responsible management of infrastructure, assets, resources and technology.

##### How we know we've got there:

Investment and Business opportunities are optimised from Council-owned assets.

### **Budget Implications**

The budget implications of this item will vary depending on the option chosen for further deliberation of Council.

#### *Option 1 – Revisit initial lease negotiations of July 2009*

Should this option be recommended to Council, Polar Aviation would be liable to pay rental amounts pursuant to the lease terms as of 1 July 2009, of \$14,875 per annum, exclusive of GST and outgoings. This figure would also be subject to an annual CPI increase from commencement date. The total outstanding rental figures, pursuant to the terms of this lease, as of today's date, stand at \$60,671.07.

On consideration of the fact that Polar Aviation have continued to make rental payments pursuant to the terms of the original lease, should this lease be reengineered and executed by both parties, a deficit amount of \$53,878.89 would be due and owing to ToPH.

A simple calculation of the base rental figure amount for the initial 15 year lease period, not considering increase by CPI or market valuation, would generate a total of \$223,125 to the airport lease revenue account.

#### *Option 2 – New lease prepared, reflective of current Ground Rental Value*

Should a new lease document be prepared and executed, utilising a commencement date of 1 July 2012, the base rental figure would commence at \$35,850 per annum, exclusive of GST and outgoings. An annual CPI increase would be applied, with a market valuation to take place every 3 years.

A simple calculation of this figure, exclusive of the consideration of CPI and market valuation increases, for purposes of comparison with the option above over a period of 15 years, would generate a total of \$537,750 to the airport lease revenue account.

#### *Option 3 – ToPH to purchase Hangar and Office in view of entering into lease negotiations with Polar Aviation for the lease of the site encompassing the buildings and improvements of the lease area*

Indicative figures for this option would require an initial outlay by ToPH of between \$2,250,000 and \$2,500,000 for the purchase of the hangar and office facilities.

Should this be undertaken, a rental figure of \$258,000 per annum, exclusive of GST and outgoings would apply to the subject site.

It is anticipated that a lease of this nature would be subject to a short term lease. With this in mind, a lease with a term of 5 years would generate a total of \$1,290,000.

Further investigations would need to take place with members of the finance team to establish whether this option is viable for the Airport. It is anticipated at this point, that a transaction such as this would require the dependence of a loan to support the purchase of the hangar and office.

In consideration of the capital budget project required to undertake current priority projects at the airport, it's doubtful that Council has the capacity to purchase the hangar and office facilities.

### **Officer's Comment**

As noted within the previous item presented to the Airport Committee in March 2012 in relation to this matter, Polar Aviation initially obtained a lease for the Northern Hangar and Office by way of assignment in November 1996. This lease agreement expired in April 2008.

Prior to the expiration of this lease, in April 2007, Polar Aviation approached ToPH Officers to discuss securing tenure on the land subject to the lease for a period of 21 years in support of 'major' renovations to the dilapidated Town of Port Hedland owned hangar.

Subsequent to this initial request, a dialogue was ongoing between the parties which eventuated in the following decision of Council at Ordinary Council Meeting held 28 July 2008:

*"That Council;*

*Authorises the CEO or his nominated officer to enter into negotiations with Polar Aviation in relation to the redevelopment of the Northern Hangar site, with a 15 + 15 year option lease in accordance with the Local Government Act, and utilise the valuation received by consultants in January 2008 as a guide."*

Twelve months subsequent to this Council Decision, a new lease document was prepared by the Town; the terms suggested within this lease document are as follows:

Start Date:	1 July 2009
Term:	15 years
Option:	15 years
Option Commencement:	1 July 2024
Rent:	\$14,875 per annum (exc GST)
Rent Review:	Annual CPI increase
Market Valuation:	Every 4 years

This lease document was signed by the Lessee, however to date, remains unexecuted by ToPH.

During this period, various items were presented to Council in relation to the redevelopment of the site by Polar Aviation. In late 2010, Polar Aviation completed the redevelopment of the new hangar and office facility, investing close to \$1 million on the project.

The clauses within the lease document indicated above do not articulate that the building structures and improvements to the site are the property of Polar Aviation and clauses appear to protect the Towns interest in the assets.

From extensive searches of ToPH records in relation to this matter, it is apparent that the disposal of the land subject to this lease, dated July 2009, was not compliant with Section 3.58 of the *Local Government Act 1995*.

The duration of the lease, effectively a 30 year term, ordinarily requires approval from the Western Australian Planning Commission (WAPC). This approval was never sought.

Furthermore, Polar Aviation were never invoiced for the new rental amounts as indicated within the 'new' lease document and have continued to pay a monthly fee of \$312.51 inclusive of GST pursuant to the original, expired lease for the site. This effectively denotes that Polar Aviation have continued to operate under the 'holding over' provision of the original lease. In essential terms, this makes the Lessee a monthly tenant of the Lessor on the same terms and conditions of the original, expired agreement.

There are 3 options available for exploration in the resolution of this matter.

*Option 1 – Revisit initial lease negotiations of July 2009*

There is sufficient evidence to support that considerable discussions were undertaken between ToPH Officers and Polar Aviation from the expiry of the original lease document in April 2007 to the completion of the site redevelopment in 2010, in view of negotiating a new lease agreement.

On consideration of this, it would be possible to revisit the intentions of the most recent lease document to reflect terms and clauses relevant to a ground lease for the land only in view of protecting the Lessee's interest in improvements to the site.

Should this option be explored further, the disposal of the property and subsequent WAPC approval can be actioned retrospectively for the grant of the lease.



In this scenario, Polar Aviation would be liable to pay deficit amounts from backdated rents for the duration of the lease term to date.

*Option 2 – New lease prepared, reflective of current Ground Rental Value*

This option would utilise the current ground rental value of \$35,850 per annum, exclusive of GST in the preparation of a fresh lease document to begin as of 1 July 2012. Use of the site to date would remain under the terms and conditions of the 'holding over' provision of the original lease.

This option would enable a fresh look at the terms of the lease and enable compliance with section 3.58 of the *Local Government Act 1995*.

It is the Officers opinion that this option would offer a transparent solution to the resolution of this issue and enable current ToPH Officers a clean slate with which to work with moving forward.

To pursue this option would be fair and equitable to both parties and would mitigate any potential issues that could arise in utilising historical negotiation foundations set by previous ToPH Officers.

*Option 3 – ToPH to purchase Hangar and Office in view of entering into lease negotiations with Polar Aviation for the lease of the site encompassing the buildings and improvements of the lease area*

The third and final option in exploring the resolution of this matter would be for ToPH to investigate purchasing the Hangar and Office facilities from Polar Aviation, in view of preparing a lease agreement between the parties for ongoing use of the site.

As indicated within the table of figures in the background of this item, a guide purchase price for the hangar and office has been indicated to be between \$2,250,000 and \$2,500,000.

Should this option be desirable to the Airport Committee, further investigations will occur to establish any financial implications of this potential transaction prior to a report to Council.

The Market Rental figure for the lease of buildings and improvements to site would be in the order of \$258,000 per annum, exclusive of GST and outgoings.

To pursue this option would enliven section 3.59 of the *Local Government Act 1995*, and therefore, require the preparation and advertisement of a business plan detailing the disposition of the potential transaction for public comment.

*Summary*

In conclusion, it is suggested that the Airport Committee make a recommendation for a report to be presented to Council at its next meeting, detailing the disposal of the Polar Aviation, Northern Hangar by way of lease in accordance with Option 2 detailed above.

**Attachments**

1. Market Ground Rental Assessment and Added Value of Lessee Buildings, Polar Aviation Lease Area – under separate cover.
2. Valuation addendum – Market Rental Assessment of Buildings, Polar Aviation Northern Hangar – under separate cover.

**AC201213/007 Officer's Recommendation/Airport Committee Decision****Moved: Cr Jacob****Seconded: Cr Dziombak**

**That the Airport Committee request that a report to be presented to the next Ordinary Meeting of Council detailing the disposal of the Polar Aviation, Northern Hangar by way of lease on new lease terms in accordance with Section 3.58 of the *Local Government Act 1995*.**

**CARRIED 6/0**

**ITEM 11 LATE ITEMS AS PERMITTED BY CHAIRPERSON/COMMITTEE**

Nil

**ITEM 12 MOTIONS OF WHICH PREVIOUS NOTICE HAVE BEEN GIVEN**

Nil

**ITEM 13 CONFIDENTIAL ITEMS**

Nil

**ITEM 14 APPLICATIONS FOR LEAVE OF ABSENCE**

**AC201213/008 Officer's Recommendation/Airport Committee Decision**

**Moved: Cr Dziombak**

**Seconded: Florence Bennett**

**That the following applications for leave of absence:**

- **Councillor Gillingham from 7 to 17 September 2012;**
- **Chris Whalley from 16 September to 21 October 2012;**
- **Councillor Jacob from 14 to 18 September 2012**

**be approved.**

***CARRIED 6/0***

**ITEM 15 CLOSURE**

**15.1 Date of Next Meeting**

The next Airport Committee Meeting of the Town of Port Hedland Council will be held on Thursday, 27 September 2012.

**15.2 Closure**

There being no further business, the Chairperson declared the meeting closed at 6pm.

**Declaration of Confirmation of Minutes**

I certify that these Minutes were confirmed by the Airport Committee at its Ordinary Meeting held on \_\_\_\_\_.

CONFIRMATION:

\_\_\_\_\_  
CHAIRPERSON

\_\_\_\_\_  
DATE