TOWN OF PORT HEDLAND

NOTICE OF MEETING AND AGENDA
ORDINARY MEETING OF COUNCIL

WEDNESDAY 13 DECEMBER 2017 AT 5:30PM

COUNCIL CHAMBERS, MCGREGOR STREET, PORT HEDLAND

CEO, David Pentz

Distribution Date: 1 December 2017
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**DISCLOSURE OF FINANCIAL/ IMPARTIALITY/ PROXIMITY INTERESTS**

*Local Government Act 1995 – Section 5.65, 5.70 and 5.71*

*Local Government (Administration) Regulation 34C*

This form is provided to enable members and officers to disclose an interest in a matter in accordance with the regulations of Section 5.65, 5.70 and 5.71 of the Local Government Act and Local Government (Administration) Regulation 34C.

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**Signature:** ___________________________  **Date:** ___________________________

**Important Note:** Should you declare a Financial or Proximity Interest, in accordance with the Act and Regulations noted above, you are required to leave the room while the item is being considered.

For an Impartiality Interest, you must state the following prior to the consideration of the item:

“With regard to agenda item (read item number and title), I disclose that I have an impartiality interest because (read your reason for interest). As a consequence, there may be a perception that my impartiality on the matter may be affected. I declare that I will consider this matter on its merits and vote accordingly.”
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Item 1  Opening of Meeting

The Mayor declared the meeting open at __ pm.

Item 2  Acknowledgement of Traditional Owners

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

Item 3  Recording of Attendance

3.1 Attendance

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

3.2 Apologies

3.3 Approved Leave of Absence

3.4 Disclosure of Interests

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<th>Interest</th>
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Item 4  Response to Previous Questions

4.1 Response to Questions taken on notice from Public at the Ordinary Council Meeting held on Wednesday 22 November 2017

4.1.1 Mr Jim Henneberry

At last month’s Council Meeting, the President of the Port Hedland Community Progress Association; Jan Ford asked if this Council would place the following item on its agenda for this meeting: would the Town of Port Hedland support the World Health Organisation and Australia Air NEPM Standards of 50mg per cubic meter being applied to the Town of Port
Hedland. Is this on tonight’s agenda, and if not when will it be listed for discussion and decision?

The Director of Development, Sustainability and Lifestyle advised that the Air NEPM sets national standards and implemented by the Department of Water and Environment Regulation. The Town supports implementation of national standards however questions of implementation and information will need to be directed to the State Government.

4.1.1 Mr John Peters

Last month I asked the question as to what measures is the Council taking to enforce the provisions of the Dog Act 1976 regarding fencing requirements to confine dogs? In this summer heat, do Council Rangers monitor welfare of dogs, cats and birds?

The Manager Environmental Health and Community Safety advises that the Town of Port Hedland Ranger Services Team are committed to ensuring that the provisions of the Dog Act 1976 are applied at all times. When a fencing issue occurs or an animal is found wandering the Town’s Rangers apply the Act to its full extent to ensure that the animal can be housed on a property at all times. This is completed through rigorous fencing inspections and discussing the matter thoroughly with the owner.

The Manager Environmental Health and Community Safety also advises that in relation to animal welfare issues – this is largely reactionary as with these types of issues we rely on the community to report. When concerns for an animals welfare is identified Rangers investigate the matter as far as their powers allow and where intervention can occur Rangers ensure that an animal is protected from harm. Unfortunately limitations to their powers do exist so many animal welfare issues have to be reported to RSPCA before action can occur. This process will be significantly improved as a result of Councils decision to partially fund an RSPCA inspector position in the Pilbara. Where immediate intervention is required, when an animal is in imminent danger or a significant state of destress, the Towns Rangers work with Police to intervene.

4.2 Response to Questions taken on notice from Elected Members at the Ordinary Council Meeting held on Wednesday 22 November 2017

4.2.1 Councillor Telona Pitt

Is there a process to who the Town choose in relation to Aboriginal groups and consultants?

The Director Development, Sustainability and Lifestyle advises that the Town of Port Hedland welcomes all participation and involvement from any groups or consultants.
Item 5 Applications for Leave of Absence

Item 6 Attendance by Telephone/Instantaneous Communications

OFFICER RECOMMENDATION

That Council approve Councillor McDonogh’s request to attend the 13 December 2017 Ordinary Council Meeting via telephone whilst he is in Perth, Western Australia.

ABSOLUTE MAJORITY VOTE REQUIRED

Item 7 Public Time

Important note:

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

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

7.1 Public Question Time

7.2 Public Statement Time

7.3 Petitions/Deputations/Presentations/Submissions

Nil

Item 8 Questions from Members without Notice

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

The following Elected Members declared that they had given due consideration to all matters contained in the agenda:
Ordinary Meeting of Council - Agenda 13 December 2017

Item 10 Confirmation of Minutes of Previous Meeting

10.1 Confirmation of Minutes of the Ordinary Council Meeting held on Wednesday 22 November 2017

Officer Recommendation

That Council confirm that the Minutes of the Ordinary Council Meeting held on Wednesday 22 November 2017 are a true and correct record.

Simple Majority Vote Required

Item 11 Announcements by Presiding Member without Discussion

Mayors Monthly Meetings – 1 November to 30 November 2017

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<th>Date:</th>
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<tr>
<td>2/11/2017</td>
<td>Hedland High School Board Meeting</td>
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<td>2/11/2017</td>
<td>Pilbara Ports Authority Sundowner</td>
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<td>3/11/2017</td>
<td>Meeting with WA Ballet</td>
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<td>3/11/2017</td>
<td>Meeting with Connected Communities Consultants</td>
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<td>Meeting with LNG</td>
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<td>4/11/2017</td>
<td>Port Hedland Parkrun Launch Event</td>
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<td>7/11/2017</td>
<td>Aboriginal &amp; Torres Strait Islander Consultation Forum</td>
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<td>7/11/2017</td>
<td>Weekly Sprit Chat Radio</td>
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<td>7/11/2017</td>
<td>Meeting with Arnold Carter</td>
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<td>7/11/2017</td>
<td>Meeting with Hedland School of Dance</td>
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<td>8/11/2017</td>
<td>Connections &amp; Partnerships Meeting – Hedland High School</td>
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<td>8/11/2017</td>
<td>SHAC Site Tour</td>
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<td>Pilbara For Purpose Forum</td>
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<td>10/11/2017</td>
<td>Meeting with Njamal Security</td>
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<td>10/11/2017</td>
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<td>11/11/2017</td>
<td>Remembrance Day Ceremony</td>
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<td>13/11/2017</td>
<td>Meeting with PHIA Board</td>
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<td>14/11/2017</td>
<td>Weekly Spirit Chat</td>
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<td>14/11/2017</td>
<td>Bridgestone Opening Event</td>
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<td>14/11/2017</td>
<td>Meeting with Hon Melissa Price MP</td>
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<td>16/11/2017</td>
<td>Meeting with Dept. of Housing &amp; Police</td>
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<td>Hedland High School Board Meeting</td>
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<td>SCP event at Courthouse Gallery</td>
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<td>20/11/2017</td>
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<td>Hedland Roadwise Group</td>
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<td>24/11/2017</td>
<td>Port Hedland Netball Pavilion Opening</td>
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<td>27/11/2017</td>
<td>Transalta Opening Event</td>
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<td>27/11/2017</td>
<td>Meeting with Quadrant Energy</td>
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<td>27/11/2017</td>
<td>Meeting with Vice Consul for Economics – Japanese Consulate Office</td>
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<td>28/11/2017</td>
<td>Weekly Spirit Chat</td>
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<td>South Hedland Police Meeting</td>
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<td>Meeting with FMG</td>
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<td>29/11/2017</td>
<td>Outgoing Elected Member Function</td>
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<td>30/11/2017</td>
<td>Meeting with BHP</td>
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<td>30/11/2017</td>
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**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 Corporate Performance

12.1.1 Position on GST Allocation and Horizontal Fiscal Equalisation

*File No. 14/03/0002*

**Author**
Manager Governance

**Authorising Officer**
Director Development, Sustainability and Lifestyle

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

OFFICER RECOMMENDATION

That Council,

1. Note the information presented on the effects of horizontal fiscal equalization and GST distribution in Western Australia; and

2. Request the Chief Executive Officer to present a submission to Peter Harris AO, Chairman of the Productivity Commission, as per attachment 2.

*SIMPLE MAJORITY VOTE REQUIRED*

PURPOSE

This report presents to Council the imbalance issues in relation to horizontal fiscal equalization (HFE) that the State of Western Australia has been experiencing in recent years, and how this can affect WA local governments.

This report also recommends that Council request the CEO to present a submission to Peter Harris AO, Chairman of the Productivity Commission about the issue, and in doing so support the views put forward by the State of Western Australia on HFE.

DETAIL

*Background Information and Definitions*

Australia's HFE’s system underpins the distribution of GST revenue to the States and Territories. This is a common feature across federations worldwide. HFE has been a feature of Commonwealth-State financial relations since Federation and is Commonwealth Government policy. HFE involves the distribution of Commonwealth financial support to the States so that each State has the capacity to provide its citizens with a comparable level of Government services.

Under the current approach to HFE, the GST is distributed to the States on the basis of relativities recommended by the independent Commonwealth Grants Commission (CGC). In calculating the relativities, the CGC assesses each State’s fiscal capacity, including its capacity to raise revenue and its costs of providing government services.
Under Commonwealth-State agreements, the CGC effectively determines the distribution of all GST funds (net of Commonwealth administrative expenses) to the states and territories.

The CGC's recommendations are based on the concept of fiscal equalisation between the states and territories and its assessments of the expenditure requirements and revenue raising capacities of the jurisdictions. In its 2010 Review the CGC defined fiscal equalisation to mean, “If states levied comparable taxes, then with their GST revenue they would have the same capacity to fund comparable services”. To this end, the CGC recommends GST grants per capita equal to the sum of assessed recurrent and capital expenses needed to achieve equal services in each jurisdiction, less the sum of their revenue capacity to achieve these services and Commonwealth payments outside the GST system.

The CGC estimates each of these amounts for the most recent three years for which relevant data are available and takes the average outcome for these three years as the basis for recommending the current and immediate future distribution of GST revenues.

The HFE process results in a fiscal redistribution between States, as GST grants are not allocated between States according to the State of origin of GST paid to the Commonwealth. More broadly, all Commonwealth fiscal policies tend to result in fiscal redistribution between States, as the distribution of benefits from Commonwealth expenditures across States (including grants to State and local governments, benefits paid to individuals, and direct provision of services) does not match the distribution of taxes and other revenues raised from production and consumption activities in each State to support these expenditures.

The primary rationale for HFE is fiscal equity, or the equal fiscal treatment of jurisdictions. There is also an efficiency aspect to HFE. The theory argues that, in the absence of HFE, people could move interstate solely due to differences in States' abilities to offer lower taxes or a greater level of services, instead of underlying economic drivers like employment opportunities. HFE is sometimes also seen as a mechanism to insure against adverse economic shocks, although this rationale is at times contested.

The Australian federation is characterised by both horizontal and vertical fiscal inequities (gaps). The latter refers to the fact that the Commonwealth Government raises revenues in excess of its spending responsibilities, while State governments have insufficient revenue from their own sources to finance their spending responsibilities. For the States, some of this ‘gap’ is of their own volition — how they choose to use their tax bases. The distribution of GST revenues in Australia aims to correct both for the imbalance in taxing and spending powers between the Commonwealth and the States (vertical), and between the States (horizontal).

Two types of payments are made from the Commonwealth to states: specific purpose payments (SPPs) and general revenue assistance (GRA). SPPs are made according to agreements between the Australian Government and the various states. GRA is financial assistance that may be spent upon any purpose, and is mainly comprised of the Goods and Services Tax (GST) revenue. The effect of HFE is that each state can receive either more or less than it otherwise would if the GST revenue was distributed on an equal per capita basis. The amount each state receives is represented by a factor known as its ‘GST relativity’. The relativity can be loosely equated to the amount of GST a state receives for each dollar of GST collected in that state.
Western Australia’s relativity has been strongly affected by the resources boom. Until 2007–08, WA received about the same amount of GST revenue as was collected in that state. Since 2008–09, however, WA’s relativity has rapidly declined, reflecting its increased revenue raising capacity. WA currently only receives 34 cents for every dollar of GST revenue it raises, with the rest redistributed to other states. Western Australia is a major contributor to national welfare through the revenues it contributes to the Commonwealth Budget that are used to support expenditures in other States. In 2013-14, it is estimated that the Commonwealth derived $57.9 billion from Western Australia, while expenditure for the benefit of the State (less the State’s share of the deficit) totalled only $30.6 billion, a difference of $27.3 billion. This reflects the high level of company tax and other Commonwealth revenues generated from Western Australia’s resource sector, as well as the low level of social security and health benefits received by Western Australians, and Western Australia’s falling share of GST revenue grants. Western Australia was the only State to make a net contribution to the Commonwealth. All other States and the Northern Territory received a net subsidy.

**Productivity Commission Public Inquiry**

The Australian Government has asked the Productivity Commission (PC) to undertake an inquiry into Australia’s system of horizontal fiscal equalisation (HFE). The final inquiry report is expected to be handed to the Australian Government by 31 January 2018. The inquiry is to consider the influence the current system of HFE has on productivity, efficiency and economic growth, including the:

- movement of capital and labour across state borders
- incentives for the States to undertake fiscal (expense and revenue) reforms that improve the operation of their own jurisdictions
- States’ abilities to prepare and deliver annual budgets.

The inquiry is to also consider whether there are preferable alternatives to the current system and the implications for equity across jurisdictions, efficiency and simplicity.

Preliminary findings from the PC, included in their October 2017 draft report (attachment 1) state that the system goes too far, creating significant weaknesses. The PC finds that the way ‘same standard’ has been defined for HFE purpose has crept upwards over time, making the system less able to deal with economic shocks that have an uneven impact across the states, producing unforeseen and unfair outcomes, what they describe as ‘unfair equality’. In more recent years the PC explains this has included Western Australia’s GST relativity falling to less than 30c in the dollar, post the mining boom. While acknowledging the $1.2 billion provided in top up payments to WA by the Federal Coalition, effectively stopping the drop in WA’s relativity falling below 37c, top up payments and GST floors are not considered by the PC as viable longer term solutions.

PC findings also state that the current HFE system is holding Australia’s economy back, by creating disincentives for States and Territories to pursue ‘productivity enhancing reforms that are in the national interest’. These include making their tax systems more efficient and to realizing their own resource and minerals opportunities. The report recommends that ‘revising the objective of HFE would be in the best interests of national productivity and wellbeing’.

Although the official deadline to present a submission to the PC was early November, a PC’s representative has advised the Town that a late submission will be accepted and considered as part of its final enquiry report.
Extracts of some submissions to Public Inquiry

**State of Western Australia**

Fifty six (56) initial submissions and forty (40) post-draft submissions have been made to the PC. The State of Western Australia presented two submissions in June and in November 2017, and listed under attachments 3 and 4 respectively. An extract from the November Executive Summary states:

“Fundamental reform is needed to address the current system’s significant deficiencies and ensure that the arrangements are transparent, fair and efficient. As the Productivity Commission has noted, revising the objective of HFE would increase national productivity. Ideally, an equal per capita GST distribution would be implemented, with direct Commonwealth assistance for weaker States. However, a dynamic GST relativity floor, such as the Draft Report’s suggestion of equalising to the average fiscal capacity of all States, would go a long way towards addressing the system’s problems. Reforms to equalise to provide a reasonable (rather than the same) standard of services recognise that extreme situations are where HFE is most damaging to the economy and intractably unachievable. This reform should be complemented with simplified and more policy neutral assessments to address remaining problems.

Regardless of whether agreement can be reached for fundamental reform, the highly distorting effects of the mining revenue assessment must be addressed. It is a stand-out failing of the HFE process, greater than any other issue. Western Australia regards this as the minimum threshold for meaningful reform. Reforms to the mining assessment could include discounting, amalgamation of individual mining assessments with a fixed royalty rate, the use of broad indicators or aggregated revenue bases, or a combination of these. Western Australia’s dominance of mining activity means that aggregating mining revenue bases alone does not solve the efficiency problem. Increases to a State’s mining royalty rates should not reduce its GST share by more than changes to tax policies.

**WALGA:**

“While Local Government is not a direct recipient of GST grants, the high degree of vertical fiscal imbalance and the legislative constraints on Local Governments’ revenue raising capacity means that the sector is reliant on grant funding from the State Government in order to provide the services and infrastructure needed by the community. In this regard, any policies that impact on the State’s financial position indirectly affect the Local Government sector.”

In addition:

“HFE is used at a Local Government level, to allocate Commonwealth Financial Assistance Grant (FAG) funding to individual councils. In WA, this occurs through the WA Local Government Grants Commission. FAGs funding is provided to Local Governments in WA on the basis of horizontal equalisation to ensure that each Local Government in the State is able to function at a standard not lower than the average standard of other Local Governments. All Local Governments are entitled to receive at least the minimum grant, which cannot be less than 30 per cent of its per capita allocation.”
Mineral Council of Australia:

In Australia the revenue collected from the Goods and Services Tax (GST) is distributed among the states as the principal fiscal equalisation mechanism. This distribution is in accordance with the Intergovernmental Agreement on Federal Financial Relations that was signed by all states and the commonwealth in 2009 (IGAFFR). The IGAFFR states that the ‘Commonwealth will distribute GST payments among the states and territories in accordance with the principle of horizontal fiscal equalisation’. These payments ‘will be freely available for use by the states and territories for any purpose’. However, the IGAFFR does not provide a definition of horizontal fiscal equalisation, its objectives or how fiscal equality is to be measured. As a result fiscal equalisation in Australian can currently be more accurately described as a process than an outcome. This is a significant void for a policy that is now distributing over $60 billion per year of funding.

The 2012 GST Distribution Review undertaken by Brumby, Carter and Greiner also identified these definitional issues in Australia’s HFE system:

HFE is not strictly defined in any act or agreement, so the CGC has developed its own interpretation, in close consultation with States. While the CGC’s definition has the implicit approval of the Commonwealth — which could reject the CGC’s advice or specify its own definition of HFE in the CGC’s Terms of Reference, but has chosen not to — it has not expressly adopted or enacted it.... it is difficult for the public to have confidence in a system where the goal has not been explicitly endorsed by government. It is therefore important for the Commonwealth to be clear about what HFE is supposed to achieve.

Based on its consideration of Australia’s HFE system governance structures the 2012 GST Distribution Review recommended that a definition of HFE be established. However like most of the 2012 GST Distribution Review’s recommendations, this has not been implemented and both a definition and objective for fiscal equalisation in Australia remain undetermined.

The Australian Chamber of Commerce & Industry:

In analysing the current system, the Australian Chamber urges the Productivity Commission not to look at HFE in isolation, or at the issue of GST distribution specifically, as the GST does not reflect total Commonwealth payments to the states.

A key reason for this, is because the horizontal fiscal imbalance is only one feature of the Commonwealth’s financial relations with the states. Indeed, any discussion on horizontal fiscal equalisation must, by necessity, start at the heart of Commonwealth - State Financial relations - which are the vertical fiscal imbalance (VFI). This imbalance is the difference between the taxing powers and spending obligations of the Commonwealth and State governments.

Current demographic trends, including the ageing population and rapidly rising healthcare expenditure, are likely to see growing pressure on state budgets and increased tension over the vertical fiscal imbalance over coming decades. This has already led to calls for the States to have greater revenue raising powers in order to deal more efficiently with the vertical fiscal imbalance and budgetary pressures.

There are ongoing lengthy debates and statements on the impact of the current GST situation on WA. This includes the succinct summary of impact from the WALGA submission:
The misalignment between actual economic conditions and GST revenue received has placed significant pressure on WA’s finances. The 2016-17 Mid-Year Financial Projections Statement shows that WA is expected to record a net operating deficit of more than $3 billion, while net debt is expected to rise to more than $41 billion across the forward estimate period.

While it is recognised that the state’s own financial management has led to its weaker budget position, the declining level of GST revenue has added to these challenges given that it has fallen by more than $2 billion over the past decade.

The weaker financial position has meant that the State Government has been forced to implement budget repair measures, which have had implications for the broader economy. The WALGA submission goes on to cite specific examples where state budget repair decisions have directly impacted on funding to Local Governments in WA.

It has been hypothesised in other submissions that if the GST distribution had been done on a pro-rata per capita basis then the amount due to WA in 2016/2017 would have been sufficient to fund the current operating deficit.

**HFE Impact on Local Governments**

Local Government Financial Assistance Grants funded by the Commonwealth Government are distributed among 137 local governments in Western Australia each year. The grants are the State’s entitlement for financial assistance from the Commonwealth Government, paid in equal quarterly instalments for a financial year, under the Australian law, *Local Government (Financial Assistance) Act 1995*. The distribution of Financial Assistance Grants is for local government purposes, to achieve equitable levels of services by reasonable effort.

Western Australia’s share of Commonwealth funding for 2016-17 is $280,000,186, which equals 12.23 per cent of the national allocation of $2.288 billion. The allocation has decreased from $281 million in 2015-16. The funding is untied; there are no conditions on how the funds should be spent. The amount is divided into two parts, a general purpose component and a local roads component. For 2016/17 Port Hedland grant is $1,166,755, which is 15% less than the previous year.

The funding provided to local governments is allocated on the basis of horizontal equalisation to ensure that each local government in the State is able to function at a standard not lower than the average standard of other local governments. All local governments are entitled to receive at least the minimum grant. That minimum grant cannot be less than 30 per cent of what the local government would receive if all grants were allocated on a per capita basis.

*Town of Port Hedland position*

Based on the above information there are numerous recommendations and approaches that could be adopted to mitigate the negative consequences of HFE. The Town is currently the largest bulk handling port in the world and has been greatly contributing to the national economy. However this cannot continue in the current environment due to the limitations in the State’s ability to make changes to its current taxation system, and therefore its ability to incentivise further economic growth. The Town of Port Hedland would therefore like to suggest that changes to the HFE system are undertaken based upon the principles of fairness, transparency and reward for innovation and endeavour.
It is therefore recommended that the Town write to Peter Harris AO, Chairman of the Productivity Commission (see attachment 2) to propose three options for consideration, none of which are mutually exclusive:

*Simplify the current complex methodologies for arriving at the HFE*

For example, if the annual National GDP and State gross state product (GSP) per capita was used in combination with population statistics as the benchmark for allocations. GDP and GSP are well-recognised and understood measures of national and state wealth, they are consistently measured by the ABS and are comparative in nature.

*Quarantine a percentage of mining royalties from the HFE calculations*

There has been strong support from a number of institutions both political and business for this approach. It has a number of benefits as it does not penalise states that encourage and support mining resource development, it adds some fairness to the system where for example gambling revenue is not factored into a state’s income, and it mitigates the massive fluctuations in royalty income caused by commodity price swings. The percentage to be quarantined would need to be negotiated but between 25% and 50% have been proposed by key stakeholders.

*Incentivise infrastructure investment by federal grants, matching dollar for dollar a state’s investment in infrastructure*

This could possibly be achieved by reviewing how state infrastructure expenditure is brought into the overall HFE calculation.

**LEVEL OF SIGNIFICANCE**

This item is not considered to be significant in accordance with the criteria set out in policy 4/009 Significant Decision Making.

**CONSULTATION**

*Internal*

Executive Leadership Team

*External Agencies*

PC representative in relation to a late submission

**LEGISLATION AND POLICY CONSIDERATIONS**

There are no specific legislative and policy consideration directly related to this report, as it presents information only and recommends that correspondence be sent.

**FINANCIAL AND RESOURCES IMPLICATIONS**

There are no financial and resources implications directly associated with the decision the Council is recommended to take in relation to this report.
STRATEGIC AND SUSTAINABILITY IMPLICATIONS

Section 2.2 ‘A thriving, resilient and diverse economy - A nationally significant gateway city and destination’ of the Strategic Community Plan 2014-2024 is applicable in the consideration of this item:

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

RISK MANAGEMENT CONSIDERATIONS

As per the risk matrix contained in policy 1/022 ‘Risk Management’, the level of risk in relation to Council adopting or otherwise the officer’s recommendation is considered to be Low (1) as the decision to amend the current HFE system lies with the Commonwealth and not local governments, which means that the Town can only have an advocacy role to play.

OPTIONS

Option 1 - Adopt Officer’s Recommendation

Option 2 – Do not adopt Officer’s Recommendation

CONCLUSION

As noted in the report, the issue of HFE and GST redistribution from the Commonwealth to the State of Western Australia is severely imbalanced. This is now considered a fact, and it has been taken on board by the current Federal government through its request to the Productivity Commission to undertake a public inquiry into the matter. In this current framework local governments are also affected by this imbalance, which needs to be rectified to ensure that fairer redistribution principles are applied. Port Hedland contributes greatly to the national economy, which is the reason why it is considered essential that it supports the WA government in advocating for a HFE reform to take place as soon as possible.

ATTACHMENTS

1. Draft October 2017 Report from the Productivity Commission (Under Separate Cover)
2. Submission to Peter Harris AO, Chairman of the Productivity Commission
3. June 2017 State of Western Australia submission to the Productivity Commission (Under Separate Cover)
4. November 2017 State of Western Australia submission to the Productivity Commission (Under Separate Cover)

Useful Links

- Link to Department of Local Government General Purpose Grants webpage: [https://www.dlgc.wa.gov.au/GrantsFunding/Pages/LG-General-Purpose-Grants](https://www.dlgc.wa.gov.au/GrantsFunding/Pages/LG-General-Purpose-Grants)
Peter Harris AO  
Chairman of the Productivity Commission

Dear Chairman,

The Town of Port Hedland wishes to draw to the Chairman’s attention our ongoing concerns with regard to issues surrounding the GST and Horizontal Fiscal Equivalence (HFE). In particular we wish to highlight the impact of the current situation on local government in WA and Port Hedland.

Context

As an introduction it is worth noting that Port Hedland is the location of the largest bulk handling port in the world. The port continues to deliver outstanding performance with close to half a billion tonnes shipped in 2015/16 comprising nearly 60% of WA’s iron ore exports. This in turn is about 10% of Australia’s total exports – going through just one port in the Pilbara. It is a port that is a vital link in the WA and Australian economy.

It is also home to about 14,500 residents of which nearly 2,500 are Aboriginal and Torres Strait Islanders. A relatively small population that delivers massive results for the State and the Nation.

Infrastructure investment and maintenance, particularly with regards to all forms linked to transport and the operations of the port, is critical to not only sustaining this level of operations but also fulfilling the future expansion plans.

Regarding the future of the port, there is a major development plan for Lumsden Point, the development of a multi user facility, and in time construction of a new outer harbour. All of this is ultimately aimed at doubling the overall capacity of Port Hedland and also providing port facilities to a range of users including small miners, agriculture and livestock thus diversifying the range of beneficiaries. To bring this major strategic development to fruition will require collaborative financing from State Government, Pilbara Ports Authority and the Town of Port Hedland. The failure by WA to get a substantial review of the GST directly impacts on the ability of State and Local Government to commit to this plan.

WA State Government is not in a position to commit to the strategic development of Port Hedland due to budget stress. If, for instance, GST share was based only on a pro rata population calculation, WA would receive approximately an additional $4 billion per year – enough to resolve the budget problems.

There are also longer-term consequences, as the proposed port developments would foresee land release and the revenue from this would feed into the Town’s “Sovereign” Wealth Fund. This Fund would future-proof Port Hedland from resource sector boom and bust scenarios and enable the civic leaders to sustainably provide
the community with necessary services in perpetuity. This vision for the future is at risk without the infrastructure investment referred to above. Other capital renewal projects are also being placed at risk.

Key Issues

While we fully acknowledge the ongoing review being undertaken by the Productivity Commission on GST and HFE, and the outcome of that review is eagerly awaited, we wish to draw the Prime Minister’s attention to the following key issues:

We strongly support the view expressed in the submission by the WA State Government to the Productivity Commission Inquiry that “the current implementation of HFE disincentivises States from undertaking fiscal reforms or developing their economies, and makes it extremely difficult for States with volatile revenues to manage their budgets.”

In particular, the system generates the following perverse outcomes:

- States that need to increase their revenues currently have an incentive to raise their tax rates above the national average rather than to grow their underlying revenue base. This is because (apart from royalties) States keep most of the additional revenue from higher tax rates, but if they increase their underlying base they lose most of the revenue gains to other States.
- There is a reduced incentive to undertake difficult microeconomic reform (such as tax reform) that requires compensation for the ‘losers’ from reform. Recipient States are encouraged to adopt a welfare mentality. The motivation to undertake reform is diminished by the resulting reduction in their high share of grants and the fact they do not need to reform.

Resource-rich States are discouraged from getting an appropriate return for minerals as increased royalty rates lead to lower GST grants – especially where one State dominates a particular mineral base and effectively sets the national average royalty rate on that mineral (as in the case of Western Australia and iron ore).

There is a large disincentive to develop industry, as most of the fiscal benefits are redistributed to other States but there is no sharing of much of the costs of development.

Impact on Port Hedland

There has been a very significant investment into the physical and social infrastructure in Pilbara towns such as Port Hedland as a consequence of the State’s development policies (such as Pilbara Cities and through Royalties for Regions). However this was often only to overcome the significant shortfall in such infrastructure in our towns, which was exacerbated during the mining boom due to an influx of workers (both resident and FIFO) and pressure on all aspects of local government service delivery.
Now the critical question is whether our local council can sustain a level of service delivery as well as invest for the future when the State Government’s fiscal position is under immense strain. If not then there are seriously negative possible situations where future development and growth does not happen — to the detriment of not only Port Hedland but also the State and ultimately the Nation, and when the next commodities cyclical upward swing occurs we are faced with similar service delivery constraints as during the last boom.

Port Hedland as with other Pilbara towns has been at the forefront of forward thinking policies in concert with State (and Federal) Government to achieve social and economic development. This is now being placed under jeopardy by the inequitable nature of HFE, its utilisation of the GST revenue and WA’s low share of Commonwealth infrastructure grants. The core objective of growing sustainable towns and cities in the WA regions such as the Pilbara is being undermined. We do not have a welfare mentality, which discourages investment and growth and relies on hand-outs, but equally we need an equitable share of tax revenues (all forms) commensurate with our role in the State and National economy. In essence state and local government’s investment costs in social and economic development need to be fully recognised in how Federal Funds and Grants are assessed and distributed.

In addition, Port Hedland like other remote and regional towns in the Pilbara and the Kimberley are seriously affected by high costs of doing business compared to that in metros such as Perth. Housing, education, health services, utilities, transport, consumer goods all cost more. Local councils have to manage these costs. But it appears that the investment that has taken place to meet the needs of our communities, and in particular for our Aboriginal population, has not been duly recognised in the overall fiscal equalisation process and the expenditure incurred by both State and Local Government.

**Way Forward**

There are numerous recommendations and approaches that could be adopted to mitigate the negative consequences of HFE. The Town of Port Hedland would like to suggest that the principles of fairness, transparency and reward for innovation and endeavour should be the guiding principles.

We would propose three options for consideration, none of which are mutually exclusive:

**Simplify the current complex methodologies for arriving at the HFE**

For example, if the annual National GDP and State GSP per capita was used in combination with population statistics as the benchmark for allocations. GDP and GSP are well-recognised and understood measures of national and state wealth, they are consistently measured by the ABS and are comparative in nature.
Quarantine a percentage of mining royalties from the HFE calculations

There has been strong support from a number of institutions both political and business for this approach. It has a number of benefits as it does not penalise states that encourage and support mining resource development, it adds some fairness to the system where for example gambling revenue is not factored into a state’s income, and it mitigates the massive fluctuations in royalty income caused by commodity price swings. The percentage to be quarantined would need to be negotiated but between 25% and 50% have been proposed by key stakeholders.

Incentivise infrastructure investment by federal grants matching dollar for dollar a state’s investment in infrastructure

This could possibly be achieved by reviewing how state infrastructure expenditure is brought into the overall HFE calculation.

Our Appeal for Urgent Action

We recognise that Port Hedland is a small town in terms of influencing the national agenda, however it also a very important cog in one of the most vital industries in Australia. As such, we feel that our Town plays a critical part in ensuring the competitiveness of our nation.

We hope that you will take this into consideration and provide the leadership required to urgently influence the direction of the decisions on the future of HFE and the GST share for Western Australia.

Yours faithfully,

David Pentz
CEO Town of Port Hedland, on behalf of the Town of Port Hedland Council
OFFICER RECOMMENDATION

That Council,

1. Thanks all community members for their applications to be considered as members of the Audit, Risk and Governance Committee;

2. Confirm the terms of reference of the Audit, Risk and Governance Committee to include two community members; and

3. Appoints the two applicants listed as the ‘most suitably qualified’ candidates in confidential attachment 2 as community members of the Audit, Risk and Governance Committee.

ABSOLUTE MAJORITY VOTE REQUIRED

PURPOSE

The Council is requested to consider appointing two community members to the Audit Risk and Governance (ARG) Committee, following its resolution at its 1 November 2017 Ordinary Council meeting to seek expressions of interests from interested members of the public.

DETAIL

Expressions of Interest were issued through the following advertising channels:

- Town of Port Hedland’s website
- Public notice in North West Telegraph on 22 November 2017
- Community notice on 22 November 2017

All of the above expressions of interest were advertised as closing on Tuesday 28 November 2017.

The Town has received four applications for the ARG Committee (under confidential attachment 1). These applications have been reviewed by the Town’s administration and assessed in accordance to relevant qualifications and/or demonstrated work experience in finance, governance, internal and external audit, and risk management. The applications have then been presented on a three point scale ranging from most suitably qualified, to adequately qualified, to not qualified.

It is recommended that Council consider appointing as community members of the ARG Committee those identified as the most suitably qualified.
LEVEL OF SIGNIFICANCE

In accordance with Policy 4/009 ‘Significant Decision Making’, this matter is considered to be of medium significance.

CONSULTATION

Internal

Executive Leadership Team

LEGISLATION AND POLICY CONSIDERATIONS

Section 5.10(1)(a) of the Local Government Act 1995 stipulates that a committee is to have its members appointed by an absolute majority vote of the Council.

Section 5.23(2)(b) of the Local Government Act 1995 stipulates that if a meeting or part of a meeting deals with the personal affairs of any person then the meeting or part of the meeting may be close to members of the public.

FINANCIAL AND RESOURCES IMPLICATIONS

The two community committee member vacancies do not attract members’ fees and as such there are no financial implications related to the appointment of community members.

STRATEGIC AND SUSTAINABILITY IMPLICATIONS

This following section/s of the Council’s Strategic Community Plan 2014-2024 are applicable in the consideration of this item:

4.1 Strategic and best practice local government administration
Deliver high quality corporate governance accountability and compliance.

4.2 Engage our community and stakeholders
Represent our community and provide transparent and accountable civic leadership;
Facilitate community engagement and civic participation.

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

RISK MANAGEMENT CONSIDERATIONS

As per the risk matrix contained in policy 1/022 ‘Risk Management’, the level of risk is considered to be Low (3) because if Council decide not to appoint community members to the ARG Committee, the Committee could still operate with a membership of nine elected members only.

OPTIONS

Option 1 - Adopt Officer's Recommendation
**Option 2 - Amended Officer’s Recommendation**

Should the Council wish to do so, there is the option to change the ARG Committee’s membership and appoint more community members to the committee, or decrease the number of community members.

**Option 3 – Do not adopt Officer’s Recommendation**

The Council also has the option to change its membership and resolve not to appoint any community members to the ARG Committee.

**CONCLUSION**

The Council resolved to appoint two community members to its ARG Committee. It is recommended that the Council consider appointing applicants rated as having the most suitable level of qualification and experience in order to bring a suitable level of expertise to the group. It is considered this will go towards increasing the strategic level of oversight that the ARG Committee should have over the good governance of the Town’s affairs in relation to internal and external audit, legislative compliance and risk management.

**ATTACHMENTS**

1. Four applications from community members (Under Confidential Cover)
2. Town’s assessment of applications (Under Confidential Cover)
12.1.3 Annual Report for the 2016/17 Financial Year (File No. 14/06/0001)

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

OFFICER RECOMMENDATION

That Council,

1. Adopt the 2016/17 Annual Report as per attachment 1, inclusive of the Annual Financial Statements pending endorsement of the Audit, Risk and Governance Committee at their meeting on 7 December 2017;

2. Hold the Annual General Meeting of Electors at 8:00pm on 24 January 2018 in Council Chambers at the Port Hedland Civic Centre; and

3. Advertise the 2016/17 Annual Report and Annual General Meeting of Electors giving at least 14 days local public notice in accordance with section 5.29 of the Local Government Act 1995.

ABSOLUTE MAJORITY VOTE REQUIRED

PURPOSE

The 2016/17 Annual Report outlines the Town of Port Hedland’s financial performance, key highlights and achievements for the year. This item seeks Council to adopt the 2016/17 Annual Report and set a date for the Annual General Meeting of Electors.

DETAIL

The Annual Report consists of two parts, the first reflecting matters as prescribed in section 5.53 of the Local Government Act 1995 as well as events and activities undertaken by the Town in 2016/17. This is effectively the Council’s report to the community of the highlights and achievements against the Strategic Community Plan themes of building a unified and vibrant community; supporting a diverse economy; balancing our built and natural environment; and leading our community.

The second part of the Annual Report is the 2016/17 Financial Report of the Town from the external auditors; RSM Australia Pty Ltd.

As part of the Annual Report process, Council is required to consider the adoption of the Annual Report for 2016/17, and is required to hold an Annual Meeting of Electors which is proposed to be held on Wednesday, 24 January 2018 at 8:00pm. Following adoption of the Annual Report, local public notice is required to be given that the document is available for inspection and to advertise the Annual General Meeting of Electors.

Key highlights and achievements as noted in the 2016/17 annual report include:

- Rebuild of Marapikurrinya Park which included accessible ramps, and a new accessibility-friendly carousel;
• Hosted citizenship ceremonies to welcome 132 new Australian citizens;
• In January 2017 new digital scoreboards were installed at the Kevin Scott and Colin Matheson Ovals;
• In 2016 the Town of Port Hedland became the first local government in the Pilbara to be recognised as ‘Small Business Friendly’;
• More than $35,000 was invested to upgrade fencing along the Cooke Point Sutherland Street foreshore;
• The software on the South Hedland Landfill’s weighbridge was updated to include a touch screen interface and a new printing system that has improved the efficiency of operations;
• The Town hosted several government officials and dignitaries including the Minister for State Development; Transport, Her Excellency the Honourable Kerry Sanderson AC, Governor of Western Australia, the Premier, Hon Colin Barnett MLA, the Minister for Regional Development; Lands; and the Minister for Regional Development; Agriculture and Food.

The contents of the Annual Report are prescribed by the Local Government Act 1995.

LEVEL OF SIGNIFICANCE

In accordance with Policy 4/009 ‘Significant Decision Making’, this matter is considered to be of medium significance, because it is an important document which outlines the Town’s activities and highlights for 2016/17 financial year.

CONSULTATION

Internal

All relevant Officers as well as all Directors and Managers were consulted during the development of the 2016/17 Annual Report.

LEGISLATION AND POLICY CONSIDERATIONS

Section 5.53 of the Local Government Act 1995 (The Act) outlines the requirements of an Annual Report. Section 5.54 of the Act states that a local government must accept an Annual Report by 31 December of each year by absolute majority.

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.

Sections 5.27 and 5.29 of the Act outline the procedure for convening an Electors’ Meeting, including holding the meeting no more than 56 days from when the Annual Report was adopted.

There are no policy implications in relation to this item.

FINANCIAL AND RESOURCES IMPLICATIONS

A number of hard copy annual reports will be provided to a number of key stakeholders and the cost has been incorporated into the 2016/17 Budget.
STRATEGIC AND SUSTAINABILITY IMPLICATIONS

This following sections of the Council’s Strategic Community Plan 2014-2024 are applicable in the consideration of this item:

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
   - Facilitate the provision of high-quality health services and facilities equal to those found in metropolitan areas

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
   - Celebrate our multiculturalism, indigenous culture, arts and history
   - Work with key agencies and our community to reduce antisocial behaviours and improve community safety

2.1 A thriving, resilient and diverse economy
   - Facilitate commercial, industry and town growth
   - Facilitate provision of affordable housing
   - Work closely with businesses, government and industry groups to drive local employment and investment, encourage entrepreneurship and achieve sustainable economic growth
   - Facilitate strong links between education, training and employment to support economic growth and innovation and promote excellence
   - Work with the State Government, agencies and local partners to ensure serviced land availability for future residential, commercial and industrial development
   - Maintain and extend the visual and physical access to the coast and thoroughfares

2.2 A nationally significant gateway city and destination
   - Advance Port Hedland’s sea, air and road transport infrastructure as main logistics hub for the Pilbara, including developing Port Hedland International Airport as the gateway to the North West
   - Develop our tourism industry, facilitate increased accommodation offerings and position Port Hedland as a unique destination

3.1 Sustainable services and infrastructure
   - Support the development of education, research and strategic investment opportunities for ‘clean technology’ industrial development and energy production
   - Develop and maintain our infrastructure to ensure the long-term sustainability of our built and natural environment
   - Provide and promote sustainable waste management practices, including recycling initiatives
   - Facilitate the delivery of high quality and enduring built and natural environment

3.2 Protect our natural environment
   - Manage, preserve, protect and maintain our natural environment and advocate for natural resources to be used sustainably
   - Support sustainable development so that it does not compromise our unique environmental assets

3.3 Safe, attractive and accessible environment
   - Partner with key agencies and the community to prepare for, respond to and recover from emergencies such as cyclones and storm surges
   - Facilitate public health initiatives across our community
4.1 Strategic and best practice local government administration

- Partner with residents and local businesses to deliver high standard of visual amenity and cleanliness
- Deliver high quality corporate governance accountability and compliance.
- Maintain a strong and sustainable financial position
- Be efficient and effective in use of resources, infrastructure, assets and technology
- Attract, develop and retain an effective workforce to deliver organisational outcomes

4.2 Engage our community and stakeholders

- Lead a community-oriented organisation that delivers responsive and helpful services to our customers
- Represent our community and provide transparent and accountable civic leadership
- Facilitate community engagement and civic participation
- Be a powerful voice and influential partner with Federal and State Governments and major industries for the development of Port Hedland
- Ensure community members know how to access our services and facilities
- Promote a positive representation of our community and Town’s services

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

RISK MANAGEMENT CONSIDERATIONS

As per the risk matrix contained in policy 1/022 ‘Risk Management’, there is a risk rating of Medium (6) that the Town will be non-compliant with the Act if Council do not adopt the Annual Report prior to 31 December 2017 and do not resolve to hold the AGM within 56 days of the adoption of the Annual Report.

OPTIONS

Option 1 - Adopt Officers Recommendation

Option 2 – Amend the date of AGM

That Council:

1. Adopt the 2016/17 Annual Report as per attachment 1;

2. Hold the Annual General Meeting of Electors on _______ at _____ pm (this date will need to be no later than 56 days of the Annual Report being adopted – this being 7 February 2018) in Council Chambers at the Port Hedland Civic Centre; and

3. Advertise the 2016/17 Annual Report and Annual General Meeting of Electors giving at least 14 days local public notice in accordance with section 5.29 of the Local Government Act 1995.
CONCLUSION

It is recommended that Council adopt the 2016/17 Annual Report and hold the Annual General Meeting of Electors on 24 January 2018 at 8:00pm in Council Chambers.

ATTACHMENTS
1. 2016/17 Annual Report (Under Separate Cover)
OFFICER RECOMMENDATION

That Council, with respect to the 2017/18 Schedule of Fees and Charges

1. Amend the schedule to include new fees in relation to facility hire of the Andrew McLaughlin Centre and the Port Hedland Tennis Court, as outlined in the below table:

<table>
<thead>
<tr>
<th></th>
<th>17/18 Fee</th>
<th>GST</th>
<th>Total Fee</th>
</tr>
</thead>
<tbody>
<tr>
<td>Andrew McLaughlin Community Centre</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Facility Hire</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Multi-Purpose Building – per hour</td>
<td>36.36</td>
<td>3.64</td>
<td>40.00</td>
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<tr>
<td>Early Childhood Building – per day</td>
<td>181.82</td>
<td>18.18</td>
<td>200.00</td>
</tr>
<tr>
<td>Bond for Facility Hire</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Level 1</td>
<td>100.00</td>
<td></td>
<td>100.00</td>
</tr>
<tr>
<td>Level 2</td>
<td>500.00</td>
<td></td>
<td>500.00</td>
</tr>
<tr>
<td>Port Hedland Tennis Facility</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Casual Hire</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Per court per hour rate</td>
<td>4.84</td>
<td>0.48</td>
<td>5.33</td>
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<tr>
<td>Per court daily rate (10 hours)</td>
<td>34.89</td>
<td>3.49</td>
<td>38.38</td>
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<tr>
<td>4 courts daily rate (10 hours)</td>
<td>100.80</td>
<td>10.08</td>
<td>110.88</td>
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<td>8 courts daily rate (10 hours)</td>
<td>201.60</td>
<td>20.16</td>
<td>221.76</td>
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<tr>
<td>Association Charge</td>
<td></td>
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<tr>
<td>Per season association charge</td>
<td>909.00</td>
<td>90.90</td>
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</tr>
</tbody>
</table>

2. Re-name the “Colin Matheson Clubhouse” heading under Community Ovals and Parks section in the Schedule of Fees and Charges to read “Colin Matheson Pavilion”.

ABSOLUTE MAJORITY VOTE REQUIRED

PURPOSE

This report seeks Council’s approval to amend the 2017/18 Fees and Charges to include new fees in relation to facility hire of the Andrew McLaughlin Centre and the Port Hedland Tennis Court. These facilities were identified as coming out of lease agreements and there are not currently fees and charges associated with their hire. This means the Town is unable to charge a fee for the use or hire of the facility.
It has also been recognised that for consistency, the “Colin Matheson Clubhouse” heading under Community Ovals and Parks section in the Schedule of Fees and Charges needs to be renamed to read “Colin Matheson Pavilion”.

DETAIL

At the Special Council Meeting held on 26 July 2017, all fees and charges were approved for the 17/18 financial year (Council Decision CM201718/008), as per legislative requirements.

Through the change of lease agreements there are a number of gaps where the Fees and Charges schedule does not cover ToPH assets, and hence a fee cannot be imposed for the use of that facility. To ensure the Town is recovering some or all of the costs associated with these facilities, the below fee structure is being proposed for adoption into the 2017/18 Fees and Charges Schedule.

Andrew McLaughlin Community Centre

The Andrew McLaughlin Community Centre (AMCC) lease has just expired on 27 November 2017. As a result, a facility hire fee structure is required to ensure the Town can continue to hire out this space and recover a portion of the costs associated with owning and running this asset.

Based on the 2017/18 budget it currently costs the Town $22,600 per annum to run the AMCC, which includes water charges, building maintenance, insurance and administration overheads. There is also $117,500 of depreciation expensed by the Town for depreciation of the building each year.

The AMCC is split into two areas available for hire: Multi-purpose Building; and Early Childhood Building. The AMCC facility hire is applicable to receive the fee waiver in line with policy 2/021 ‘Fee Waiver for Not-for-Profit and Non-Government Organisations and Groups’ to ensure continued assistance to approved community groups. The below casual hire fee structure is proposed for the AMCC for periods in which the facility is not leased and has been based on a similar size/amenity facility:

<table>
<thead>
<tr>
<th></th>
<th>17/18 Fee</th>
<th>GST</th>
<th>Total Fee</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Andrew McLaughlin Community Centre</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Facility Hire</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Multi-Purpose Building – per hour</td>
<td>36.36</td>
<td>3.64</td>
<td>40.00</td>
</tr>
<tr>
<td>Early Childhood Building – per day (10 hours)</td>
<td>181.82</td>
<td>18.18</td>
<td>200.00</td>
</tr>
<tr>
<td><strong>Bond for Facility Hire</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Level 1</td>
<td>100.00</td>
<td></td>
<td>100.00</td>
</tr>
<tr>
<td>Level 2</td>
<td>500.00</td>
<td></td>
<td>500.00</td>
</tr>
</tbody>
</table>

Estimated revenue calculations under the above casual hire fee for the multipurpose building (which would remain unoccupied/leased) would generate up to $400 per day (for 10 hours) pending bookings.

Currently the Cooke Point Play Group sub-lease the Early Childhood Building at a rate of $14,000 per annum from the AMCC Committee. Based on the concession rates available through the fee waiver policy, the Early Childhood Building is estimated to generate approximately $350 per week ($1,400 per month/$16,800 per annum) should the Cooke
Point play group continue to occupy that space as a primary occupant. This would cover a significant portion of the maintenance and running costs of the AMCC.

**Port Hedland Tennis Facility**

Currently the Port Hedland Tennis Facility does not have an adopted fee structure for the hire of the facility and is being utilised free of charge by both sporting groups and for casual hire. The Tennis Club believed they had a peppercorn lease however no one has been able to locate any evidence of this hence the Town has reclaimed the area.

Other clubs pay a seasonal hire fee to utilise Town sporting facilities and including use of the clubhouse (during the season only) and access to the sportsground (e.g. Marie Marland Reserve – Softball Association, Baseball Association, Touch football Association, Rugby League Club).

The cost associated with maintaining the Tennis Courts is not currently known as this has been managed by the Tennis Club until recently.

It is proposed the Town adopt a Seasonal Association charge for club use (predominantly by Port Hedland Hockey Association and Port Hedland Tennis Club) which includes the use of the clubhouse. In addition, the Town will need to adopt a casual hire fee structure for members of the public to use the courts. The lights at the facility are coin operated and cost $5 per half hour or $10 per hour. This cost is in addition to the hire fee and payable on site.

The below hire fee structure is proposed for the Port Hedland Tennis Facility is consistent with netball court hire and sportsground association charges:

<table>
<thead>
<tr>
<th>Port Hedland Tennis Facility</th>
<th>17/18 Fee</th>
<th>GST</th>
<th>Total Fee</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Casual Hire</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Per court per hour rate</td>
<td>4.84</td>
<td>0.48</td>
<td>5.33</td>
</tr>
<tr>
<td>Per court daily rate (10 hours)</td>
<td>34.89</td>
<td>3.49</td>
<td>38.38</td>
</tr>
<tr>
<td>4 courts daily rate (10 hours)</td>
<td>100.80</td>
<td>10.08</td>
<td>110.88</td>
</tr>
<tr>
<td>8 courts daily rate (10 hours)</td>
<td>201.60</td>
<td>20.16</td>
<td>221.76</td>
</tr>
<tr>
<td><strong>Association Charge</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Per season association charge</td>
<td>909.00</td>
<td>90.90</td>
<td>1,000.00</td>
</tr>
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</table>

**Clubhouse Facilities**

Colin Matheson Pavilion: For clarity within the schedule it is recommended that the fee currently titled “Colin Matheson Clubhouse” is renamed to read “Colin Matheson Pavilion” as per the asset name. The Colin Matheson Pavilion is not a clubhouse for any club or organization.

**LEVEL OF SIGNIFICANCE**

In accordance with Policy 4/009 ‘Significant Decision Making’, this matter is considered to be of medium significance, because the financial impact to the community groups is consistent with other facilities available for hire across the Town.
CONSULTATION

*Internal*

- Director Development, Lifestyle and Sustainability
- Manager Facilities
- Senior Properties and Facilities Officer
- Club Development Officer
- Finance Department

*Community*

- Cooke Point Play Group

LEGISLATION AND POLICY CONSIDERATIONS

Section 6.16 of the *Local Government Act 1995* states that a local government may impose and recover a fee or charge outside of the budget adoption by absolute majority vote.

There are no legislative implications in relation to the changing the fees and charges if adopted by absolute majority by Council.

Any fee or charge must be advertised locally before it can be introduced in accordance with

FINANCIAL AND RESOURCES IMPLICATIONS

Adoption of this recommendation will result in increased revenue for the Town through fees and charges for 2017/18. The estimated revenue for the remainder of the year is not currently known as it is dependent on bookings (not previously managed by the Town so no source data available) and will be presented for budget amendment later in the year.

Should Council not adopt the proposed fees and charges amendments, the Town will be incurring the costs of the facilities (including maintenance, utilities and insurance) and not recovering revenue for the use of the facilities. This will mean the facilities are either not utilised or hired out free of charge.

It is recommended that an amendment to the 2017/18 Schedule of Fees and Charges is adopted for the remainder of the financial year as per the table below:

<table>
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<tr>
<th></th>
<th>17/18 Fee</th>
<th>GST</th>
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<tr>
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</tbody>
</table>
8 courts daily rate (10 hours) | 201.60 | 20.16 | 221.76
Association Charge
Per season association charge | 909.00 | 90.90 | 1,000.00

STRATEGIC AND SUSTAINABILITY IMPLICATIONS

This following section/s of the Council’s Strategic Community Plan 2014-2024 are applicable in the consideration of this item:

1.1 A unified community across our Township

- 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

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

RISK MANAGEMENT CONSIDERATIONS

As per the risk matrix contained in policy 1/022 ‘Risk Management’, the level of risk is considered to be Medium (6).

There is a risk rating of medium (6) assigned to the risk that if the Council do not adopt the introduction of the fees proposed it will result in a loss of income for the 2017/18 Financial Year.

OPTIONS

Option 1 - Adopt Officers Recommendation

Option 2 - Amend Officers Recommendation

That Council propose an alternative fee structure for the Andrew McLaughlin Community Centre and Port Hedland Tennis Facility.

Option 3 – Do not adopt Officers Recommendation

That Council do not adopt the proposed amendments to the 2017/18 Schedule of Fees and Charges as outlined in the recommendations.

CONCLUSION

It was identified that the Town does not currently have an adopted fee structure in place for both the Andrew McLaughlin Community Centre and the Port Hedland Tennis Facility. This results in both spaces either unavailable for hire or hired out free of charge. This report recommends amend the 2017/18 Fees and Charges to include new fees in relation to facility hire of the Andrew McLaughlin Centre and the Port Hedland Tennis Court.

ATTACHMENTS

Nil
12.2 Development, Sustainability and Lifestyle

12.2.1 Proposed Policy 3/024 ‘Recognition of Emergency Service Volunteer Work’ (File No. 04/03/0001)

Author
Manager Environmental Health & Community Safety

Authorising Officer
Director Development Sustainability & Lifestyle

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

OFFICER RECOMMENDATION

That Council adopt the proposed Policy 3/024 ‘Town of Port Hedland Recognition of Emergency Service Volunteer Work’ as per attachment 1.

SIMPLE MAJORITY VOTE REQUIRED

PURPOSE

Emergency response volunteer organisations play an essential role in protecting the community whether it be responding to fire (Volunteer Fire Rescue Service and Hedland Bush Fire Brigade), to declared emergencies (State Emergency Service), medical emergencies (St Johns Ambulance Service) or marine incidents (Volunteer Marine Rescue).

To recognise the essential service these agencies provide and to support Town of Port Hedland (ToPH) employees who volunteer the ToPH Recognition of Emergency Service Volunteer Work Policy has been developed.

The policy will act to reduce the financial impact to staff (loss of wages) that can occur through volunteering and thus act to encourage volunteerism.

DETAIL

The Town of Port Hedland currently has approximately 7-10 staff members who are active members of volunteer services and may be called to respond during business hours. These services include:

- Hedland Bush Fire Brigade
- South Hedland Volunteer Fire and Rescue
- State Emergency Service
- St Johns Ambulance

When volunteers are called to action their duties performed are critical to protecting life, infrastructure and the environment from harm and can be essential in helping the community rebuild after an emergency event.
The Towns Enterprise Bargaining Agreement (EBA) currently defers decisions regarding wages for volunteer work to the National Employment Standard (NES). Under this arrangement, though a volunteer will not be required to use annual or personal leave to cover lost time, they will not receive payment for the hours when absent from their substantive roles. This loss of income can be a determining factor for people deciding whether or not they should sign up for volunteer service.

As an agency with a core function to develop and protect the community, the Town of Port Hedland should be encouraging people to take an active role in volunteer organisations. To do so, a positive step would be through the Town openly recognizing the important role that volunteer services play. This can be achieved by making provisions to pay a percentage of wages that are lost when a volunteer is called to perform ‘emergency’ volunteer functions during work hours.

To structure a method of rewarding volunteer service, within strict guidelines, the proposed Town of Port Hedland Recognition of Emergency Service Volunteer Work Policy will establish the following provisions:

- A maximum of five (5) claimable hours in a single pay period where a volunteer is called to an emergency during business hours,
- A mechanism for ensuring that the hours a true and accurate by requiring evidence to be supplied by the officer in charge of the volunteer service agency, and
- A cap of forty (40) claimable hours during a financial year.

The policy will only cover the payment of lost time when a staff member is called to an emergency during standard work hours and will not cover time spent at training, meetings or any other non-emergency situation.

It should be noted that no additional cost will be incurred by the Town through the implementation of the proposed policy. Wages are budgeted against a full year of employment for each employee.

**LEVEL OF SIGNIFICANCE**

In accordance with Policy 4/009 ‘Significant Decision Making’, this matter is considered to be of low significance, as the decision will only affect internal staff, will be managed under strict policy and will not affect the capacity of the Council to perform its duties.

**CONSULTATION**

*Internal*

Consultation was undertaken with the Towns Human Resources Department to ensure the proposed policy in no way conflicted with the National Employment Standard (NES)/Fair Work Act 2009 or Town of Port Hedland Enterprise Bargaining Agreement (EBA).

Consultation was also undertaken with the Towns Executive Leadership Team to ensure that there was support for the proposed policy.

*Community*

Should Council adopt the policy, the policy will be added to the Town’s Policy Manual which is available on the Town’s website.
LEGISLATION AND POLICY CONSIDERATIONS

Division 8, Community Service Leave, of the *Fair Work Act 2009* provides the current method for management of leave for community/volunteer service.

The Town of Port Hedland Enterprise Bargaining Agreement 2017 also applies.

FINANCIAL AND RESOURCES IMPLICATIONS

Under the proposed Town of Port Hedland Recognition of Emergency Service Volunteer Work Policy provisions would be made to enable staff who volunteer for emergency response service to claim a maximum of forty (40) hours per financial year.

Costs are covered under the existing budget, however, based on an average wage of $37.50 per hour (not including super or allowances) for ten staff, calculations for the estimated costs are as follows:

- $37.50 \times 40 \times 10 = \$15,000
- Inclusive of allowances/super approximately \$20,000
- Calculation may fluctuate dependent on
  - Number of staff employed who are committed to volunteer service
  - Number of incidents called to may result in less than forty hours being performed annually.

It should be noted that this sum is currently accounted for under employee costs as wages are calculated at an annual full time rate so no additional cost to the Town is generated.

STRATEGIC AND SUSTAINABILITY IMPLICATIONS

This following section/s of the Council’s *Strategic Community Plan 2014-2024* are applicable in the consideration of this item:

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

3.3 Safe, attractive and accessible environment
   - Partner with key agencies and the community to prepare for, respond to and recover from emergencies such as cyclones and storm surges

4.2 Engage our community and stakeholders
   - Lead a community-oriented organisation that delivers responsive and helpful services to our customers
   - Facilitate community engagement and civic participation

Social

To support and encourage volunteer service within the Town of Port Hedland

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

RISK MANAGEMENT CONSIDERATIONS

As per the risk matrix contained in policy 1/022 ‘Risk Management’, the level of risk is considered to be Low (4) that volunteer numbers in essential emergency services may be reduced if Council chooses to not support the officer’s recommendation.
OPTIONS

Option 1 - Adopt Officer’s Recommendation

Option 2 - Amend Officer’s Recommendation

Option 3 – Do not adopt Officer’s Recommendation

CONCLUSION

Volunteering with emergency service agencies not only provides a valuable service to the community but can enable new members of the community to meet new people and develop a sense of belonging, can combat depression and give people a sense of purpose. Supporting and encouraging employees to engage in volunteer service may also see benefits to the Town through the upskilling of staff in emergency response, first aid and incident management.

By endorsing the proposed policy Council will send a clear message that the role of emergency service volunteers is respected and that Council supports staff getting involved.

ATTACHMENTS
1. Proposed Policy 3/024 ‘Recognition of Emergency Service Volunteer Work’
POLICY OBJECTIVE

To recognise the valuable work performed by Town of Port Hedland (ToPH) employees who volunteer their time and efforts to the emergency services organisations; encourage the participation by ToPH employees in emergency services volunteer organisations; and provide support for ToPH staff who undertake emergency service volunteer roles.

This policy relates specifically and only to ToPH employees who are registered and perform work as Emergency Service Volunteers for organisations as named in this policy.

POLICY CONTENT

The Town of Port Hedland values and acknowledges the importance of the service provided to the community by volunteer organisations such as Volunteer Fire and Rescue Services (VFRS), the Hedland Bush Fire Brigade (HBFB), State Emergency Service (SES) and St. Johns Ambulance Service. Integral to the success of these organisations is that there are adequate volunteer numbers to call upon during an emergency.

To support ToPH employees currently enrolled as volunteers with the above listed agencies, and to encourage others to volunteer. ToPH will provide in the event of a recognised emergency incident occurring within the district and during working hours:

- Release from duties with ToPH where possible and at the discretion of the relevant Director for a ToPH employee who registered as a volunteer and is requested to attend a Recognised Emergency Incident – note casual employees; contractors and labour hire engaged at ToPH are not eligible for the provisions of this policy; and
- A payment up to the equivalent of ordinary time wages for up to 5 hours of emergency volunteer service in a recognised emergency incident that is performed during normal work hours in any fortnight pay period, with a maximum potential payment to the value of forty hours per calendar year.

  o Overtime will not be considered for volunteer work performed out of normal hours.
  o Time taken for volunteer attendance at a recognised emergency incident is unpaid leave and the support payment of up to five hours of ordinary time wages will only be paid when supported by documented evidence proving attendance at a recognised emergency incident. Should reasonable evidence of attendance at a recognised emergency incident not supplied within 72 hours of the absence, the hours spent away from the employees standard duties will treated as leave without pay in accordance with the ToPH Enterprise Agreement 2017 and the National Employment Standards (NES).
- Attendance at extended incidents/emergencies is subject to the discretion of the CEO.

**DEFINITIONS**

Recognised Emergency Services
- DFES Volunteer Fire and Rescue Service (VFRS)
- Hedland Bush Fire Brigade (HBFB)
- State Emergency Service (SES)
- St Johns Ambulance Service

Relevant Supervisor
- Coordinator
- Manager
- Director
- CEO

Recognised Emergency Incident
- An incident requiring an emergency response from a Recognised Emergency Service within the geographical boundaries of the Town of Port Hedland governance jurisdiction; and
- Training events, exercises, meetings etc. will not be recognised.

<table>
<thead>
<tr>
<th>Council adoption date and resolution no.</th>
<th>13 December 2017 OCM</th>
</tr>
</thead>
<tbody>
<tr>
<td>Date of adoption of amendment and resolution number <strong>do not delete the previous dates</strong></td>
<td></td>
</tr>
</tbody>
</table>
| Relevant legislation                    | *Fair Work Act 2009*  
|                                          | Town of Port Hedland Enterprise Bargaining Agreement 2017 |
| Delegated authority                     | Nil |
| Business unit                           | Environmental Health & Community Safety |
| Directorate                             | Development, Sustainability and Lifestyle |
| Review frequency                        |  |
12.2.2 Scheme Amendment 81 – Proposed Rezoning of Lot 5954 Kennedy St, South Hedland from ‘Community: Education’ to ‘Urban Development’ (File No. 18/09/0096)

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

OFFICER RECOMMENDATION

That Council, pursuant to Clause 75 of the Planning and Development Act 2005 resolves to:

1. Initiate Scheme Amendment No. 81 to the Town of Port Hedland’s Local Planning Scheme No. 5 to rezone Lot 5954 Kennedy Street, South Hedland from ‘Community: Education’ to ‘Urban Development’;

2. Classify Scheme Amendment No. 81 as a Standard Amendment in accordance with Regulations 34 and 35 of the Planning and Development (Local Planning Schemes) Regulations 2015 as it will have minimal impact on land in the Scheme area not subject to the amendment and will not result in any significant environmental, social, economic or governance impacts on land in the Scheme area;

3. Forward Scheme Amendment No. 81 to the Environmental Protection Authority for assessment in accordance with Section 81 of the Planning and Development Act 2005; and

4. Advertise Scheme Amendment No. 81 in accordance with the Planning and Development (Local Planning Schemes) Regulations 2015 should no environmental assessment be required.

SIMPLE MAJORITY VOTE REQUIRED

PURPOSE

For Council to consider a recommendation to initiate an amendment to the Town of Port Hedland Local Planning Scheme No. 5 (LPS5) to change the zoning of Lot 5954 Kennedy Street, South Hedland from ‘Community: Education’ to ‘Urban Development’.

DETAIL

The subject site (refer Attachment 1) has three (3) street frontages being Kennedy Street, Parker Street and Stanley Street. The site was previously partially developed as ‘Pundulmurra Village’ which contained 184 accommodation units, central facilities, administration buildings, sport facilities and supporting infrastructure. These facilities have recently been demolished and the site now contains remains of the facilities, including sports courts, car parking areas and footpaths previously servicing the village. A cyclone fence exists around the perimeter to secure the site, which is damaged in areas.
Approximately thirty-five percent of the eastern portion of the site (adjacent to Stanley Street) contains remnant native vegetation on land that has never been developed and established trees exist throughout the balance of the site which were kept when the village was demolished.

As the Department of Training and Workforce Development (DTWD) have ceased using the site, it has been deemed by the WA State Government as a redundant land asset. The WA State Government has no intentions to re-use the site for any other government purpose and has determined the site in its entirety should be disposed on the market for an appropriate sequential land use, and has therefore proposed the site is rezoned to ‘Urban Development’.

The site is located directly east across Parker Street from the South Hedland North Regional Tafe and to the south of the ‘Elements’ residential estate, and is otherwise surrounded by low density residential development. Adjacent to the site immediately to the south-east (adjacent to Coppin Place) is a 1.16 hectare parcel of undeveloped land zoned ‘Urban Development’ that is owned freehold by the Regional Power Corporation. No Structure Plan or Local Development Plan has been proposed or endorsed over this ‘Urban Development’ zone and although it will be adjacent to the proposed ‘Urban Development’ zone the subject of Scheme Amendment 81, it is considered to be of suitable size to be planned and developed separately to the subject site, therefore no special conditions are proposed as part of Scheme Amendment 81 to require integrated planning of adjacent sites. Permitting separate structure planning in this regard streamlines subsequent layers of the planning process as it allows each freehold owner to plan, subdivide and develop without relying on another party.

Adjacent to the site immediately north is the South Hedland water tower, which is located on Crown Reserve 29612 with Management Order to Water Corporation for ‘Water Supply’. Crown Reserve 29612 is partially reserved for ‘Other Public Purpose – Water and Drainage’ and partially zoned ‘Community’ under the Town’s LPS5. Adjacent to the site immediately to the south-west is Crown Reserve 37347 with Management Order to Water Corporation for ‘Water Supply’ which is also zoned ‘Community’ under LPS5. It is unclear why there are ‘Community’ zonings over Water Corporation assets at these sites, as they would ordinarily be reserved as ‘Other Public Purpose – Water and Drainage’ under LPS5. Therefore, should Council resolve to initiate Scheme Amendment 81, consultation with Water Corporation will occur as part of broader agency consultation where these matters will be brought to the Corporation’s attention, potentially resulting in these zoning anomalies being rectified through inclusion of this land in Scheme Amendment 81.

LEVEL OF SIGNIFICANCE

In accordance with Policy 4/009 ‘Significant Decision Making’, this matter is considered to be of low significance in terms of the Council’s ability to perform its role.

CONSULTATION

Should Council resolve to support the initiation of this Scheme Amendment, the amendment will be publicly advertised for 42 days in accordance with the Planning and Development (Local Planning Schemes) Regulations 2015. The advertising will include internal consultation with Town staff, letters to all nearby property owners, a notice in the North West Telegraph and a notice on the Town’s website.
LEGISLATION AND POLICY CONSIDERATIONS

Under the provisions of Part 5 of the Planning and Development Act 2005, Council has the following options available in regard to the proposed rezoning:

1. Adopt the proposed Scheme Amendment for the purpose of initiating advertising; or
2. Adopt a modified proposal; or
3. Resolve not to progress the proposed Scheme Amendment to advertising.

Pursuant to the provisions of Section 81 of the Planning and Development Act 2005 the amendment will then be referred to the Environmental Protection Authority (EPA) for assessment. It is not expected that the EPA will seek formal assessment of this amendment. Public advertising will commence following formal notification from the EPA.

The procedure for preparing and adopting an amendment is provided for by the Planning and Development (Local Planning Schemes) Regulations 2015. The amendment must be classified as Basic, Standard or Complex as defined by the regulations. Scheme Amendment No. 81 has been classified as 'Standard' as it will have minimal impact on land in the scheme area that is not the subject of the amendment and the amendment is not anticipated to result in any significant environmental, social, economic or governance impacts on land in the scheme area.

FINANCIAL AND RESOURCES IMPLICATIONS

There are no financial implications as a result of this proposal. The Town has invoiced the applicant (Veris on behalf of Landcorp) a service fee for processing the Amendment in accordance with the Planning and Development Regulations 2009.

STRATEGIC AND SUSTAINABILITY IMPLICATIONS

This following section/s of the Council’s Strategic Community Plan 2014-2024 are applicable in the consideration of this item:

2.1 A thriving, resilient and diverse economy
3.1 Sustainable services and infrastructure
3.2 Protect our natural environment

- Work with the State Government, agencies and local partners to ensure serviced land availability for future residential, commercial and industrial development
- Facilitate the delivery of high quality and enduring built and natural environment
- Support sustainable development so that it does not compromise our unique environmental assets

Port City Growth Plan (2012)
The rezoning is consistent with Precinct 12 – South Hedland East provisions of the Port City Growth Plan (2012). In particular, it will facilitate the continued regeneration of an established area and encourage improved development outcomes in terms of built form, urban design and place making to overcome negative elements of the previous ‘Radburn’ design of South Hedland.
RISK MANAGEMENT CONSIDERATIONS

As per the risk matrix contained in policy 1/022 ‘Risk Management’, the level of risk is considered to be Low (1).

OPTIONS

Option 1 - Adopt Officer’s Recommendation

Option 2 - Amended Officer’s Recommendation

That Council, pursuant to Clause 75 of the Planning and Development Act 2005 RESOLVES to:

1. INITIATE Scheme Amendment No. 81 to the Town of Port Hedland’s Local Planning Scheme No. 5 to rezone Lot 5954 Kennedy Street, South Hedland from ‘Community: Education’ to ‘Urban Development’ subject to the following changes:
   (a) _______________________________________________________________
   (b) _______________________________________________________________

2. CLASSIFY Scheme Amendment No. 81 as a Standard Amendment in accordance with Regulations 34 and 35 of the Planning and Development (Local Planning Schemes) Regulations 2015 as it will have minimal impact on land in the Scheme area not subject to the amendment and will not result in any significant environmental, social, economic or governance impacts on land in the Scheme area;

3. FORWARD Scheme Amendment No. 81 to the Environmental Protection Authority for assessment in accordance with Section 81 of the Planning and Development Act 2005;

4. ADVERTISE Scheme Amendment No. 81 in accordance with the Planning and Development (Local Planning Schemes) Regulations 2015 should no environmental assessment be required.

Option 3 – Do not adopt Officers Recommendation

That Council, pursuant to Clause 75 of the Planning and Development Act 2005 RESOLVES NOT TO INITIATE Scheme Amendment No. 81 to the Town of Port Hedland’s Local Planning Scheme No. 5 to rezone Lot 5954 Kennedy Street, South Hedland from ‘Community: Education’ to ‘Urban Development’ for the following reasons:

(a) ______________________________________________________________________
(b) ______________________________________________________________________

CONCLUSION

The subject site is currently reserved under the Town’s LPS5 as ‘Community: Education’ and previously contained the ‘Pundulmurra Village’ camp which was demolished in 2016. The WA State Government has no intentions to re-use the site and has therefore determined the site in its entirety should be disposed on the market for an appropriate sequential land use. Veris, on behalf of Landcorp, has therefore proposed to rezone the site to ‘Urban Development’. It is recommended that Council initiates the rezoning in accordance with the Planning and
Development (Local Planning Schemes) Regulations 2015 to increase the flexibility of options for future development.

ATTACHMENTS
1. Location Plan
2. Zoning Map
12.2.3 Port Hedland Leisure Facilities Budgets (File No. 26/18/0001)

Author
Acting Manager Facilities

Authorising Officer
Director Development, Sustainability & Lifestyle

Disclosure of Interest
Director Development, Sustainability & Lifestyle declares no conflicts of interest in relation to this item.

Impartiality - A/ Manager Facilities declares that they had a child working at the Aquatic facilities during the 2016/17 financial year.

OFFICER RECOMMENDATION

That Council note the following:

1. The 2016/17 financial year Audited Statements for Hedland Leisure Facilities;
2. The reduction in cost from savings and variation from the 2016/2017 financial year for the Hedland Leisure Facilities; and
3. The agreed 2017/18 operating budget between the Town and the YMCA for Hedland Leisure Facilities.

SIMPLE MAJORITY VOTE REQUIRED

PURPOSE

The purpose of this report is to inform Council of the budget outcome for the 2016/17 financial year for Hedland Leisure Facilities which are managed by the YMCA. This report also informs Council of the current agreed budget which is in operation for the 2017/18 financial year.

DETAIL

The Hedland Leisure Facilities consist of the South Hedland Aquatic Centre (SHAC), Gratwick Aquatic Centre (GAC) and Wanangkura Stadium. These facilities are managed by the YMCA, who were selected through a Tender process, and are in the second of a three year management agreement with the Town.

The YMCA have been a long standing partner of the Town in relation to managing these facilities, and have been successful in successive tender processes.

This report has been provided to inform Council of the outcome of the 2016/17 financial year, which has seen a return to the Town of circa $525K as a result of savings through the management process and also a variation as a result of the SHAC closure. Accurate budgeting has been problematic over recent years, as a result of the opening and closing of SHAC, which in turn has had an impact on the operations of the GAC.
The 2016/17 financial year resulted in the Town being refunded circa $525K based on a $150K variation from the SHAC being closed, and a profit share with the YMCA as outlined in the contract arrangement which saw $750K better than budget figures, being shared 50% each between both organisations.

The 2016/17 Audited Statements for the facilities show $1,531,425 in income for Wanangkura Stadium with expenses of $1,785,822 for a final operating deficit of $254,397. The Town had budgeted for a deficit of $381,000 which resulted in a profit share with the YMCA of $63,302 each.

The figures for SHAC saw an income of $83,065 and expenditure of $712,519 for an operating deficit of $629,454. The Town budgeted for a deficit of $882,004, which resulted in a profit share of $126,275 to each organisation.

GAC had income of $312,231 and expenses of $680,104 for an operating deficit of $367,873. The Town’s budgeted deficit was $740,547 which resulted in a profit share of $186,337 each.

This report also outlines to Council the current operational budget which has been agreed to and is in place. As mentioned, it is difficult to budget for the facilities with accuracy as a result of the closure of the SHAC. The facilities have been budgeted on a business as usual basis, with the Town then negotiating a variation based on the operational outcome of the facilities.

It is anticipated that with the SHAC being re-opened in the new calendar year, that the budgets for the aquatic centres will be more reflective of normal operating outcomes in 2018/19.

The agreed and currently being operated against figures for the 2017/18 financial year are as follows for each facility:

**Gratwick Aquatic Centre**
Income - $156,869  
Expenditure - $875,922  
Net Operating Deficit - $719,053

**South Hedland Aquatic Centre**
Income - $356,853  
Expenditure - $1,281,975  
Net Operating Deficit - $925,140

**Wanangkura Stadium**
Income – $1,635,073  
Expenditure – $2,090,313  
Net Operating Deficit - $455,238

There will be a variation against this figure presented for the SHAC due to the Centre being closed, which should be favourable to the Town. It is not possible to quantify this at present, due to the Centre requiring some operational staff, power, chemicals and maintenance which although lower than budgeted cannot be accurately forecast. In addition, the YMCA will seek monies through the variation as a result of lost income opportunities.
LEVEL OF SIGNIFICANCE

The level of significance of this report is low, as the Town has already entered into a management agreement with the YMCA through an open Tender process, and has allocated monies within its 2016/17 and 2017/18 budgets for the operation of the facilities.

CONSULTATION

The overall 2016/17 and 2017/18 budgets were endorsed by Council, which included an allocation of monies for the management contract of Hedland Leisure Facilities

External Agencies

The YMCA were consulted as part of the finalization of the 2017/18 budget and the finalization of the 2016/17 budget.

LEGISLATION AND POLICY CONSIDERATIONS

There are no legislative requirements associated with this report.

FINANCIAL AND RESOURCES IMPLICATIONS

The financial implication of the 2016/17 operating year will see an amount of $525K returned to the Town as a result of a lower operating deficit and a variation as a result of the SHAC not being open for the full 12 months.

The 2017/18 agreed budget is within its budgeted parameters.

STRATEGIC AND SUSTAINABILITY IMPLICATIONS

This following sections of the Council’s Strategic Community Plan 2014-2024 are applicable in the consideration of this item:

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
   • Facilitate the provision of high-quality health services and facilities equal to those found in metropolitan areas

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
   • Celebrate our multiculturalism, indigenous culture, arts and history
   • Work with key agencies and our community to reduce antisocial behaviours and improve community safety

Economic

There is a return to the Town of $525K from the operations of the 2016/17 financial year as a result of savings and a variation resulting from the SHAC being closed.
RISK MANAGEMENT CONSIDERATIONS

As per the risk matrix contained in policy 1/022 ‘Risk Management’, the level of risk is considered to be low.

OPTIONS

Option 1 – Council supports the Officer’s Recommendation

Option 2 – Do not adopt Officer’s Recommendation

CONCLUSION

This report is to inform Council of the agreed position for the 2016/17 and the 2017/18 budgets for the management of the Hedland Leisure facilities with the YMCA.

ATTACHMENTS

1. 2016/17 Audited Financial Statements for the South Hedland Aquatic Centre, Gratwick Aquatic Centre and the Wanangkura Stadium.
Independent Auditor's Report
to Town of Port Hedland

Report on the income and expenditure statement
We have audited the accompanying income and expenditure statement of funds for the
Wanangkura Stadium in relation to the Town of Port Hedland for the period 1 July 2016 to 30 June
2017.

Responsibility of Management
The Management of Young Men's Christian Association of Perth (Inc) is responsible for the
preparation of the income and expenditure statement of funds. This responsibility includes
establishing and maintaining internal control relevant to the preparation and fair presentation of the
income and expenditure statement of funds in accordance with the Town of Port Hedland
Agreement.

Auditor's responsibility
Our responsibility is to express an opinion on the income and expenditure statement of funds
based on our audit. We conducted our audit in accordance with Australian Auditing Standards.
These Auditing Standards require that we comply with relevant ethical requirements relating to
audit engagements and plan and perform the audit to obtain reasonable assurance in order to
express an opinion on the preparation and presentation of the income and expenditure statement
of funds.

An audit involves performing procedures to obtain audit evidence about the amounts and
disclosures in the income and expenditure statement of grant funds. The procedures selected
depend on the auditor's judgement, including the assessment of the risks of material misstatement
of the income and expenditure statement of grant funds, whether due to fraud or error.

Grant Thornton Audit Pty Ltd ACN 130 913 584
a subsidiary or related entity of Grant Thornton Australia Ltd ABN 41 127 556 389

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In making those risk assessments, the auditor considers internal control relevant to Young Men's Christian Association of Perth's (Inc) preparation and fair presentation of the income and expenditure statement of funds in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Young Men's Christian Association of Perth (Inc)’s internal control.

These procedures have been undertaken to form an opinion whether, in all material respects, the income and expenditure statement of funds is presented fairly in accordance with the Town of Port Hedland Agreement. We disclaim any assumption of responsibility for any reliance on this report or on the income and expenditure statement of grant funds to which it relates, to any person other than the management of Young Men's Christian Association of Perth (Inc), or for any purpose other than that for which it was prepared.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Independence
In conducting our review, we have complied with the independence requirements of the Accounting Professional and Ethical Standards Board.

Auditor’s opinion
In our opinion, the attached income and expenditure statement of funds for the Wanangkura Stadium of Young Men's Christian Association of Perth (Inc.) for the period 1 July 2016 to 30 June 2017 is presented fairly, in all material respects, in accordance with the requirements of the Funding Agreement.

Restriction on Distribution
The income and expenditure statement of funds has been prepared for the purpose of meeting the requirements of the Funding Agreement. As a result, the income and expenditure statement of funds may not be suitable for another purpose. Our report is intended solely for Town of Port Hedland and should not be distributed to parties other than the intended.

GRANT THORNTON AUDIT PTY LTD
Chartered Accountants

C A Becker
Partner – Audit & Assurance
Perth, 31 October 2017
WANANGKURA STADIUM
STATEMENT OF INCOME AND EXPENDITURE FOR YEAR ENDED 30 JUNE 2017

Revenue
Adult & Children Term Programs 13,424
Café 35,171
Children Services 81,695
Facility Rental 85,247
Group Fitness 66,942
Health Club 1,190,892
Personal Training 0
Sports Competition 56,154

Expenses
Administration (69,273)
Adult & Children Term Programs (35,904)
Café (18,938)
Children Services (181,287)
Customer Services (295,582)
Duty management (12,432)
Group Fitness (119,248)
Health Club (102,713)
Insurance (7,394)
Management (185,942)
Marketing (24,761)
Operations (660,267)
Personal Training 0
Sports Competition (70,668)

(1,785,822)

Loss from operations (254,397)

Funding from Town of Port Hedland 381,000

Less than budgeted deficit - YMCA Share 63,302

Less than budgeted deficit - TOPH Share 63,302

Net Result -

I hereby declare that this income and expenditure statement is a true and fair record of the transactions for the Wanangkura Stadium, deficit funded by the Town of Port Hedland.

Frances Steen
Finance Manager

Signature: 

Date: 11.11.17
Independent Auditor’s Report to Town of Port Hedland

Report on the Income and Expenditure Statement
We have audited the accompanying income and expenditure statement of funds for the South Hedland Aquatic Centre of the Young Men’s Christian Association of Perth (Inc.) for the period 1 July 2016 to 30 June 2017.

Responsibility of Management
The Management of Young Men’s Christian Association of Perth (Inc.) is responsible for the preparation of the income and expenditure statement of funds. This responsibility includes establishing and maintaining internal control relevant to the preparation and fair presentation of the income and expenditure statement of funds in accordance with the Town of Port Hedland Funding Agreement.

Auditor’s responsibility
Our responsibility is to express an opinion on the income and expenditure statement of funds based on our audit. We conducted our audit in accordance with Australian Auditing Standards. These Auditing Standards require that we comply with relevant ethical requirements relating to audit engagements and plan and perform the audit to obtain reasonable assurance in order to express an opinion on the preparation and presentation of the income and expenditure statement of funds for the South Hedland Aquatic Centre to the Town of Port Hedland.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the income and expenditure statement of funds. The procedures selected depend on the auditor’s judgement, including the assessment of the risks of material misstatement of the income and expenditure statement of funds, whether due to fraud or error.
In making those risk assessments, the auditor considers internal control relevant to Young Men's Christian Association of Perth's (Inc) preparation and fair presentation of the income and expenditure statement of funds in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Young Men's Christian Association of Perth (Inc)'s internal control.

These procedures have been undertaken to form an opinion whether, in all material respects, the income and expenditure statement of funds is presented fairly in accordance with the Town of Port Hedland Agreement. We disclaim any assumption of responsibility for any reliance on this report or on the income and expenditure statement of funds to which it relates, to any person other than the management of Young Men's Christian Association of Perth (Inc), or for any purpose other than that for which it was prepared.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Independence
In conducting our review, we have complied with the independence requirements of the Accounting Professional and Ethical Standards Board.

Auditor's opinion
In our opinion, the attached income and expenditure statement of funds for the South Hedland Aquatic Centre of Young Men's Christian Association of Perth (Inc.) for the period 1 July 2016 to 30 June 2017 is presented fairly, in all material respects, in accordance with the requirements of the Funding Agreement.

Restriction on Distribution
The income and expenditure statement of funds has been prepared for the purpose of meeting the requirements of the Funding Agreement. As a result, the income and expenditure statement of funds may not be suitable for another purpose. Our report is intended solely for Town of Port Hedland and should not be distributed to parties other than the intended.

Grant Thornton

GRANT THORNTON AUDIT PTY LTD
Chartered Accountants

C A Becker
Partner – Audit & Assurance

Perth, 31 October 2017
## SOUTH HEDLAND AQUATIC CENTRE
### STATEMENT OF INCOME AND EXPENDITURE FOR YEAR ENDED 30 JUNE 2017

<table>
<thead>
<tr>
<th>Revenue</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Aqua Aerobics</td>
<td>0</td>
</tr>
<tr>
<td>Aquatic Education</td>
<td>53,134</td>
</tr>
<tr>
<td>Aquatic Programs</td>
<td>0</td>
</tr>
<tr>
<td>Birthday Parties</td>
<td>0</td>
</tr>
<tr>
<td>Café</td>
<td>2,784</td>
</tr>
<tr>
<td>Facility Rental</td>
<td>246</td>
</tr>
<tr>
<td>General Admissions</td>
<td>24,948</td>
</tr>
<tr>
<td>Merchandise</td>
<td>1,939</td>
</tr>
<tr>
<td>School Aquatics</td>
<td>15</td>
</tr>
<tr>
<td>Wave Rider</td>
<td>0</td>
</tr>
<tr>
<td><strong>Total Revenue</strong></td>
<td><strong>83,065</strong></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Expenses</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Accommodation</td>
<td>0</td>
</tr>
<tr>
<td>Administration</td>
<td>(9,208)</td>
</tr>
<tr>
<td>Aqua Aerobics</td>
<td>(1,199)</td>
</tr>
<tr>
<td>Aquatic Education</td>
<td>(19,050)</td>
</tr>
<tr>
<td>Aquatic Programs</td>
<td>0</td>
</tr>
<tr>
<td>Café</td>
<td>(4,985)</td>
</tr>
<tr>
<td>Duty management</td>
<td>(5,934)</td>
</tr>
<tr>
<td>Gardening</td>
<td>(21,405)</td>
</tr>
<tr>
<td>Insurance</td>
<td>(3,619)</td>
</tr>
<tr>
<td>Management</td>
<td>(319,090)</td>
</tr>
<tr>
<td>Marketing</td>
<td>0</td>
</tr>
<tr>
<td>Merchandise</td>
<td>(1,427)</td>
</tr>
<tr>
<td>Operations</td>
<td>(277,964)</td>
</tr>
<tr>
<td>Recreation Swimming</td>
<td>(49,269)</td>
</tr>
<tr>
<td><strong>Total Expenses</strong></td>
<td><strong>(712,519)</strong></td>
</tr>
</tbody>
</table>

**Loss from operations**

<table>
<thead>
<tr>
<th>Funding from Town of Port Hedland</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>882,004</td>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Less than budgeted deficit - YMCA Share</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>126,275</td>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Less than budgeted deficit - TOPH Share</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>126,275</td>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Net Result</th>
<th></th>
</tr>
</thead>
</table>

I hereby declare that this income and expenditure statement is a true and fair record of the transactions for the South Hedland Aquatic Centre, deficit funded by the Town of Port Hedland.

Frances Steen
Finance Manager

Signature: [Signature]

Date: 1.11.17
Independent Auditor's Report to Town of Port Hedland

Report on the income and expenditure statement
We have audited the accompanying income and expenditure statement of funds for the Gratwick Aquatic Centre of the Young Men's Christian Association of Perth (Inc.) for the period 1 July 2016 to 30 June 2017.

Responsibility of Management
The Management of Young Men's Christian Association of Perth (Inc.) is responsible for the preparation of the income and expenditure statement of funds. This responsibility includes establishing and maintaining internal control relevant to the preparation and fair presentation of the income and expenditure statement of funds in accordance with the Town of Port Hedland Funding Agreement.

Auditor's responsibility
Our responsibility is to express an opinion on the income and expenditure statement of funds based on our audit. We conducted our audit in accordance with Australian Auditing Standards. These Auditing Standards require that we comply with relevant ethical requirements relating to audit engagements and plan and perform the audit to obtain reasonable assurance in order to express an opinion on the preparation and presentation of the income and expenditure statement of funds for the Gratwick Aquatic Centre to the Town of Port Hedland.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the income and expenditure statement of funds. The procedures selected depend on the auditor’s judgement, including the assessment of the risks of material misstatement of the income and expenditure statement of funds, whether due to fraud or error.
In making those risk assessments, the auditor considers internal control relevant to Young Men's Christian Association of Perth's (Inc) preparation and fair presentation of the income and expenditure statement of funds in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Young Men's Christian Association of Perth (Inc)'s internal control.

These procedures have been undertaken to form an opinion whether, in all material respects, the income and expenditure statement of funds is presented fairly in accordance with the Town of Port Hedland Agreement. We disclaim any assumption of responsibility for any reliance on this report or on the income and expenditure statement of funds to which it relates, to any person other than the management of Young Men's Christian Association of Perth (Inc), or for any purpose other than that for which it was prepared.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Independence
In conducting our review, we have complied with the independence requirements of the Accounting Professional and Ethical Standards Board.

Auditor's opinion
In our opinion, the attached income and expenditure statement of funds for the Gratwick Aquatic Centre of Young Men's Christian Association of Perth (Inc.) for the period 1 July 2016 to 30 June 2017 is presented fairly, in all material respects, in accordance with the requirements of the Funding Agreement.

Restriction on Distribution
The income and expenditure statement of funds has been prepared for the purpose of meeting the requirements of the Funding Agreement. As a result, the income and expenditure statement of funds may not be suitable for another purpose. Our report is intended solely for Town of Port Hedland and should not be distributed to parties other than the intended.

Grant Thornton

GRANT THORNTON AUDIT PTY LTD
Chartered Accountants

C A Becker
Partner – Audit & Assurance

Perth, 31 October 2017
GRATWICK AQUATIC CENTRE

STATEMENT OF INCOME AND EXPENDITURE FOR YEAR ENDED 30 JUNE 2017

<table>
<thead>
<tr>
<th>Revenue</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Aqua Aerobics</td>
<td>660</td>
</tr>
<tr>
<td>Aquatic Education</td>
<td>101,172</td>
</tr>
<tr>
<td>Aquatic Programs</td>
<td>0</td>
</tr>
<tr>
<td>Birthday Parties</td>
<td>0</td>
</tr>
<tr>
<td>Café</td>
<td>34,950</td>
</tr>
<tr>
<td>Facility Rental</td>
<td>13,708</td>
</tr>
<tr>
<td>General Admissions</td>
<td>125,106</td>
</tr>
<tr>
<td>Merchandise</td>
<td>14,187</td>
</tr>
<tr>
<td>School Aquatics</td>
<td>22,428</td>
</tr>
<tr>
<td><strong>Total Revenue</strong></td>
<td><strong>312,231</strong></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Expenses</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Administration</td>
<td>(12,637)</td>
</tr>
<tr>
<td>Aqua Aerobics</td>
<td>(1,071)</td>
</tr>
<tr>
<td>Aquatic Education</td>
<td>(28,131)</td>
</tr>
<tr>
<td>Aquatic Programs</td>
<td>0</td>
</tr>
<tr>
<td>Café</td>
<td>(18,751)</td>
</tr>
<tr>
<td>Duty management</td>
<td>(31,822)</td>
</tr>
<tr>
<td>Gardening</td>
<td>(36,015)</td>
</tr>
<tr>
<td>Insurance</td>
<td>(792)</td>
</tr>
<tr>
<td>Management</td>
<td>(213,372)</td>
</tr>
<tr>
<td>Marketing</td>
<td>(2,907)</td>
</tr>
<tr>
<td>Merchandise</td>
<td>(5,887)</td>
</tr>
<tr>
<td>Operations</td>
<td>(233,765)</td>
</tr>
<tr>
<td>Recreation Swimming</td>
<td>(93,954)</td>
</tr>
<tr>
<td><strong>Total Expenses</strong></td>
<td><strong>(680,104)</strong></td>
</tr>
</tbody>
</table>

Loss from operations                   | (367,873)

Funding from Town of Port Hedland       | 740,547

Less than budgeted deficit - YMCA Share | 186,337

Less than budgeted deficit - TOPH Share | 186,337

Net Result

I hereby declare that this income and expenditure statement is a true and fair record of the transactions for the Gratwick Aquatic Centre, deficit funded by the Town of Port Hedland.

Frances Steen
Finance Manager

Signature: ______________________ Date: 1.11.17
Port Haven TWA Village – Lease Renewal (File No. 05/09/0012)

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

OFFICER RECOMMENDATION

That Port Hedland International Airport (PHIA), Compass Group and BHP Billiton Iron Ore Pty Ltd (BHP) be advised:

1. That Council approves an extension of the Port Haven lease for a period of 10 years with a further option of 10 years subject to the following actions to be completed prior to the Town giving formal written consent for renewal of the lease:
   a) BHP to provide the Town with a forecast of its construction, operational, maintenance and shutdown workforce accommodation requirements within the Town of Port Hedland for the next 10 years which demonstrates a clear and continued reduction in operational employees housed in Port Haven.
   b) BHP to engage a suitably qualified and experienced person to prepare a Social Impact Assessment (SIA) for the Port Haven facility as a baseline to assess the direct and indirect cumulative socioeconomic impacts of Port Haven on the Town of Port Hedland over the life of the lease.
   c) BHP to engage a suitably qualified and experienced person to prepare a Social Impact Management Plan (SIMP) for the Port Haven facility for the next 10 years, which includes:
      a. Monetary and non-monetary social contributions;
      b. Commitments to ensure facility management and guests utilise town-based goods, services, local contractors and programs; and
      c. Annual monitoring and reporting on the effectiveness of the SIMP to be submitted to the Town at the end of every financial year. The SIMP shall be modified in response to any socioeconomic issues identified by the Town that are a direct result of Port Haven’s operations.

2. That the Town of Port Hedland agrees to provide formal written consent for a renewal of the lease following the above terms being satisfied.

SIMPLE MAJORITY VOTE REQUIRED

PURPOSE

The lease for the Port Haven Transient Workforce Accommodation (TWA) village, occupied primarily by BHP fly-in fly-out (FIFO) workers, is due to expire in March 2019. Although the lease has been novated to Port Hedland International Airport (PHIA), the terms of the airport lease agreement between the Town and PHIA specifies that TWA sub-leases including Port Haven cannot be renewed or extended without the consent of the Town.
PHIA have made a formal request for the Town to approve an extension to the Port Haven sub-lease for 10 years to March 2029, with a further option to renew for another 10 years.

DETAIL

Many TWA camps have been developed in the Pilbara since the 1960’s under various tenure arrangements. Port Haven is a unique situation where the camp was built on Town of Port Hedland owned land on a 10 year lease. This is a significant point of difference as opposed to the consideration of other camps, as the Town has a commercial interest in Port Haven as it has received both significant rates and lease revenue from the camp, up until when the Airport land was transferred to PHIA in March 2016. From that point, PHIA has received the lease revenue from Port Haven which will be directed toward future airport renewal works. PHIA is currently preparing a draft Masterplan which will guide expenditure in this respect, due to be presented to Council in early 2018.

As the Port Haven lease is due to expire in March 2019, PHIA, BHP and Compass Group are seeking early certainty for continuation of the camp as there are long lead times to develop an alternative facility should Council reject the proposed lease renewal. As PHIA stand to gain significant revenue from Port Haven, certainty is sought for securing this revenue so appropriate airport works can be planned and costed accordingly. A request was made to Council earlier this year in relation to the Port Haven lease, where on 24 May 2017 Council resolved:

“That BHP Billiton Iron Ore Pty Ltd (BHPBIO) be advised:

1. That Council approves “in principle” an extension of the Port Haven lease for a period of 3 years with two further options of one year each, subject to BHPBIO and the Town of Port Hedland reaching satisfactory agreement by 30 November 2017 on measures to increase:
   a. The percentage of BHPBIO’s workforce that is based permanently in Port Hedland;
   b. The housing of transient workers in facilities located within the urban areas of Port Hedland; and
   c. The use of local contractors and businesses.

2. That the Town of Port Hedland agrees to provide formal consent for a renewal of the lease on the above terms promptly upon reaching written agreement as to these matters.”

In response to this resolution and in support of the request to renew the Port Haven lease, BHP gave a presentation to Town staff which summarised BHP’s significant overall economic contribution to the Town, including:

- 1,150 residential employees in Port and South Hedland;
- 200 apprentices and trainees in WAIO in 2018;
- $638m 2016/17 financial year total operational spend in Pilbara;
- $49.4m 2016/17 financial year direct spent on indigenous vendors;
- $5.1m total payments to ToPH in 2016/17 financial year;
- $3.4m rates paid per year for residential housing portfolio since 2014, across ~1,200 properties and ~250 residential employees in other non-BHP housing;
- ~$1m/annum rates paid for Port Haven camp alone;
- Since 2008 BHP capital expenditure on residential accommodation in Port Hedland has exceeded $500m;
• Over 300 new homes were constructed in the Pilbara in the last 6 years including $78m St Cecilia’s development (45 new townhouses), $66.8m Quattro development (55 townhouses, 20 apartments and commercial office space), $76m Murdoch Drive development (84 new homes), Counihan Apartments (42 apartments in Pretty Pool and commercial floorspace) and Hedland Accommodation Program comprising new builds in Pretty Pool;

• $17m was invested in 2016/17 financial year toward maintaining Hedland housing portfolio, including major refurbishment to over 226 dwellings; and

• Significant investment in community development in Hedland in the 2016/17 financial year including Wanangkura Stadium, Youth Involvement Council HQ, JD Hardie Youth Zone, South Hedland Skate Park, Education, diversionary and training programs, park improvements, South Hedland Bowling and Tennis Club and South Hedland Aquatic Centre.

As a result of the novation of the Port Haven lease to the PHIA, PHIA currently receives rental revenue of approximately $800,000 per annum. If a new Port Haven lease is not entered, this revenue will be lost, which will have a significant impact on PHIA’s income. PHIA is currently preparing a Master Plan for upgrades and enhancements to the airport which under the terms of the PHIA require a minimum expenditure of $40,000,000.

The PHIA submission indicates that its current draft Initial Master Plan proposes $57,000,000 of capital upgrade works, including rescaling of the runway to accommodate larger planes and the development of a new terminal (see Attachment 3, pages 2-4 for more details). If the Port Haven lease is not renewed, that loss of rental revenue means PHIA will be in a commercial position whereby it can only invest the required minimum of $40,000,000 into capital works, that do not include the rescaling of the runway and only the refurbishment of the existing terminal.

PHIA, BHP and other organisations benefiting from Port Haven, have provided detailed written submissions in support of this proposal which are included attachments to this report. In summary, the key reasons given to compel the Town to support a lease renewal are as follows:

• The financial benefits received by the Town from Port Haven;

• The financial benefits received by PHIA from Port Haven which will be used to redevelop the airport. Without the Port Haven revenue, PHIA says it will not have the finances necessary to fully redevelop the existing terminal and will have to significantly scale back other planned works; and

• BHP needs Port Haven to accommodate its FIFO workforce and already makes significant contributions to the Town and requires FIFO for Operations, Geoscience and Exploration, Major Projects, Asset Projects, Shutdowns and Track Renewals. BHP has stated if the Port Haven lease is not renewed, it will move the camp to state agreement land where the Town will not receive rates and PHIA will not receive lease revenue. This alternative would be a poor financial outcome for the Town and PHIA.

The direct financial and socioeconomic impacts of the Port Haven facility on the Town are key factors to consider in determining whether to extend the lease. In this respect, a decision to renew the Port Haven lease involves both commercial (financial benefit) and planning (socioeconomic impact) considerations.
While the commercial benefits to the Town and PHIA to extend the Port Haven lease are noted above, the impact of a continued transient workforce on sustainable urban growth on the long term sustainable development of the Town, and the socioeconomic impacts for continuation of the camp are relevant planning factors to consider. These are considered below:

**Impact of FIFO on Sustainable Urban Growth**

Council adopted a TWA strategy in 2014 which recognises the importance of the role of TWA's to house temporary workforces, as non-permanent workers have a significant impact on housing supply issues in the Town. It also needs to be recognised that mining companies have peaks in workforce requirements for maintenance and shutdown operations, which BHP has said includes workers for Geoscience and Exploration, Major Projects, Asset Projects, Shutdowns and Track Renewals. Given the nature of this workforce being temporary, it is not practical or sustainable to house this workforce in permanent town-based accommodation. Whilst BHP has stated that the 1,200 room Port Haven facility primarily caters for on average of 450 BHP employees up to 1,100 during peak shutdown periods, part of their operational workforce still resides in Port Haven.

Consistent with Council’s May 2017 resolution, an extension of the lease for Port Haven should be subject to inclusion of a continued commitment to transition to town based accommodation for its operational workforce, included as part (a) of the Officer Recommendation.

**Socioeconomic Impacts**

Whilst some anecdotal issues have been touched upon in BHP’s submission, they have not been comprehensively considered. It is therefore recommended that a full Social Impact Assessment (SIA) and Social Impact Management Plan (SIMP) is prepared for the facility. Once this assessment has been undertaken the anecdotal suggestions on how Port Haven impacts the Town will become clear. The requirement for a SIA and SIMP have therefore been incorporated into the Officer Recommendation to benchmark and allow continued monitoring of the impacts of the facility and will inform Town requests for social impact contributions.

Part of the SIA and SIMP will be to assess whether to continue the 80 rooms currently made available for the Town through the initial lease agreement. When this matter was considered at the May 2017 Council meeting, objections were received regarding the existence of these rooms by local accommodation businesses. On the other hand, positive submissions accompany this proposal from community groups and local businesses who utilise the rooms for affordable accommodation to attract specialised services, programs and performers at community events to benefit the wider Hedland community.

**Environmental Impacts**

Whilst environmental impacts of the Port Haven facility are minor as opposed to socioeconomic impacts, the Town’s Infrastructure and Town Services team have advised that the Port Haven facility benefits the Town through wastewater re-use. Wastewater that is produced on site at Port Haven is processed onsite via a treatment plant with solids air-dried in skip bins until they are able to be transported and then disposed of at the South Hedland landfill facility, which generates revenue for the Town. As for the treated liquid waste, this is irrigated via contained spray fields to the north of the facility. This setup was employed due to lack of sewerage infrastructure and costs associated at the time of construction, and benefits the Town’s Works and Services department.
LEVEL OF SIGNIFICANCE

In accordance with Policy 4/009 ‘Significant Decision Making’, this matter is considered to be of high significance, because the Port Haven facility affects the Town’s financial position and caters for a FIFO workforce which has socioeconomic impacts on the Town.

CONSULTATION

Internal

The following departments were consulted in the preparation of this report:
- Infrastructure and Town Services
- Finance
- Governance
- Legal Advisor
- Planning

External Agencies

No external agencies were directly consulted by the Town in the preparation of this report, however the following organisations who currently benefit from Port Haven provided submissions in support of the lease extension:
- Port Hedland International Airport
- BHP
- FORM
- Food Bank WA
- Port Hedland Medical Centre

Community

Community consultation is not required in the consideration of a sub-lease renewal.

LEGISLATION AND POLICY CONSIDERATIONS

Section 3.58 of the Local Government Act 1995 requires local governments to dispose of property by public auction, tender or by giving local public notice of the proposed disposition.

The requirements of section 3.58 do not apply to this item. The Town has already effectively disposed of the property in accordance with the Act, when the lease for the airport land was entered into with PHIA on 11 March 2016 (‘Airport Lease’).

This item is before Council as the Town is contractually obligated to consider the subleasing request in accordance with the terms and conditions of the Airport Lease. This does not constitute a separate disposal of property as PHIA has exclusive possession of the land under the Airport Lease, not the Town.

FINANCIAL AND RESOURCES IMPLICATIONS

The financial implications below will show that not renewing the Port Haven lease could contradict our duty to serve the community and make decisions in the best interests of the entire community.
Over the last 5 years the rates income from the Port Haven property was $4.370 million. This equates to approximately $874,000 per year. If the rate in the dollar and the valuation of the Port Haven property were to remain constant for the next 10 years, then the Town can expect rates income of approximately $8.740 million. Future rates income can only be an approximation because the rate in the dollar can be adjusted annually by council and the Valuer General reviews property valuations every 3 years.

Declining Town of Port Hedland income

<table>
<thead>
<tr>
<th>Description</th>
<th>Amount</th>
<th>Percentage Change</th>
</tr>
</thead>
<tbody>
<tr>
<td>Rates income down</td>
<td>$2.383 million</td>
<td>-9%</td>
</tr>
<tr>
<td>Operating Grants, Subsidies, and Contributions down</td>
<td>$5.943 million</td>
<td>-58%</td>
</tr>
<tr>
<td>Fees and Charges down</td>
<td>$25.765 million</td>
<td>-71%</td>
</tr>
</tbody>
</table>

The downturn in the resources sector has seen income at the Town of Port Hedland decline sharply. The permanent loss of another $874,000 in rates income per year is bound to have an ongoing negative impact on service levels provided to the community. The decline in income has contributed to this financial year’s actual operating deficit of $4.270 million.

The cost of moving Port Haven

In 2009 BHP (acting through Compass Group) signed a 10 year lease to develop a transient worker accommodation facility on Town of Port Hedland land. BHP made a conscious decision to support the Town financially. This support of the Town came in the form of two additional income streams: rates income and lease income for the land on which Port Haven was developed.

If the Town decides not to support BHP by extending the term of the current lease, BHP will likely relocate Port Haven to a location where it has secure long term tenure. BHP will incur a significant cost in moving Port Haven to a new location. Rates income to the Town of Port Hedland will decline approximately $874,000 per year.

Although it is not operationally practical and BHP has indicated it is not under consideration, if BHP were to move all BHP Port Haven residents into vacant housing the Town would see no improvement in rates income. Rates are paid on properties whether occupied or vacant. In this instance the Town would be worse off by the amount of rates lost because of the closure of Port Haven.

BHP’s continued support of Town of Port Hedland community programs may change

Between 2011/12 and 2016/17 BHP contributed $75 million to social investment programs in Port and South Hedland. This does not include $24 million contributed to the construction of Wallwork Bridge in 2014. It should be noted that BHP’s social investments are not a legislative requirement.

The social investments of BHP, RIO and Glencore are instructive. Over the preceding 6 years these companies have made the following social investments:

<table>
<thead>
<tr>
<th>Company</th>
<th>Amount</th>
<th>Location or Region</th>
</tr>
</thead>
<tbody>
<tr>
<td>BHP</td>
<td>$ 75 mill</td>
<td>Port Hedland</td>
</tr>
<tr>
<td>RIO</td>
<td>$102 mill</td>
<td>Western Australia</td>
</tr>
<tr>
<td>Glencore</td>
<td>$ 60 mill</td>
<td>Australia</td>
</tr>
</tbody>
</table>
The table above shows that BHP is an outsize contributor to the local community.

A negative decision on the Port Haven lease renewal may cause BHP to rethink the level of financial support they provide to social investment in the local community.

STRATEGIC AND SUSTAINABILITY IMPLICATIONS

Strategic Community Plan 2014-2024

This following section/s of the Council’s Strategic Community Plan 2014-2024 are applicable in the consideration of this item:

1.1 A unified community across our townships
   • Ensure all members of the community can access our services and facilities

2.1 A thriving, resilient and diverse economy
   • Work closely with businesses, government and industry groups to drive local employment and investment, encourage entrepreneurship and achieve sustainable economic growth

2.2 A nationally significant gateway city and destination
   • Advance Port Hedland’s sea, air and road transport infrastructure as main logistics hub for the Pilbara, including developing Port Hedland International Airport as the gateway to the North West

4.1 Strategic and best practice local government administration
   • Maintain a strong and sustainable financial position

Port City Growth Plan (2012) and Port City Implementation Plan

Accommodating required workforces within TWA camps at the airport is consistent with the Port City Growth Plan (2012). The Growth Plan advocates a balanced and dispersed approach to the siting and location of TWA facilities, and the imposition of a clear time limit on the operation of TWA sites to encourage a shift to a more permanent and integrated skilled workforce in Port Hedland. Provided there is a demand for the TWA facility based on spikes in workforce requirements, and BHP is not housing its operational workforce in the camp, the camp should be allowed to continue as long as demand exists as BHP invested a substantial $256m in the facility and it still has an operational life.

Transient Workforce Accommodation Strategy (2014) (TWA Strategy)

The Town’s TWA Strategy states that TWA facilities within the Town of Port Hedland need to demonstrate a community benefit / legacy. It goes on to state that this legacy may include augmentation of physical infrastructure, monetary contribution toward needed community facilities and projects and retention of their infrastructure for community use at the end of their operational life. The principles within the TWA strategy aim to ensure the facility does not interfere with the local tourist accommodation market or local businesses. It is recommended a SIA and SIMP are prepared to fully assess the Port Haven facility’s impact on the Town prior to the Town entering into a further term of lease.
RISK MANAGEMENT CONSIDERATIONS

As per the risk matrix contained in policy 1/022 ‘Risk Management’, the level of risk is considered to be Extreme (25). The financial loss to the Town and PHIA if the lease is not renewed is significant, which will significantly affect the Town’s ability to deliver services to the community.

OPTIONS

Option 1 - Adopt Officers Recommendation

Option 2 - Amended Officers Recommendation

Option 2a – Amend recommendation for a shorter or longer lease period

Option 2b – Amend recommendation to include a specific Social Impact Contribution from BHP to the Town

Option 3 – Do not adopt Officers Recommendation

That Port Hedland International Airport (PHIA) and BHP Billiton Iron Ore Pty Ltd (BHP) be advised:

1. That Council does not approve an extension of the Port Haven lease beyond the current term due to expire in March 2019.

2. That the Town of Port Hedland agrees to provide formal written consent to reaffirm this decision.

CONCLUSION

This report has detailed the commercial and planning context of the proposal to extend the lease for Port Haven from March 2019 for a further 10 years to March 2029, with an option to extend to March 2039. The key issues for extending the lease are the financial losses associated with not extending the lease and socioeconomic impacts of the facility on the Town. Having considered these issues in balance, it is recommended the lease is extended subject to the proponents submitting information stated in the Officer Recommendation to mitigate the impacts of the facility on the long term sustainable development of the Town.

ATTACHMENTS

1. Proposal Letter from BHP (Under Separate Cover)
2. Port Haven Communications Overview
3. Letter of support from Port Hedland International Airport
4. Letter of support from Garnduwa Amboorny Wiran Aboriginal Corporation
5. BHP Port Haven Presentation (Under Separate Cover)
BY EMAIL 20 November 2017

The Mayor
Town of Port Hedland
Civic Centre, McGregor Street
P O Box 41
Port Hedland

Dear Mayor Blanco

Re: Port Haven Lease Renewal

I wish to thank you and Councillors for meeting with Cheryl Edwards (Chair PHIA) and me last Monday evening to receive a detailed update on the plans for the redevelopment of Port Hedland International Airport (PHIA) as well as our request for the Town of Port Hedland (Town) to renew the lease of Port Haven.

Introduction

The fixed term of the Port Haven Lease (Lease) between PHIA and ESS/BHP (BHP) concludes in March 2019. The Town has the right to agree or otherwise to any extension or renewal (Renewal) of the Lease. If the Town does not agree to a Renewal, then BHP must remove all the buildings at Port Haven at the end of the fixed term in March 2019.

The accommodation at Port Haven is a vital facility for BHP’s iron ore export operations as it mainly provides temporary accommodation for BHP employees on fortnightly handover and when major capital works or maintenance upgrades are undertaken on BHP’s port facilities and/or its rail network. It is not possible to house these employees anywhere else in Port Hedland. As the planning for alternate accommodation arrangements has a "long lead timeframe", BHP is seeking an immediate decision in case the Town does not approve a Renewal at its Council meeting on 13 December 2017.

In addition to BHP’s operational interests, the Lease provides PHIA with a vital revenue stream, which AMP Capital (AMP) and Infrastructure Capital Group Ltd (ICG) were advised by the Town would continue for the long run when they calculated the amount of $165m paid to the Town in March 2016 for the 50-year lease of PHIA. Accordingly, both believe they have already paid for this future revenue.

Accordingly, PHIA in agreement with BHP, is seeking a Renewal of the Lease for a Term of 10-years with a further 10-year extension at the option of BHP. This will provide security of tenure for BHP, security of revenue for PHIA and security of rates income for the Town. Other minor legal changes from the present lease terms are close to being finalised and will be provided to the Town in due course.
ORDINARY MEETING OF COUNCIL - AGENDA

ORDINARY MEETING OF COUNCIL - AGENDA

13 DECEMBER 2017

Benefits to Port Haven arising from this Renewal?

There are large and material strategic and financial benefits to the Town and every member of its community arising from a Renewal. We have already discussed these in detail with Council, but in summary, these benefits are:

- If a Renewal is not approved, BHP will relocate Port Haven to an alternative location and no rates will be payable to the Town from March 2019. The rates payable under the Lease total ~$1m per annum. If the Town does not approve a Renewal, the Town will lose these rates which represent around ~5% of the Town’s current rates income.

- Such a loss of rates income to the Town will inevitably place real funding pressure on existing services provided to the community.

- There will be NO decrease in FIFO activity. The accommodation assets will simply be moved by BHP to another location and both the Town and PHIA will suffer large revenue losses. This is not a “zero sum game”.

- During 2017, BHP has responded to the Town’s request to increase local residential employment, employ more apprentices, increase training and increase sourcing of supplies and equipment for Port Haven from local businesses. If the Renewal is not granted, all these will be at risk.

- BHP operates in an intense globally competitive environment and it is worth noting that FIFO facilities exist in Port Hedland for both FMG and Roy Hill. Both these companies have invested far less in residential and social facilities in Port Hedland compared to BHP.

- BHP invested $256m in 2008 in the development of Port Haven under an agreement with the Town. This material amount of money will be lost to BHP and inevitably the relationship with the Town will be adversely affected.

- Under the current Lease, there is a requirement for BHP to provide 80 free or discounted rooms a night. This has caused some angst with accommodation providers in Port Hedland. We understand that in the last 18 months, ~17,500 medical, police and community workers, not-for-profits and small businesses have taken advantage of these rooms, subsidised by BHP. We believe that BHP would like to continue with this substantial community contribution.

- The revenue from the Lease paid by BHP to PHIA is $1.3m p.a. and represents ~7% of PHIA’s revenue. A decision to decline a Renewal will have a serious impact on the financial position of PHIA.

- The airport lease agreement specifies that PHIA must upgrade the airport by spending $40m of capex over 5 years. PHIA is finalising its masterplan, due to be provided to the Town in early 2018, and has identified the following vital strategic expenditures:
  - Airside infrastructure. PHIA is prepared to reseat the main runway so that it will be able to take far larger planes than at present. This upgrade is vital to attract increased freight, passenger and military activities which will provide increased economic benefits to the Town. However, this upgrade will cost ~$20m compared to ~$11m if we do not invest for increased capacity.
  - Terminal redevelopment. We are currently planning to develop a new terminal on the land occupied by the car park behind the existing terminal. A new terminal will be modern, light and environmentally superior and will provide superb facilities, amenities and enhancements for the “Gateway to the Pilbara”. This terminal
redevelopment is estimated to cost ~$35m which includes the demolition of the old terminal and upgraded road and parking infrastructure.

- Under our draft masterplan, total planned expenditure including spend-to-date is $57m which will transform the airport. Maps and concept drawings are included in Schedule A.

- PHIA is relying on the Port Haven Lease revenue to fund this ambitious, transformational programme. If the Renewal is NOT approved, then PHIA will have no option but to only spend $40m as contracted. This will mean that the airside infrastructure will not be upgraded and the old terminal will instead be refurbished. This outcome will be extremely disappointing for PHIA and we believe, every single member of the Port Hedland community.

- Airport Lease Acquisition. During the airport lease acquisition process, the Town provided financial forecasts to AMP Capital and ICG which included lease rentals from Port Haven for many years. If the Town does not agree to a Renewal, AMP and ICG would consider this is a breach of a material representation and will take legal action to recover the significant damages suffered.

Conclusion

PHIA believes that Councillors should objectively consider the substantial strategic and financial benefits of a Renewal as outlined above. A decision NOT to renew will NOT decrease FIFO and will have a material detrimental impact on the Town and every single one of its residents for decades to come. We believe that based on the detailed information that has been provided to Councillors, it is incumbent upon them to renew the Lease to fulfil their fiduciary obligations to all members of the Port Hedland community.

Kind regards

John Clarke
Director
PHIA
Schedule A: Details of Possible Airport Redevelopment

Airside Infrastructure- Runway, taxiway and apron upgrades
Landside Infrastructure - Terminal & Road Redevelopment
Garnduwa Amboorny Wirnan
Aboriginal Corporation
ABN: 17282 018 325

Head Office: 2/23 Coghlan Street, Broome WA 6725
Postal Address: PO Box 1321, Broome WA 6725
Tel: (08) 9195 5751 Fax: (08) 9192 2436
W: www.garnduwa.com.au

29th November 2017

Garnduwa Amboorny Wirnan: Statement of Support

Purpose

The purpose of this submission to Council is to highlight the ways in which access to Port Haven provides benefits to our organisation, and to the wider community.

About

Garnduwa’s core purpose is to assist remote communities to become self-sufficient in the delivery and staging of sport and recreational activities within their own community. We are primarily based in the Kimberley however also provide a range of sport and recreational activities throughout the West Pilbara region encouraging healthy lifestyles amongst the Aboriginal community.

We recognise the negative and harmful challenges faced by remote communities due to physical inactivity, including high rates of alcohol and substance abuse, increasing criminal activity, varying degrees of self-harm, rapidly increasing health problems, and low self-esteem. Our programs proactively address these challenges, taking a holistic approach to physical and mental wellbeing, while aiming to increase the self-organisational capacity of communities in an effort to promote social sustainability.

Our programs include the Smarter than Smoking Active Community, coaching, leadership, and multiple sports-specific activities relating to athletics, basketball, football, netball, and softball.

Current Benefits

The benefits of access to Port Haven are extremely important to our organisation as we are relying on funding from the public and private sectors to deliver our services. For example, we have been provided meals at Port Haven which made a high and positive impact on our budget allocation. This enables us greater capacity to focus on service delivery. The staff at Port Haven were outstanding in supporting our organisation.
Impact of a potential closure of Port Haven

The primary impact of a potential closure of Port Haven’s facilities will affect how much time and programming we can invest in the region due to travel costs. The flow on effect is the frequency we can visit the Pilbara region and number of people we will be able to provide services to.

Benefits of our programs

The main benefits that will, or could, be generated by the decision of a community to engage in the program are:

1. The development of a sport and recreation plan increases the cooperation between Garnduwa, the Community and other key community stakeholders and provides a clear direction for the delivery of sport and recreational activities within and outside of the community and an increased quality of service by those stakeholders.
2. Increased and regular participation in sport and active recreation activities by the Community will result in the improved physical well-being of regular participants and a better understanding of positive lifestyle choices.
3. The introduction of regular team based activities will generate improved self-esteem and mental health for participants, enhanced ability to work in a group structure and greater community interaction.
4. An increase in the number regularly available and accessible activities within the community will contribute to reduced juvenile contact with the justice system.
5. A strong Community/School Partnership identified in the sport and recreation plan will result in increased school attendance and retention.
6. Training opportunities in all fields of sport and recreation for any employed staff and volunteers can be easily identified by Garnduwa and will be made available in an appropriate and readily accessible way.
7. Garnduwa will be able to provide support to workers and volunteers on a regular and structured basis.
8. Better usage of resources available to the community will be generated (e.g. shared facilities and programs).
9. Possible opportunities for increased funding will arise through the development of a sport and recreation plan by the community.
10. Access to information, equipment and competitions will improve with sport and recreation plans being implemented and followed.

Michael Albert
Garnduwa CEO
Item 13  Reports of Committees

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

13.1 Audit, Risk and Governance Committee Minutes – 15 November 2017

OFFICER RECOMMENDATION

That Council receive the Minutes of the Ordinary Meeting of the Audit, Risk and Governance Committee held on 15 November 2017 at 5:30pm inclusive of the following decisions:

- Applications for Leave of Absence
- Attendance by Telephone/ Instantaneous Communications
- Confirmation of Minutes of the Audit, Risk and Governance Committee Meeting held on Tuesday 5 September 2017;
- Audited Annual Financial Statements for the period ended 30 June 2017.

SIMPLE MAJORITY VOTE REQUIRED
Item 14 Motions of Which Previous Notice Has Been Given

14.1 Notice of Motion – Travel Policy (File No. 04/03/0001)

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

OFFICER RECOMMENDATION

That Council:

1. Amend Policy 4/008 ‘Elected Members Entitlements’ as per attachment 1; and

2. Adopt Policy 4/010 ‘Elected Members Travel and Training’.

SIMPLE MAJORITY VOTE REQUIRED

PURPOSE

Councillor Newbery presented a notice of motion at the 22 November 2017 Ordinary Council meeting requesting the following:

I Louise Newbery wish to present this motion on notice.

Motion

To bring to the next OCM the Policy Travel and Accommodation 1/007

I would like to see the policy renewed in line with a similar policy of the City of Greater Geraldton.

Also that it consists with a break up of elected members and staff.

Signed

Dated

22 - 11 - 17

The Town has considered this notice of motion and is recommending that Council review the current policy 4/008 ‘Elected Members Entitlements’ and adopt a new policy 4/010 ‘Elected Members Travel and Training’.
DETAIL

The Town has reviewed Cr Newbery’s notice of motion making reference to policy 1/007 Travel and Accommodation. The Town wishes to clarify that this policy was rescinded at the Ordinary Council meeting of 22 October 2014. The reason for this being “Elected Member’s travel and accommodation is now included in policy 4/008 EM Entitlements and employees entitlements are addressed in an internal operating procedure”.

Cr Newbery has been made aware of this but has confirmed that she would still require current policy 4/008 ‘Elected Members Entitlements’ (attachment 1) to be reviewed in line with a similar policy to what the City of Geraldton currently has in place for travel (see attachment 3).

The Town has considered this request and for ease of reference proposes that Council consider amending current policy 4/008 ‘Elected Members Entitlements’, and adopting a new policy 4/010 ‘Elected Members Travel and Training’ (attachment 2).

The new policy is considered to better clarify the parameters associated with elected members’ professional development, as well as defining the approval process to attend training and conferences.

LEVEL OF SIGNIFICANCE

In accordance with Policy 4/009 ‘Significant Decision Making’, this matter is considered to be of low significance.

CONSULTATION

Internal

Executive Leadership Team

External Agencies

City of Geraldton policy provided by Cr Newbery

LEGISLATION AND POLICY CONSIDERATIONS

Section 2.7 (2)(b) of the Local Government Act 1995 states that Council is to determine the Local Government’s policies.


FINANCIAL AND RESOURCES IMPLICATIONS

Any financial or resource implications will be contained in the current budget.

STRATEGIC AND SUSTAINABILITY IMPLICATIONS

This following section of the Council’s Strategic Community Plan 2014-2024 are applicable in the consideration of this item:
4.1 Strategic and best practice local government administration

- Deliver high quality corporate governance accountability and compliance.

4.2 Engage our community and stakeholders

- Represent our community and provide transparent and accountable civic leadership
- Facilitate community engagement and civic participation
- Be a powerful voice and influential partner with Federal and State Governments and major industries for the development of Port Hedland
- Promote a positive representation of our community and Town’s services

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

RISK MANAGEMENT CONSIDERATIONS

As per the risk matrix contained in policy 1/022 ‘Risk Management’, the level of risk is considered to be Low (3) because if Council decide not to adopt this new policy, the current policy still provides a guideline as to how attendance at training and conferences is to be managed.

OPTIONS

Option 1 - Adopt Officers Recommendation

Option 2 - Amended Officers Recommendation

The Council has the option to amend individual sections of its current Policy 4/008 ‘Elected Members Entitlements’, and/or the proposed Policy 4/010 ‘Elected Members Travel and Training’.

Option 3 – Do not adopt Officers Recommendation

CONCLUSION

It is recommended that Council adopts the proposed policy 4/010 ‘Elected Members Travel and Training’ to clarify the parameters around the travel and professional development of elected members and amends current policy 4/008 ‘Elected Member Entitlements’ accordingly.

ATTACHMENTS
1. Town of Port Hedland Policy 4/008 ‘Elected Members Entitlements’
2. Proposed Policy 4/010 ‘Elected Members Travel and Training’
3. City of Geraldton travel policy
Policy 4/008 Elected Members Entitlements

4/008 ELECTED MEMBERS ENTITLEMENTS

Policy Objective

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

Policy Content

1. FEES AND ALLOWANCES

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

1.1 Annual Meeting Attendance Fees

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

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

1.2 Mayoral Allowance

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

1.3 Deputy Mayoral Allowance

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

1.4 Information and Communication Technology (ICT)

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

The ICT Allowance is for costs relating to telephone and facsimile usage and other expenses that relate to information and communications technology i.e.
Policy 4/008 Elected Members Entitlements

technical supports, consumables and internet service provider fees (must be of sufficient capability to download Town documents).

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

1.5 Conditions Relating to Payment of Fees and Allowances

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

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

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

1.6 Acting Role

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

2. REIMBURSEMENTS

2.1 Childcare

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

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

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

Elected Members are entitled to be reimbursed for travel costs incurred whilst using their own private vehicle to attend a Council or Committee meeting within the Town of Port Hedland district as per regulation 34 of the Local Government (Administration) Regulations 1995 within the parameters stipulated by the SAT and section 30.5 of the ‘Local Government Officers’ (Western Australia) Interim Award 2011. The reimbursement for the fuel being on a cents per kilometre basis.

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

2.3 Claims Procedure and Time Limit

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

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

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

3. TRAINING, CONFERENCES and EVENTS

3.1 Attendance

Council makes an annual allocation in the Town’s budget to provide the opportunity for Elected Members to participate in appropriate training, conferences and events. Elected Members are permitted to attend these in accordance with this policy up to an amount not exceeding the annual budget allocation per Elected Member without further approval from Council.
Policy 4/008 Elected Members Entitlements

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

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

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

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

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

3.2 Bookings

All bookings associated with Elected Members’ travel will be arranged by a Town’s officer nominated by the Chief Executive Officer and will include:
- Registration fees;
- Travel to and from conference, study, seminars, conventions, etc;
- Accommodation;
- Meals and incidentals where required.

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

All travel while away from Port Hedland will be by taxi, through the use of cab charges provided prior to departure from Port Hedland.
Accommodation is to be arranged at an appropriate standard in reasonable proximity to where the majority of the purpose for the visit is to occur (i.e., hotel where conference is being presented). Should an Elected Member choose not to stay at the relevant hotel, a daily allowance of $100 will be paid in lieu of accommodation.

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

3.3 Bookings changes and cancellations

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

3.4 Rewards Program

Elected Members must not benefit from corporate bookings for travel undertaken in their role as Elected Member that is paid for by the Town of Port Hedland. This includes frequent flyer programs and accommodation loyalty schemes in accordance with the Local Government (Rules of Conduct) Regulations 2007 and the Corruption, Crime and Misconduct Act 2002. Elected Members must not have any personal gain from acting in their role as a representative of the Town of Port Hedland.

3.5 Partners accompanying Elected Members on civic duties

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

4. ITEMS TO BE PROVIDED TO ELECTED MEMBERS

4.1 Corporate Items
Policy 4/008 Elected Members Entitlements

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

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

4.3 Recognition of Elected Members

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

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

4.4 Office of the Mayor

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

- the use of a suitable office;
- access to administrative support with the required allocation to be negotiated with the Chief Executive Officer notwithstanding the points under section 4.1
5. **DISPUTE RESOLUTION**

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

**Definitions**

- **Allowance** – as defined in the Local Government Act 1995
- **Reimbursement** - as defined in the Local Government Act 1995
- **Committee Meeting** – as defined under section 5.98A(7) of the Local Government Act 1995

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4/010 ELECTED MEMBERS TRAVEL AND TRAINING

Policy Objective

The purpose of this policy is to provide clear guidelines to elected members in relation to training and development programs they may access that will enhance and improve the skills necessary to perform their role and function as an elected member. The policy also sets out parameters associated with the booking of travel and accommodation arrangements.

Policy Content

1. Professional Development

1.1 Commitment to professional development

Elected members play an integral leadership role in the development, communication and representation of the Town’s Strategic Plan, policies, and programs. Professional development for elected members contributes towards a positive presentation of Council for the betterment of the organisation and the community.

1.2 Personal development

Elected members are encouraged to identify individual and group personal development needs to enhance their effectiveness. As the needs of individual members may vary, each member is encouraged to seek the assistance of the Chief Executive Officer in analysing his or her particular requirements and in identifying appropriate courses, seminars and training to meet those needs.

1.3 Conferences, seminars, forums or delegations

An elected member who is funded by Council to attend a conference, seminar, forum, delegation or similar event, shall participate as a representative of Council, not as an individual.

Elected members may participate in conferences, seminars, forums, delegations or similar events where it can be demonstrated that attendance will:
Provide information on a contemporary issue, so that Council can contribute to discussion or debate;
- Put forward Council's viewpoint during formation of a collaborative policy, or stance on an issue;
- Meet community expectations that Council representation is necessary for the benefit of the community;
- Provide development to the elected member in his/her role; or
- Provide improvements to the built, social, economic and natural well-being of the community.

1.4 Funding

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

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

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

To maximise the effectiveness of allocated resources, Council will only meet the cost of professional development outlined in this policy, subject to approval of the Mayor or Deputy Mayor.

If a request for professional development cannot be accommodated within the budget allocation the Mayor, in conjunction with the CEO, will determine if additional funding may be available from another area of the budget.
Applications to attend any interstate and overseas conferences, seminars, forums, delegations or similar events under this Policy must be discussed with the Mayor or Deputy Mayor prior to arrangements being made.

1.5 Training Caretaker period and after Local Government Elections

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

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

1.6 Reporting Requirements

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

2. TRAVEL

2.1 Travel within Western Australia

Elected members may attend events within Western Australia during their term of office upon the following conditions:

- The travel falls within the definitions for conference, professional development or delegation;
- Prior approval has been granted by the Mayor or Deputy Mayor as applicable;
- In deciding whether approval is to be granted the Mayor or Deputy Mayor should take into consideration the elected members remaining term of office; and
- There is sufficient budget allocation for the elected members travel.
2.2 Travel outside of Western Australia

Elected members may attend Town Representation events held outside WA and overseas during their term of office upon the following conditions:

- The travel falls within the definitions for conference, professional development or delegation;
- An item has been presented to Council specifying:
  - the benefit to the Town of the attendance at the conference, professional development or delegation;
  - whether, if applicable, there is a necessity to send more than one elected member; and
  - whether the information to be discussed at the conference or professional development can be sourced from within Western Australia.
- Approval has been granted by Council resolution;
- There is sufficient budget allocation for the elected members travel.

3. General conditions of travel

3.1 Bookings

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

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

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

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

Accommodation is to be arranged at an appropriate standard in reasonable proximity to where the majority of the purpose for the visit is to occur (i.e. hotel where conference is being presented). Should an Elected Member choose not to stay at the relevant hotel, a daily allowance of $100 will be paid in lieu of accommodation.
In the eventuality that meals are not provided at the accommodation, training session or conference, Elected Members will be given an allowance as prescribed by the Australian Taxation Office in Taxation Determinations as amended from time to time.

3.2 Bookings changes and cancellations

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

3.3 Rewards Program

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

3.4 Partners accompanying Elected Members on civic duties

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

4. Dispute Resolution

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

5.1 Travel

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

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

5.2 Claims Procedure and Time Limit

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

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

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

Definitions

“Allowance” – as defined in the Local Government Act 1995
“Reimbursement” - as defined in the Local Government Act 1995
“Committee Meeting” – as defined under section 5.98A(7) of the Local Government Act 1995
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ATTACHMENT 3 TO ITEM 14.1

City of Greater Geraldton

4.1 ELECTED MEMBER TRAINING & TRAVEL

SUSTAINABILITY THEME

Governance

OBJECTIVES

The purpose of this policy is to provide clear guidelines to elected members:

- wishing to access any training and development programs that may enhance and improve the skills necessary to perform their role and function as an elected member.
- for travel and accommodation arrangements when required to travel on City business.

POLICY STATEMENT

This policy provides a framework to all Elected Members on training, professional development and travel related to City Representation, for the benefit of Council and the community.

POLICY DETAILS

1. Professional Development

   1.1. Commitment to professional development

   1.1.1. As the public face of Council and as community representatives, elected members play an integral leadership role in the processes for the development, communication and representation of the Council Strategic Plan and Council’s policies, strategies and programs.

   1.1.2. Professional development for elected members contributes towards a positive presentation of Council for the betterment of the organisation and the community.

   1.1.3. Council will allocate funds through its budget process to meet approved professional development needs of elected members.

1.2. Personal development

   1.2.1. Elected members are encouraged to identify individual and group personal development needs to enhance their effectiveness. As the needs of individual members may vary, each member is encouraged to seek the assistance of the Chief Executive Officer in analysing his or her particular requirements and in identifying appropriate courses, seminars and training to meet those needs.

1.3. Conferences, seminars, forums or delegations

   1.3.1. An elected member who is funded by Council to attend a conference, seminar, forum, delegation or similar event, shall participate as a representative of Council, not as an individual.

v.1 - 24 January 2017
1.3.2. Elected members may participate in conferences, seminars, forums, delegations or similar events where it can be demonstrated that attendance will:

- Provide information on a contemporary issue, so that Council can contribute to discussion or debate;
- Put forward Council's viewpoint during formation of a collaborative policy, or stance on an issue;
- Meet community expectations that Council representation is necessary for the benefit of the community;
- Provide development to the elected member in his/her role; or
- Provide improvements to the built, social, economic and natural well-being of the community.

1.4. Funding for Professional Development

Council will allocate funds for professional development during the budget process each year to provide for the professional development of elected members.

1.5. Applications for professional development funding

1.5.1. To maximise the effectiveness of allocated resources, Council will only meet the cost of professional development outlined in this policy, subject to approval of the Mayor or Deputy Mayor.

1.5.2. An elected member is required to complete the attached form (Appendix 3) to facilitate participation in professional development.

1.5.3. If a request for professional development cannot be accommodated within the budget allocation the Mayor, in conjunction with the CEO, will determine if additional funding may be available from another area of the budget.

1.5.4. Applications to attend any interstate and overseas conferences, seminars, forums, delegations or similar events under this Policy must be discussed with the Mayor or Deputy Mayor prior to arrangements being made.

1.6. Travel and Accommodation while attending professional development

Travel and accommodation expenses incurred as part of attending professional development activities must be in accordance with Section 2 of this policy - Travel and Accommodation.

2. Travel and Accommodation

2.1. Travel within Western Australia

Elected members may attend City Representation events within Western Australia during their term of office upon the following conditions:

2.1.1. The travel falls within the definitions for conference, professional development or delegation;

2.1.2. Prior approval has been granted by the Mayor or Deputy Mayor as applicable;

v.1 - 24 January 2017
2.1.3. In deciding whether approval is to be granted the Mayor or Deputy Mayor should take into consideration the elected members remaining term of office; and

2.1.4. There is sufficient budget allocation for the elected members travel.

2.2. **Travel outside of Western Australia**

Elected members may attend City Representation events held outside WA and overseas during their term of office upon the following conditions:

2.2.1. The travel falls within the definitions for conference, professional development or delegation;

2.2.2. An item has been presented to Council specifying:

   - the benefit to the City of the attendance at the conference, professional development or delegation;
   - whether, if applicable, there is a necessity to send more than one elected member; and
   - whether the information to be discussed at the conference or professional development can be sourced from within Western Australia.

2.2.3. Approval has been granted by Council resolution;

2.2.4. There is sufficient budget allocation for the elected members travel.

2.3. **General conditions of travel**

2.3.1. **Bookings**

Approved travel and accommodation will be booked by the Office of the Chief Executive Officer upon the completion of a form titled "Request for travel booking". This will allow the City to take advantage of any discounts offered. Travel requests should be provided at least one month before travel to allow adequate time for bookings to be made.

2.3.2. **Travel**

2.3.2.1. The cost of air travel to and from destinations is to be by the shortest most practical route unless additional travel is contemplated before or after a conference.

2.3.2.2. Elected members who include travel other than that referred to in 2.3.2.1, as part of the entire journey and the additional travel is unrelated to the approved travel, must pay the costs of this additional travel from personal funds.

2.3.2.3. Air travel will be booked as economy class on the most economical flight. The cost of any upgrade to business class shall be paid from the elected members personal funds.

2.3.2.4. The Mayor shall have the authority to assess special, medical or extenuating circumstances and approve business travel. Such requests must be in writing and supported by appropriate evidence.

2.3.2.5. Hire cars may be booked only if required to meet the reasonable travel requirements of the conference or professional development.
2.3.2.6. Taxi fares for reasonable travel requirements relevant to the conference and/or Council Business:
   - will be reimbursed upon return on the production of receipts to verify the expense; or
   - can be paid with Cabcharge card or vouchers issued to the elected member prior to departure.

2.3.2.7. Elected members, who use their private vehicle for conference travel, will be reimbursed for vehicle costs in accordance with the Public Service Award Motor Vehicle Allowance to a maximum amount equivalent to what it would have cost to travel by air.

2.3.2.8. As part of the City’s Business Travel Insurance Policy, any travel insurance for Elected Members or their spouses is provided for as part of that certificate of currency.

2.3.3. Accommodation

   Accommodation will be booked, where practicable, at the associated venue or, if unavailable, at premises in close proximity to the venue. Bookings will include accommodation the night before and/or after the event where necessary because of travel, airline flights and/or event timetables.

2.3.4. Meal and Incidental

   2.3.4.1. The City will pay for reasonable costs of meal and incidentals. Such expenses which will be paid or reimbursed by the City include:
   - Taxi, train, bus and tram fares to/from the airport and the venue;
   - Vehicle hire, petrol and parking fees;
   - Breakasts, lunches, dinners not included in the registration fee;
   - Reasonable telephone, facsimile and internet charges;
   - Optional activities related to the conference/training; and
   - Laundry and dry cleaning if the stay is for more than three days.

   2.3.4.2. The City will not pay for or reimburse:
   - Mini bar expenses;
   - Entertainment costs not associated with those scheduled as part of the City Representation event.
   - Any expenses associated with matters other than those attended to while attending the City Representation event.

2.3.5. Accompanying persons

   2.3.5.1. A partner or spouse may accompany an elected member to a City Representation event.

   2.3.5.2. All expenses incurred by the accompanying person are to be paid by the accompanying person or elected member, except the following which will be paid or reimbursed by the City:
• Official conference meals;
• Accommodation provided there is not increase in accommodation costs arising from the elected member attending the event on their own.

2.3.5.3. Where the City meets an account containing any expenditure of cost incurred on behalf of an accompanying person attending, such expenditure must be repaid to the City by the elected member /accompanying person within 30 days of being invoiced for such expenditure.

3. Workplace Information

Following participation in an event covered by section 1 or a City Representation event of more than 2 days' duration covered in section 2 (excluding Local Government Week):

3.1. The elected member(s) is expected to submit an individual or composite report (where approval has been granted for more than one member to attend) for inclusion in the “Reports to be Received” in the next Council Agenda, within 30 days of attendance.

3.2. The report should document;
• the program and major points of interest to the city;
• whether the objectives of the participation were met;
• the benefits to the elected member, council and the community; and
• the value of future attendance or representation by council at similar events.

3.3. All conference and training papers remain the property of the City.

KEY TERM DEFINITIONS

Conference means conferences, seminars, congresses, forums, workshops, study tours, delegations and events relevant to the role of a councillor.
Professional Development means personal development such as undergraduate and post graduate studies, short courses, study tours, conferences, seminars, forums, or similar events that will assist a councillor in their broad civic leadership role.
Delegation means any formal group visit, authorised by Council, to an external organisation representing the City of Greater Geraldton.
The Terms “Conference, Professional Development and Delegation” are collectively used in this policy under the term “City Representation”.

WORKPLACE INFORMATION

Local Government Act 1995
City of Greater Geraldton - Code of Conduct for Elected Members and Committee Members

ROLES AND RESPONSIBILITIES

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v.1 - 24 January 2017
Appendix 3:
Application Form
Elected Member Professional Development

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Name of professional development event*: .........................................................
..........................................................................................................................

Date/s: ........................................ Location: ..................................................
..........................................................................................................................

Cost: $ ........................................

* Attach any information, flyer etc. you may have

How will participation in this professional development event meet the criteria# in Council’s policy?
..........................................................................................................................
..........................................................................................................................
..........................................................................................................................

# For criteria refer to Elected Member Training & Travel Policy.

Signed .................................................................

Date of Application: ........................................

OFFICE USE ONLY

Budget Allocation Available: $ ........................................

Ledger No: ..........................................................

Does the request for professional development meet the criteria in Council’s Elected Member Training & Travel Policy? Yes / No

Professional Development Approved: Yes / No

Signed: ..................................................

Mayor/Deputy Mayor

v.1 - 24 January 2017
Item 15  New Business of an Urgent Nature

15.1 2017/18 Budget Review for the period ended 30 September 2017

15.2 Statement of Financial Activity for the periods ended 31 October and 30 November 2017

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

16.1 CEO’s Performance Review (Late Item)

16.2 Review of 2017 North West Festival and Approval of 2018 Event (Late Item)

Item 17  Closure

17.1 Date of Next Meeting

The next Ordinary Meeting of Council will be held on Wednesday 24 January 2017, commencing at 5:30pm, with the Public Agenda Briefing being held on Wednesday 17 January 2017, commencing at 5:30pm.

17.2 Closure

There being no further business, the Mayor declared the meeting closed at __pm.