



AGENDA

Dear Mayor and Councillors,

I respectfully advise that an **ORDINARY COUNCIL MEETING** be held in the **Civic Centre Chambers 13 McGregor Street, PORT HEDLAND WA 6721**, on **Wednesday 29 May 2024**, commencing at **5:30pm**.

MEETING AGENDA ATTACHED

Yours faithfully

Lee Furness
A/Chief Executive Officer
24 May 2024

DISCLAIMER

No responsibility whatsoever is implied or accepted by the Town of Port Hedland for any act, omission, statement, or intimation occurring during Council Meetings. The Town of Port Hedland disclaims any liability for any loss whatsoever and howsoever caused arising out of reliance by any person or legal entity on any such act, omission, and statement of intimation occurring during Council Meetings.

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DISCLOSURE OF FINANCIAL/ IMPARTIALITY/ PROXIMITY INTERESTS

Local Government Act 1995 – Section 5.65, 5.70 and 5.71

Local Government (Model Code of Conduct) Regulations 2021

<i>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 (Model Code of Conduct) Regulations 2021</i>			
Name			
Position			
Date of Meeting			
Type of Meeting (Please circle one)	Council Meeting/ Committee Meeting/ Special Council Meeting Workshop/ Public Agenda Briefing/ Confidential Briefing		
Interest Disclosed			
Item Number and Title			
Nature of Interest			
Type of Interest (please circle one)	Financial	Proximity	Impartiality
Interest Disclosed			
Item Number and Title			
Nature of Interest			
Type of Interest (please circle one)	Financial	Proximity	Impartiality

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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1 Opening of Meeting

The Presiding Member is to declare the meeting open at 5:30 pm.

2 Acknowledgement of Traditional Owners and Dignitaries

The Presiding Member acknowledges the Kariyarra people as the Traditional Custodians of the land that we are meeting on and recognises their strength and resilience and pays respect to elders past, present and emerging.

3 Recording of Attendance

Important note: This meeting is being live-streamed and audio recorded to facilitate community participation and for minute-taking purposes, which may be released upon request to third parties. In accordance with Section 6.16 of the Town of Port Hedland Local Law on Standing Orders members of the public are not permitted to 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 Standing Orders Local Law mobile telephones must be switched off and not used during the meeting.

3.1 Attendance

Scheduled Present:

Mayor Peter Carter
Deputy Mayor Ash Christensen
Cr Sven Arentz
Cr Camilo Blanco
Cr Lorraine Butson
Cr Ambika Rebello
Cr Adrian McRae

Scheduled for Attendance:

Lee Furness (A/Chief Executive Officer)
Steve Leeson (Director Corporate Services)
Louise Gee (Interim Director Community Services)
Chaz Roberts (A/Director Regulatory Services)
Grant Voss (A/Director Infrastructure Services)
Tom Kettle (Manager Governance)
Maree Cutler-Naroba (Senior Governance Advisor)
Karen Krollig (Governance Officer)
Rhiannon Smith (Governance Support Officer)
Belinda Yull (Governance Support Officer)

3.2 Attendance by Telephone / Instantaneous Communications

3.3 Apologies

3.4 Approved Leave of Absence

Cr Tim Turner

3.5 Disclosures of Interest

Name	Item No	Interest	Nature

4 Applications for Leave of Absence

OFFICER’S RECOMMENDATION

That Council approve the application of leave of absence for Cr Flo Bennett for the period 13 May until 22 June 2024.

SIMPLE MAJORITY VOTE REQUIRED

5 Response to Previous Questions

5.1 Response to Questions taken on notice from Public at the Council Meeting held on 24 April 2024

5.1.1	Merryn Browning
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Councillor Blanco, just after the council meeting resumed on Monday night from the last and very long recess that Cr Christensen requested to talk to the governance team, you revoked the foreshadowed motion. Can you answer why is that?

Cr Blanco provided the following response:

I lodged the foreshadowed motion and when it came to discussing the foreshadowed motion, the administration were trying to call their lawyers to get advice on whether the motion was acceptable or not. We waited a while but could not get hold of any lawyers, so I said that I wasn't going to stay here all night long for advice, so I retracted the motion otherwise we might have been here all night.

The Manager Governance provided the following further response:

The purpose of the recent Special Council Meeting (SCM) was 'to consider a motion of no confidence in Cr Adrian McRae'. At the SCM a Councillor foreshadowed an alternate motion, 'to consider a motion of no confidence in the Mayor.' The administration advised that this did not align with the purpose of the meeting and the foreshadowed motion was withdrawn.

In response to the query as to whether this motion may have been considered within the context of the SCM:

Section 5.3(1) of the Local Government Act 1995 (LG Act) provides that a council is to hold ordinary meetings and may hold special meetings. Under section 5.4 an ordinary or special meeting of council is to be held:

- (a) if called for by either —
 - (i) the mayor or president; or
 - (ii) at least 1/3 of the councillors, in a notice to the CEO setting out the date and purpose of the proposed meeting; or
- (b) if so decided by the council.

Section 5.5(2) provides that the CEO is to convene a special meeting by giving each council member notice, before the meeting, of the date, time, place and purpose of the meeting. Section 5.25(1)(a) provides that regulations may make provision in relation to the matters to be dealt with at ordinary or special meetings of council.

Reg. 5 of the Local Government (Administration) Regulations 1996 (Administration Regulations) requires time to be allocated at every special meeting of council for questions to be raised by members of the public and responded to. Under reg. 7(3) each member of the public who wishes to ask a question is to be given an equal and fair opportunity to ask the question and receive a response. However, reg. 7(4) further provides that nothing in reg. 7(3)(b) requires a council at a special meeting to answer a question that does not relate to the purpose of the meeting. Where a special meeting is called, and the meeting is to be open to the public, then under reg. 12(4) the CEO must publish the meeting details for the meeting and the purpose of the meeting on the local government's website.

Whilst the provision made in the Administration Regulations as discussed above does tend to suggest a legislative intention that a special meeting only deal with matters relating to the purpose of the meeting (given the provision in reg. 7(4) particularly), the Administration Regulations presently do not make provision under section 5.25(1)(a) as to matters to be dealt with at ordinary or special meetings of council.

The conduct of council meetings, including special meetings, is also dealt with by the Town's Standing Orders Local Law 2014 (Standing Orders). Clause 3.1(3) of the Standing Orders provides:

(3) A special meeting of the council is held for the purpose of considering and dealing with council business that is urgent, complex in nature, for a particular purpose or confidential.

The provision in cl. 3.1(3) reflects the apparent legislative intent expressed in the LG Act and Administration Regulations that a SCM be called for a specific purpose and deal only with that purpose.

Clause 5.1(2) of the Standing Order further provides:

(2) No business is to be transacted at a special meeting of the council other than that given in the notice as the purpose of the meeting.

Clause 5.1(2) thus precludes any business being transacted at a SCM other than the matter(s) given in the notice as the purpose of the SCM.

In summary, the alternative motion 'to consider a motion of no confidence in the Mayor' could not have been considered at the SCM as it would have constituted business other than that given in the notice as the purpose of the meeting (which was 'to consider a motion of no confidence in Cr Adrian McRae'), the consideration of which would have contravened cl. 5.1(2) of the Standing Orders.

5.1.2	Roger Higgins
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I would like to ask the Mayor why is it that whenever he opens meetings here, he continues to pay homage to a group of people that have no authority over any of us here? Why are we not acknowledging the authority of the King and the Governor General with respect to Australia? Why do we continue this practice of paying homage to a group of people who have no authority here whatsoever?

The Mayor provided the following response:

Taken on notice.

The Interim Director Community Services provided the following response:

Acknowledgment of Traditional Owners at Item 2 of the meeting agenda is set by Council Policy 1/017 Order of Business for Council and Committee Meetings. Action 2.1 Town of Port Hedland Innovate Reconciliation Action Plan 2016-2019 and outcome 1.1 of the draft Ngalikuru Kuma-Marri Plan support the use of 'Welcome' and 'Acknowledgement' statements at all Council formal events. There are no statutory requirements relating to the acknowledgement of an authority for Council Meetings, however the Town observes these protocols where required (eg. Citizenship Ceremonies and Chamber portraits).

5.1.3	Lee Gibbs
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Referring to the Special Council Meeting also. How much did that cost the Town of Port Hedland?

The CEO provided the following response:

It is not something we would have readily at hand. The cost of the officers' time, the operation of the building for the time the meeting took place and the security.

The Director Corporate Services provided the following further information:

A simple estimate based on hourly rates and nominal sums would be circa \$5,000. Although not all staff are paid an hourly rate, rather an annual salary for the service provided.

5.1.4	Renae Coles
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Currently on the Towns website we have meeting strategies sitting in place. I've pulled up Transient Workforce for Accommodation(TWA) Strategy October

2014, Arts and Culture 2019-2022, the Pilbara Ports City Growth Plan and the Pilbara Ports City Information Plan - When are our plans going to start to be updated on the website, looked at and be processed through council rather than all the audacity that seems to be happening? When will we go back to business as usual and when can we see updated versions? If they are not required, when can they be removed?

The CEO provided the following response:

I am happy to take those on administratively and look at those reports and if it is appropriate to remove them then I will remove them.

The Director Regulatory Services provided the following further response:

The TWA strategy was rescinded when the LPP/05 – Workforce Accommodation was adopted, which was 16 December 2020.

The Port City Growth Plan and Implementation Plan was replaced by the Local Planning Strategy which was endorsed by the Western Australian Planning Commission on 13 May 2021.

Arrangements have been made to remove these documents from the Town’s website.

The Arts and Culture 2019-2022 Plan has been replaced with the Arts & Culture Plan 2023-27 which was adopted by Council on 30 August 2023. Arrangements have been made to remove this document from the Town's website. *(Note from Governance: older versions of plans have been removed from the Town’s website at this time)*

5.2 Response to Questions taken on notice from Elected Member from the Ordinary Council Meeting held on 24 April 2024

5.2.1	Cr Blanco
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We received a letter from the DLGSC in relation to the suspension of the council stating that there was no report done into the suspension. Can I get the administration to send them this question? Considering that Perenjori and Port Hedland were suspended at the same time, the quorum was lost and that's why the council was dissolved - both of them at the same time. Perenjori did get a report into the suspension - so I need to know why Port Hedland did not receive a report, and Perenjori did. The suspension cost us hundreds of thousands of dollars, may have been over a couple of million.

The Mayor provided the following response:

Taken on notice.

The Manager Governance provided the following further response:

The DLGSC letter dated 18 March 2024 states, 'During that period, at no time was the Town subject of an Authorised Inquiry under section 8.3 of the Act 1995, nor was any person authorised to inquire into the Town’s operations and affairs under the Act. On this basis, no Authorised Inquiry report was produced that would otherwise be required under section 8.13 of the Act.' The Shire of Perenjori did have an Authorised Inquiry under section 8.3 of the Act and therefore a report under section 8.13 of the Act was required.

5.2.2	Cr Arentz
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I have a question concerning a tender RFT2122-07 for the Pressure Force Cleaning contract, the two-parter. Has that been extended - by my calculations it should have ended in February?

The Director Infrastructure Services provided the following response:

I think it had some extensions; we will clarify that.

The Executive team member provided the following further response:

RFT2122-07 – Part A – Stadium, Gratwick Pool, SHAC and JD Hardie cleaning services

- The contract commenced on 1 February 2022.
- The initial term of the contract is two (2) years, expiring on 31 January 2024. In addition, two extension periods of 12 months (1+1) apply to the contract.
- On 31 January 2024, a one-year option was exercised, and is set to expire on 31 January 2025.

RFT2122-07 – Part B – Civic Centre, Depot, Landfill, Matt Dann, Libraries, Catamore cleaning services.

- The contract commenced on 1 February 2022.
- The initial term of the contract is two (2) years, expiring on 31 January 2024. In addition, two extension periods of 12 months (1+1) apply to the contract.
- On 31 January 2024, a one-year option was exercised, and is set to expire on 31 January 2025.

5.3 Response to Questions taken on notice from Elected Member from the Special Council Meeting held on 22 April 2024

5.3.1

Cr Blanco

I want to get some clarification on the validity of the motion of no confidence, considering that you were in another country, when the motion was signed. I want to know who wrote the motion up and was your digital signature used? I'll quote the sections of the Local Government Act that will be relevant in this. In performing the function of calling a Special Meeting, you've used your executive powers granted by section 3.19(1)(b). It states that those powers can only be used in the part of the state that has been approved by the governor to perform the function. So, the function of council is to govern the affairs of the Town of Port Hedland and this council. I want to clarify if this is actually legal and I want the administration to get a detailed answer – I've given you the section that relates to this.

The Mayor provided the following response:

Taken on notice.

The Manager Governance provided the following further response:

Section 5.4(a)(i) permits a Special Council Meeting to be called by the Mayor in a notice to the CEO setting out the date and purpose of the proposed meeting. Section 5.4 does not require that such a notice be signed by the Mayor in any particular location (such as within the district or within Western Australia). Rather the only procedural requirement imposed is that the Mayor give a notice to the CEO setting out the date and purpose of the proposed meeting. That procedural requirement could be met if the notice was signed by the Mayor in another country, provided it was given to the CEO and contained the required details of the meeting.

Section 3.19 is not relevant to the present question as it makes provision as to what places are to be regarded as within the district of a local government for the purposes of the performance of a local government's executive functions. Section 5.4 does not relate to the performance of a local government's executive functions – rather it imposes procedural requirements on the manner in which the Mayor (or council) may call a meeting of council. Section 3.19 does not limit the performance of functions of the Mayor (in this case) that are separately addressed in other provisions of the LG Act. For instance, the Mayor could perform a function under the LG Act such as speaking on behalf of the local government (s. 2.8(1)(d)), despite the fact the Mayor was not physically present in the district of the Town at the time of performing that function.

In summary, a special meeting notice signed in another country would be valid if it otherwise met the requirements under section 5.4(a)(i), namely it was a notice to the CEO that set out the date and purpose of the proposed meeting.

6 Public Time

Important note:

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.

If the Presiding Member determines that questions and statements are out of order due to the use of an offensive or objectionable expression or are defamatory, they will not be recorded or responded to.

6.1 Public Question Time

6.2 Public Statement Time

6.3 Petitions / Deputations / Presentations / Submissions

Nil

7 Questions from Members without Notice

8 Announcements by Presiding Member without Discussion

The Mayor's meetings for the month of April 2024.

DATE	MEETING DETAIL
02/04/2024	Media interview: Rose Nowes Expansion & GP Services Review
16/04/2024	Regional Capitals Australia Board Meeting
18/04/2024	Hedland Senior High School ANZAC Day Service
18/04/2024	WALGA Pilbara Country Zone Meeting
19/04/2024	RCAWA Meeting
19/04/2024	Ilukas Kitchen Opening
22/04/2024	Special Council Meeting
23/04/2024	Official opening of Pundulmurra Campus
24/04/2024	April Ordinary Council Meeting
25/04/2024	ANZAC Day Dawn Service
30/04/2024	Triple M – Talk of the Town Radio Segment
30/04/2024	Attendance at the International Public Works Conference in Melbourne

9 Declarations of All Members to have given due consideration to all matters contained in the Business Paper before the Meeting

10 Confirmation of Minutes of Previous Meeting

OFFICER'S RECOMMENDATION

That Council confirm that the Minutes of the Special Council Meeting held on 13 March 2024 are a true and correct record.

SIMPLE MAJORITY VOTE REQUIRED

OFFICER'S RECOMMENDATION

That Council confirm that the Minutes of the Special Council Meeting held on 22 April 2024 are a true and correct record.

SIMPLE MAJORITY VOTE REQUIRED

OFFICER'S RECOMMENDATION

That Council confirm that the Minutes of the Ordinary Council Meeting held on 24 April 2024 are a true and correct record.

SIMPLE MAJORITY VOTE REQUIRED

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.

11 Reports of Committees

11.1 Audit, Risk and Compliance Committee

Nil

12 Reports of Officers

12.1 Corporate Services

12.1.1 2024-2025 Notice of Intention to Levy Differential Rates

Author: Director Corporate Services

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’S RECOMMENDATION

That Council:

- 1. Pursuant to section 6.36(3A) of the Local Government Act 1995, endorse the proposed Statement of Objects and Reasons for Differential Rates 2024-2025 as per Attachment 1.**
- 2. Pursuant to section 6.36(1) of the Local Government Act 1995, gives local public notice and invite submissions on its intention to impose the following differential general rates and minimum payments:**

Differential Rate Category	No. Properties	Proposed Rate in \$ Minimum Charge	Valuations	Estimated Rates Revenue \$
GRV Residential	5,584	0.070350	188,241,780	13,242,809
GRV Commercial / Industrial	583	0.094049	64,403,091	6,057,014
GRV Accommodation	19	0.139650	18,538,140	2,588,851
UV Pastoral / Other	18	0.126000	2,276,739	286,869
UV Mining	457	0.229718	218,830,016	50,269,259
Subtotal	6,661		492,289,766	72,444,803
Minimum Rates				
GRV Residential	704	1,300	10,443,704	915,200
GRV Commercial/ Industrial	160	1,900	1,608,534	304,000
GRV Accommodation	-	1,900	-	-
UV Pastoral	4	1,900	14,200	7,600
UV Mining	94	250	60,538	23,500
Subtotal	962			1,250,300
Total	7,623			73,695,103

SIMPLE MAJORITY VOTE REQUIRED

PURPOSE

For Council to consider the proposed differential rating model for 2024-2025 for the purpose of advertising and seeking public submissions, including:

- Objects and Reasons for Differential Rates; and
- Rate in the dollar charges and minimum amounts per differential rating category.

DETAIL

Local governments impose rates on the properties within their district to raise revenue to fund the services and facilities provided to residents and visitors.

Landgate determines all property valuations used to calculate property rates, either on a gross rental valuation (GRV) or unimproved valuation (UV) basis according to land use category. Landgate undertakes its property revaluation processes on a three-year cycle. 2024-2025 will be the third and final year of the current valuation period.

At the 27 March 2024 ordinary council meeting, a revised rating strategy proposed for implementation from 2024-2025 was endorsed for local advertising and consultation. The draft retained the previous six (6) differential rating categories to appropriately define the occupation and use of land throughout the district. It also proposed that new developments which become rateable and grow the Town's capacity to raise rates revenue, within the:

- Boodarie Strategic Industrial Area,
- Lumsden Point,
- Both new developments in Wedgefield (Hedland Junction) and Kingsford Smith Business Park; and
- New major UV mining.

Their rating revenues be directed towards funding the Towns forward new capital works program requirements via the Strategic Reserve.

The main objectives of the proposed 2024-2025 rates model presented are:

- That properties are rated according to predominant land use with consideration given to the Town Planning Scheme zones and applied when applicable, with each category having a separate calculated rate in the dollar and established minimum rates to achieve greater equity across all sectors and ensuring a minimum base level contribution.

**Due to the small number of properties within the 2023-2024 UV Other category, being mostly telecommunication infrastructure, these have been merged with pastoral into a single category.*

- Raise sufficient yield to maintain current and additional services, future infrastructure growth & renewal to meet community expectations, as outlined in the adopted Strategic Community Plan 2022-2032.
- Maintain the distribution of rating burden considering objective, fair and equitable standards.
- Provide a level of certainty and consistency for ratepayers with a fair & stable view to long-term rates modelling, while providing financial sustainability for the Town of Port Hedland.
- Set average increase in rates at:
 - residential \$2 per week (5%) / prior year (-5%), and
 - commercial \$8 per week (5%) / prior year (-0.2%).

The Town’s Pensioner Rates Cap Gap, which was set to expire in 2023-2024, has been continued into 2024-25. It provides further relief to eligible pensioners after the application of State entitled rebates, equal to 50% of their remaining rate charges.

The following table outlines the proposed differential general rates and minimum charges, proposed to be advertised for the 2024-2025 financial year. The proposed rate model is expected to yield \$73,695,103 (prior to concession applications) estimated at \$220,000, of which \$1,254,694 is proposed to be quarantined and transferred into the strategic reserve.

Differential Rate Category	No. Properties	Proposed Rate in \$ Minimum Charge	Valuations	Estimated Rates Revenue \$
GRV Residential	5,584	0.070350	188,241,780	13,242,809
GRV Commercial / Industrial	583	0.094049	64,403,091	6,057,014
GRV Accommodation	19	0.139650	18,538,140	2,588,851
UV Pastoral / Other	18	0.126000	2,276,739	286,869
UV Mining	457	0.229718	218,830,016	50,269,259
Subtotal	6,661		492,289,766	72,444,803
Minimum Rates				
GRV Residential	704	1,300	10,443,704	915,200
GRV Commercial/ Industrial	160	1,900	1,608,534	304,000
GRV Accommodation	-	1,900	-	-
UV Pastoral	4	1,900	14,200	7,600
UV Mining	94	250	60,538	23,500
Subtotal	962			1,250,300
Total	7,623			73,695,103
Concessions				220,000
Amount Quarantined and Transferred to Reserve				1,254,694
Net Rating				72,220,409

LEVEL OF SIGNIFICANCE

In accordance with Policy 4/009 'Significant Decision Making', this matter is of high significance, because:

- Significant - A decision that will significantly affect the capacity of the Council to carry out any activity identified in the strategic plan.
- Significant - The matter will have implications for the present and future social, economic, environmental, and cultural well-being of Port Hedland.

CONSULTATION

Internal

- Several workshops have been conducted, with the Executive Leadership Team and with the Council to consider budget direction, strategies and rating.

External Agencies

- Relevant information received and reviewed for valuation (GRV & UV) purpose has been obtained from:
 - Landgate
 - Port Hedland Port Authority
 - Department of Mines, Industry regulation & Safety
 - Department of Local Government, Sports and Cultural Industries

Community

- Submissions will be sought from ratepayers via state-wide and local public notices.
- Individual letters of consultation will be sent out to ratepayers whose differential category has less than 30 rateable properties.

LEGISLATION AND POLICY CONSIDERATIONS

- Existing policy 2/004 Rating.
- Section 6.33 of the Local Government Act 1995 (the Act) provides local governments with the option of implementing differential rates. It is proposed that the Town's rating will continue to be based upon differing land use.
- Section 6.36 of the Act requires local public notice of the intention to levy differential rating.
- Section 6.36 of the Act, local governments are required to give a minimum period of 21 days' notice of the proposed differential general rates and minimum rates to consider any submissions received.
Once public submissions have been considered and rates are set, there may be a requirement to seek Ministerial approval of Differential Rates, where;
 - The imposition of a differential general rate which is more than twice the lowest differential general rate imposed by a local government; and

- A minimum rate on vacant land that does not comply with legislative provisions.
The proposed 2024-2025 rating model meets all legislative criteria and does not require ministerial approval.
- Department of Local Government, Sport and Cultural Industries Rating Policy: Differential Rates recommends if there are fewer than thirty ratepayers who will be subject to the differential general rate, each affected ratepayer has been informed in writing by the local government.

FINANCIAL AND RESOURCE IMPLICATIONS

The strategic outcomes being considered are:

1. The current approach to rating becomes the base model for apportioning the Towns annual rating requirements.
2. That new developments which become rateable and grow the Town's capacity to raise rates revenue, within the:
 - Boodarie Strategic Industrial Area,
 - New developments in Wedgefield (Hedland Junction), Kingsford Smith and Business Park,
 - Lumsden Point, and
 - New major UV mining.

Their rating revenues be directed towards funding the Towns forward new capital works program requirements via the Strategic Reserve (Proposed Rating Strategy).

3. The Town's waste services operations and capital requirements is self-funded through a separately applied charge.

STRATEGIC SUSTAINABILITY IMPLICATIONS

Strategic Community Plan

The following section of the Town's Strategic Community Plan 2022-2032 is applicable in considering this item:

Our Leadership: 4.2.1 Sound long-term financial planning is implemented.

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

Access and Inclusion

The following outcomes of the Town's *Access and Inclusion Plan 2023-2026* apply in relation to this item:

- Outcome 3 – Accessible Information
- Outcome 4 – Quality of Service
- Outcome 5 – Opportunities for Feedback
- Outcome 6 – Public Consultation

Corporate Business Plan

The following service of the Town’s *Corporate Business Plan 2023-2027* apply in relation to this item:

Our Corporate Services:

Strategic and Corporate Planning - Planning for the future (Integrated Planning and Reporting): community vision, clear strategic direction and financial sustainability.

RISK MANAGEMENT CONSIDERATIONS

Risk Type	Operational
Risk Category	Financial
Cause	Revenue requirements to support operations and fund new and renewal capital works
Effect (Consequence)	Financial Sustainability
Risk Treatment	Review annually
<p>There is a Strategic risk associated with this item caused by the need to maintain the Town’s long-term financial sustainability whilst providing services, maintaining community facilities and delivering new infrastructure, which requires significant revenue requirements.</p> <p>The risk rating is considered Medium (6) determined by a likelihood of Possible (3) and a result of Moderate (3).</p> <p>This risk will be mitigated by the identifying purpose and approach towards rating requirements that provide a clear indication to the community and ratepayers on future rating.</p>	

OPTIONS

- Option 1 – Adopt officer’s recommendation
- Option 2 – Amend officer’s recommendation
- Option 3 – Do not adopt officer’s recommendation

CONCLUSION

The proposed rating model for 2024-2025 to be advertised for ratepayer and community stakeholder feedback will inform the drafting of the Town’s revised long-term financial plan and annual budget. It is based on the proposed rating strategy 2025-2030 and seeks to establish a dedicated approach towards partially funding the Town’s forward capital works requirements. Feedback will be collated and presented to Council as part of the continued budget preparation workshops ahead of formally adopting the Town’s 2024-2025 annual budget.

ATTACHMENTS

1. Statement-of- Objects-and- Reasons- DRAFT VERSION - 3 2024.2025
17.05.2024 [**12.1.1.1** - 12 pages]

12.1.2	Strategic Internal Audit Plan - FY2023-2024 to FY2025-2026
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Author: Senior Audit, Risk & Insurance Advisor
Authorising Officer: Manager Governance
Disclosure of Interest: The Author and Authorising Officer declare that they do not have any conflicts of interest in relation to this item.

OFFICER’S RECOMMENDATION

That Council endorse the proposed amendment to the Three-Year Strategic Internal Audit Plan, as detailed in this report and as per Attachment 1.

SIMPLE MAJORITY VOTE REQUIRED

PURPOSE

The purpose of this report is for Council to consider the proposed amendment to the Strategic 3 Year Internal Audit Plan for FY2023-24.

DETAIL

The Audit, Risk and Compliance Committee (ARC Committee) accepted the Three-Year Strategic Internal Audit Plan for FY2023-24 to FY2025-26 at its meeting held on 08 August 2023.

The Three-Year Strategic Internal Audit Plan is an overarching plan that captures the reviews that will be taken within each financial year within the aforementioned period, with a commitment to conducting three internal audit reviews each financial year throughout the duration of the plan.

Proposed amendment

In the Three-Year Strategic Internal Audit Plan for the Financial Year 2023-24, the initial two audits have been finalised as follows:

- Audit Log Review – Reported to Council on 27 March 2024 through the minutes of the ARC Committee (CM202324/231).
- Regulation 17 Review – The draft report for the Regulation 17 Review is anticipated to be received in May 2024. Once a final report is prepared, it will be presented to the Council.

The third and last audit planned for the Financial Year 2023-24 is the review of Customer Service, Social Media, and Stakeholder Engagement. However, there is a proposal to exchange this audit with the Work, Health & Safety, and Human Resources review, originally scheduled for the Financial Year 2024-25.

The rationale behind the proposed amendment is rooted in the ongoing drafting of the Customer Service Strategy and recent restructuring within the Customer Service department. Consequently, it would be inappropriate to carry out an internal audit review in an area currently undergoing such significant changes. The anticipated implementation and operation of these changes are projected to occur within the Financial Year 2024-25, aligning with the proposed timeline for the review. Switching the Customer Service, Social Media, and Stakeholder Engagement review with the Work, Health & Safety, and Human Resources review has been deemed appropriate, given the absence of significant ongoing changes within that business area.

The proposed adjustment to the scheduling of the Customer Service, Social Media, and Stakeholder Engagement review, along with the Work, Health & Safety, and Human Resources review, will not impact the timing of the legislative reviews outlined in the Three-Year Strategic Internal Audit Plan. Specifically, this pertains to the Regulation 17 review, which has already been completed, and the Regulation 5 review.

A risk-based audit approach was used in selecting the reviews to be carried out over the three-year period. This is an approach that directs audit resources towards areas of the Town's operations that pose the highest risk. It involved assessing risks, prioritising audit activities based on their significance, and focused on high-risk areas where material misstatements, fraud, non-compliance, or operational inefficiencies are more likely to occur. The Town considered this when proposing the amendment to the Internal Auditor's (Paxon Group). Paxon Group reviewed the request and determined that, considering the risk ratings of the respective reviews at the time the Audit Plan was formulated, the proposed amendment does not appear inappropriate.

Paxon Group have amended the Three-Year Strategic Internal Audit Plan, as per attachment 1.

LEVEL OF SIGNIFICANCE

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

Adjustments to the scheduling of audits may impact the timely identification of potential vulnerabilities or compliance issues. The Town has taken this into careful consideration in proposing the amendment to Paxon Group. Paxon Group reviewed the request and concluded that, based on the risk ratings of the respective reviews at the time of devising the Audit Plan, this proposed change does not seem inappropriate.

CONSULTATION

Internal

- Senior Audit, Risk and Insurance Advisor
- Manager Governance
- Director Corporate Services
- Executive Manager Human Resources

External Agencies

- Paxon Group

Community

- Nil

LEGISLATION AND POLICY CONSIDERATIONS

There are no legislative or policy considerations associated with this item.

The proposed change to the Three-Year Strategic Internal Audit Plan has not affected the scheduled legislative reviews, specifically the Regulation 17 and Regulation 5 reviews.

FINANCIAL AND RESOURCE IMPLICATIONS

There are no financial implications associated with this item. The overall cost of the Three-Year Strategic Internal Audit Plan has not been affected.

STRATEGIC SUSTAINABILITY IMPLICATIONS**Strategic Community Plan**

The following section of the Town's *Strategic Community Plan 2022-2032* is applicable in the consideration of this item:

Our Leadership:

4.2.3 Transparent and regular governance reporting and communication to the community is undertaken.

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

Access and Inclusion

The following outcome of the Town's *Access and Inclusion Plan 2023-2026* apply in relation to this item:

Nil

Corporate Business Plan

The following service of the Town's *Corporate Business Plan 2023-2027* apply in relation to this item:

Our Corporate Services:

Audit and Risk Management - Committed to organisation wide risk management principles, systems and processes that ensure consistent, efficient and effective assessment of risk in all planning, decision making and operational processes

RISK MANAGEMENT CONSIDERATIONS

Risk Type	Operational
Risk Category	Compliance
Cause	Insufficient audit planning
Effect (Consequence)	Insufficient audit planning whilst proposing adjustments to an audit plan may result in legislative reviews being conducted beyond the required timeline for completion.
Risk Treatment	<ul style="list-style-type: none"> • The Town's Audit, Risk, and Insurance business unit has conducted an assessment to ascertain whether rearranging the order of the two internal audit reviews would result in any legislative or financial implications for the Town. • The Town's Audit, Risk, and Insurance business unit has forwarded the proposed amendment request to the Paxon Group for evaluation. Paxon Group has reviewed the request in light of the initial risk assessment conducted during the formulation of the plan and has determined that the request is not inappropriate. • The Town's Audit, Risk, and Insurance business unit will continue to oversee the progress of the plan and will report on all internal audit reviews to the Council through the minutes of the ARC Committee meetings. This ensures adequate oversight and keeps the Council informed about the progress and outcome of reviews.
<p>There is an operational, risk associated with this item caused by potential insufficient audit planning leading to legislative reviews being conducted beyond the required timeline for completion.</p> <p>The risk rating is considered to be Medium (6) which is determined by a likelihood of Unlikely (2) and a consequence of Moderate (3).</p> <p>This risk will be mitigated using the treatments outlined above and Council's endorsement of the amendment to the plan.</p>	

OPTIONS

- Option 1 – Adopt officer’s recommendation
- Option 2 – Amend officer’s recommendation
- Option 3 – Do not adopt officer’s recommendation

CONCLUSION

In summary, it is recommended that the Council endorses the proposed amendment to the Three-Year Strategic Internal Audit Plan for FY2023-24, as outlined in this report and Attachment 1. This amendment will not impose any legislative or financial implications on the Town. Instead, it will facilitate the restructuring of two scheduled audits to better align with current organisational priorities and ongoing initiatives.

Failing to adopt the proposed amendment would result in the Customer Service, social media, and Stakeholder Engagement review being carried out as per the original Three-Year Strategic Internal Audit Plan, potentially overlooking the evolving context of these areas undergoing change. It would be more suitable to conduct the review post-implementation of these changes, ensuring that the audit findings and recommendations remain relevant.

ATTACHMENTS

1. 20240429 Final ToPH Strategic Internal Audit Plan v2 (Proposal) [**12.1.2.1** - 11 pages]
2. 20230728 Final ToPH Strategic Internal Audit Plan (Original) [**12.1.2.2** - 11 pages]

12.1.3 Statement of Financial Activity - April 2024**Author:** Senior Financial Accountant**Authorising Officer:** Director Corporate Services**Disclosure of Interest:** The Author and Authorising Officer declare that they do not have any conflicts of interest in relation to this item. At times, they receive payments made in accordance with employment contracts and related Town of Port Hedland policies, which are disclosed in the attachments to this report.**OFFICER'S RECOMMENDATION****That Council:**

- 1. Receive the Statement of Financial Activity and Variance Report for the period ended 30 April 2024 as shown in attachment 1;**
- 2. Note the Accounts paid under delegated authority for the period ended 30 April 2024 as shown in attachment 3;**
- 3. Receive the Purchasing Card statements for the period ended 30 April 2024, as shown in attachments 4 and 5;**
- 4. Receive the Investment Summary Report for the period ended 30 April 2024, as shown in attachment 6;**
- 5. Receive the Capital Project Listing for the period ended 30 April 2024, as shown in attachment 7; and**
- 6. Receive the YTD Budget v Actual Report by Directorate.**

SIMPLE MAJORITY VOTE REQUIRED**PURPOSE**

The purpose of this report is for Council to consider the Statement of Financial Activity for the period ended 30 April 2024. Supplementary information is also presented to Council to provide further information regarding the Town's activities.

DETAIL

The information provided in this report is for the period ended 30 April 2024, with financial results included in Attachment 1. The preparation of the reports has been reviewed towards maintaining compliance with the *Local Government Act 1995 and Financial Management Regulations* that has resulted in a reduction of some information not necessarily required to be prepared on a monthly basis. The Financial

Report for 2022/23 has been audited and confirmed in April 2024, this report relies upon the 2022/23 comparative financial year results.

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

As part of the 2023/2024 original budget, Council adopted the following thresholds as levels of material variances for financial reporting:

- A variance of 10% or \$50,000, whichever is greater, of the Year-to-Date budget of operational and capital expenditure requires explanation.

The opening funding surplus of \$4.4M presented in Year to Date Actual on the Statement of Financial Activity is as per the closing surplus of the audited June 2023 financial statements.

The net current funding position (surplus/(deficit) from the Statement of Financial Activity as at 30 April 2024 is a surplus of \$23.1M. This is due to the practice of raising rates and charges for the full financial year when the rates notices are generated. The YTD surplus of \$10.6M favourable to budget due to reduced YTD spend on employee costs and underspend on plant & equipment and infrastructure payments.

LEVEL OF SIGNIFICANCE

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

- Exception - The proposal or decision is not of a nature or significance that requires engagement.

CONSULTATION

Internal

- *Nil*

External Agencies

- *Nil*

Community

- *Nil*

LEGISLATION AND POLICY CONSIDERATIONS

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

FINANCIAL AND RESOURCE IMPLICATIONS

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

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

Reserves:

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

STRATEGIC SUSTAINABILITY IMPLICATIONS

Strategic Community Plan

The following section of the Town’s *Strategic Community Plan 2022-2032* apply in relation to this item:

Our Leadership:

4.2.2 Transparent and regular financial reporting and communication to the community is undertaken

Access and Inclusion

The following outcome of the Town’s *Access and Inclusion Plan 2023-2026* apply in relation to this item:

Nil

Corporate Business Plan

The following service of the Town’s *Corporate Business Plan 2023-2027* apply in relation to this item:

Our Corporate Services:

Financial Management and Rates - Financial management services compliant with legislation to enable the Town to sustainably provide services to the community

RISK MANAGEMENT CONSIDERATIONS

Risk Type	Operational
Risk Category	Financial
Cause	There is an Operational, risk associated with this item due to a reduction in income or increase in expense throughout the 2023/2024 financial year.
Effect (Consequence)	Could impact on the Town’s ability to meet service levels or asset renewal funding requirements.

Risk Treatment	The Town’s financial activity reports use a materiality threshold to measure, monitor and report on financial performance and position of the Town.
The risk rating is considered to be Medium (6) which is determined by a likelihood of Possible (3) and a consequence of Minor (2).	

OPTIONS

- Option 1 – Adopt officer’s recommendation
- Option 2 – Amend officer’s recommendation
- Option 3 – Do not adopt officer’s recommendation

CONCLUSION

The opening funding surplus of \$ 4.4M presented in YTD Actual on the Statement of Financial Activity, is as per the closing surplus presented in the unaudited financial statements from June 2023. The net current funding position is \$23.1M.

ATTACHMENTS

1. Statement of Financial Activity and Variance Report - April 2024 [**12.1.3.1** - 6 pages]
2. Payments made under Delegated Authority - April 2024 [**12.1.3.2** - 22 pages]
3. Credit card Statements - April 2024 [**12.1.3.3** - 16 pages]
4. Fuel Card Statements - April 2024 [**12.1.3.4** - 6 pages]
5. Investment Summary Report for the period ended 30 April 2024 [**12.1.3.5** - 11 pages]
6. Capital Works Projects Listing as at 30 April [**12.1.3.6** - 9 pages]
7. YTD Budget V Actual by Summary Directorate - April 2024 [**12.1.3.7** - 1 page]

12.1.4 Adoption of Schedule of Fees and Charges for 2024-2025

Author: **Manager Financial Services**

Authorising Officer: **Director Corporate Services**

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

OFFICER’S RECOMMENDATION

That Council:

- 1. Endorse the Fees and Charges as detailed in Attachment 1 for advertising and invite submissions; and**
- 2. Consider any submissions received ahead of the fees and charges becoming effective 1 July 2024.**

ABSOLUTE MAJORITY VOTE REQUIRED

PURPOSE

The purpose of this report is for Council to endorse the Fees and Charges as detailed in Attachment 1 - Draft “Schedule of Fees and Charges 2024-2025”, for advertising prior to becoming effective 1 July 2024.

DETAIL

In accordance with Regulation 5(2) of the Local Government (Financial Management) Regulations 1996, a local government is to undertake a review of its fees and charges regularly, and not less than once in every financial year. This report provides the Council with a recommended Schedule of Fees and Charges to apply for the next financial year commencing on 1 July 2024.

BACKGROUND

Each year, the Town sets its fees and charges with the view to implementing any necessary changes. Officers have reviewed each section of the fees and charges schedule and have made recommendations for change. As part of the annual review of the fees and charges, officers consider matters including statutory and local factors, which may include the cost to provide a service, market conditions and needs of the community. These inform the recommendations made to Council.

The following provides an overview of noteworthy changes to the 2024-2025 draft fees and charges:

Waste

Fees relating to the Classic Bin Assessment at properties are proposed to increase by \$15 per assessment, this is a 4.6% increase which is reflective of an increase in the cost to provide this service.

Residential Waste gate fees remain free.

Landfill gate fees for Industrial and Construction waste are proposed to increase in line with increase costs to provide the service and to remain in line with benchmarked price as similar landfill sites.

Community Ovals and Parks

Fees relating to sport ground charges have mostly remained consistent with 2023-2024, with some community hall hire increasing slightly to recover cost increases in utilities.

Pools

The adult pool entry fee is due to increase by \$1.00, to \$7.00 in 2024-2025.

Stadium

There is a realignment of Wanangkura Health Club fees so that concession rates are 50% of non-concession rates.

The creche fees have increased by \$0.50 per child to \$7.50.

The Group Fitness Room per hour fees have increased by \$30 to \$150.

JD Hardie Centre

There is a realignment of Kids Club fees and an increase in birthday parties to \$200.

The stadium and court hire fees have also increased slightly.

Art Centre and Events

There is no change to movie ticket prices and other fees at Matt Dann Theater and cinema.

The Spinifex Spree food stallholder fee has decreased to \$100 per meter frontage.

Environmental Health

While the Environmental Health fees have remained consistent with the 2023-2024 fee schedule, where an hourly rate for staff inspection or research is required, these have increased by 19% to reflect an increase in associated officer costs.

Building approvals have increased by \$10 per request.

Ranger Services

Fees relating to Ranger services have mostly remained consistent with 2023-2024, except seizure and impounding of a dog which have increased slightly to recover associated costs.

The costs to surrender a dog or cat has reduced to nil to encourage compliance.

Towing charges have increased to reflect price escalation for this service.

LEVEL OF SIGNIFICANCE

In accordance with Policy 4/009 'Significant Decision Making', this matter is of medium significance, because:

- Significant - Any issue, proposal, decision, or other matter that will substantially affect a wide range of people who reside in Port Hedland.

CONSULTATION

Internal

- Town service areas.

External Agencies

- Comparison to other local government discretionary fees and charges.
- Relevant information received and reviewed.

Community

- Submissions will be sought from ratepayers via state-wide and local public notices.

LEGISLATION AND POLICY CONSIDERATIONS

Sections 6.16 to 6.19 of the *Local Government Act 1995* (the Act) refer to the imposition, setting the level of, and associated administrative matters pertaining to fees and charges. The requirement to review fees and charges on an annual basis is

detailed within *Regulation 5 of the Local Government (Financial Management) Regulations 1996*.

Section 6.16 of the Act states that a local government may impose and recover a fee or charge for any goods or services it provides or proposes to provide, other than a service for which a service charge is imposed.

Section 6.17 of the Act further states that in determining the amount of a fee or charge for goods and services, a local government is to take into consideration the following factors:

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

Section 6.18 of the Act clarifies that, if the amount of any fee or charge is determined under another written law, then a local government may not charge a fee that is inconsistent with that law.

FINANCIAL AND RESOURCE IMPLICATIONS

It is important that, where possible, controllable fees and charges are appropriately indexed and benchmarked, to assist in offsetting the increasing costs of providing associated services and to ensure we continue to price our services appropriately.

This may include increases beyond normal indexation in particular cases, in line with section 6.17 of the Act. The Draft Schedule of Fees and Charges 2024-2025 has been generally guided by a benchmarking process and a review of associated service costs.

STRATEGIC SUSTAINABILITY IMPLICATIONS

Strategic Community Plan

There are no relevant plans or policies to consider in relation to this matter, other than the long-term financial plan.

Our Leadership:

4.2.2 Transparent and regular financial reporting and communication to the community is undertaken.

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

Access and Inclusion

The following outcome of the Town’s *Access and Inclusion Plan 2023-2026* apply in relation to this item:

Nil

Corporate Business Plan

The following service of the Town’s *Corporate Business Plan 2023-2027* apply in relation to this item:

Our Corporate Services:

Financial Management and Rates - Financial management services compliant with legislation to enable the Town to sustainably provide services to the community

RISK MANAGEMENT CONSIDERATIONS

Risk Type	Operational
Risk Category	Financial
Cause	Revenue requirements to support operations and fund new and renewal capital works
Effect (Consequence)	Financial Sustainability
Risk Treatment	Review annually

There is a Strategic risk associated with this item caused by the need to maintain the Town’s long-term financial sustainability whilst providing services, maintaining community facilities and delivering new infrastructure, which requires significant revenue requirements.

The risk rating is considered Medium (6) determined by a likelihood of Possible (3) and a result of Moderate (3).

This risk will be mitigated by reviewing annually service cost provisions, legislated and local factors, and revising fees and charges accordingly.

OPTIONS

Option 1 – Adopt officer’s recommendation

Option 2 – Amend officer’s recommendation

Option 3 – Do not adopt officer’s recommendation

CONCLUSION

As part of the annual review of fees and charges, the currently adopted fees and charges have been reviewed in line with the Act's requirements and other relevant legislation as applicable. Therefore, it is recommended that Council endorses the Draft Schedule of Fees and Charges for 2024/25 as proposed.

ATTACHMENTS

1. Draft Fees and Charges 2024/25 [**12.1.4.1** - 32 pages]

12.2 Community Services

12.2.1 RFT2324-24 Courthouse Gallery Management Services

Author: **Manager Events, Arts & Culture**
Authorising Officer: **Acting Director Community Services**
Disclosure of Interest: The Author and Authorising Officer declare that they do not have any conflicts of interest in relation to this item.

OFFICER’S RECOMMENDATION

That Council Award RFT2324-24 Courthouse Gallery Contract Management Services to the preferred tenderer for the delivery of gallery management services to the amount of \$600,000 per annum for an initial three (3) year period, including a one (1) year plus one (1) year optional extension period (Plus CPI Index for extensions) at the sole discretion of the Town.

SIMPLE MAJORITY VOTE REQUIRED

PURPOSE

The purpose of this report is to provide Council with an assessment of the submission received for RFT2324-24 Courthouse Gallery Management Services and to endorse the evaluation panel’s recommendations for the preferred contractor.

DETAIL

The Town of Port Hedland is seeking to appoint a local arts organisation supplier to manage services at the Courthouse Gallery located at 16 Edgar Street, Port Hedland. The contract term is for three (3) years commencing on 1 July 2024 with the option for Council to extend for a one (1) year plus one (1) year period (Plus CPI Index for extensions).

Background:

Since 1 July 2019, The Junction Co. has been contracted by the Town to manage and operate the Courthouse Gallery. On 23 February 2022, Council endorsed a variation to include new KPI’s and deliverables for the activation and programming in South Hedland commencing from 1 July 2022. The contract was recently extended to 30 June 2024.

More recently, an external review was undertaken of the Courthouse Gallery management services by Artify Consulting, and on 7 February 2024 Council endorsed the following recommendations relating to the review:

1. *Endorses the Courthouse Gallery Review undertaken by Artify consulting;*
2. *Endorses the management of the Courthouse Gallery is to remain outsourced to a third-party operator;*

3. *Delegates to the CEO or their delegate to undertake a public tender process to source a suitable operator for the Courthouse Gallery for commencement on cessation of the contract with The Junction Co.*

More specifically, the Courthouse Gallery Review report identified seven (7) main areas for improvement. These include:

1. Defining a clear vision and purpose,
2. Enhanced focus on local art, storytelling and supporting makers,
3. Professionalism in the Gallery,
4. Increased community engagement and participation,
5. Quality over quantity of programming,
6. Quality reporting and accountability, and
7. Separate South Hedland Activation and Programming KPI's.

As a result, the Courthouse Gallery review highlighted the need for the future tender to reset a clear vision, strategic goals and KPI's in accordance with the above recommendations, and the Arts & Culture Plan 2023-27. A copy of the request for tender document, which includes the updated strategic goals, deliverables and KPI's is included as 'Attachment 3'. The renewed strategic vision includes:

The Courthouse Gallery strives to become a cultural beacon of Port Hedland and the broader region by nurturing and showcasing the rich tapestry of local stories, culture and creativity. The gallery aims to empower artists, inspire creativity, engage diverse communities and enrich the cultural landscape of Port Hedland, by providing a welcoming destination for creative expression and cultural exchange.

The Courthouse Gallery is considered a vital cultural asset to the Town of Port Hedland, supporting the Arts & Culture Plan 2023-2027 vision to create a more livable and loveable Hedland. Moving forward, the current contract will be awarded to a supplier who best demonstrates the ability to provide gallery management services and programming at a competitive price and in accordance with the endorsed Courthouse Gallery review recommendations and renewed strategic direction. Noting that the South Hedland Activation and Programming KPI's has been removed from Request for Tender specifications.

Council considered the report concerning RFT2324-24 Courthouse Gallery Management Services at the 24 April 2024 Ordinary Council Meeting and resolved to defer the decision on awarding RFT2324-24 Courthouse Gallery Contract Management Services to the next Ordinary Council Meeting to be held on 29 May 2024.

On 8 May 2024 a Confidential Briefing was held with Council to provide further clarification on the reporting requirements, deliverables and performance measures detailed in RFT2324-24 Courthouse Gallery Contract Management Services.

Request for Tender

The Town received one (1) submission for 2324-24. The sole respondent was the chosen tenderer and the submission received is compliant.

The tender submission has been evaluated by a panel of five (5) Town employees, including two (2) directors, whose main objectives were:

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

The Procurement Team facilitated the evaluation meeting held on Wednesday 27 March 2024.

The compliant submission was assessed against the qualitative criteria as listed in the below table:

Criteria	(%)
Relevant Experience	20%
Key Personnel, Skills + Capacity	20%
Demonstrated Understanding, Methodology, Quality / Suitability of Program	40%
Local Content	20%
	100%

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

LEVEL OF SIGNIFICANCE

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

- Significant - The matter will have implications for the present and future social, economic, environmental, and cultural well-being of Port Hedland.

CONSULTATION

Internal

- Procurement
- Arts & Culture Team

- Infrastructure
- Economic Development

External Agencies

- N/A

Community

Feedback received from the Courthouse Gallery review project and associated recommendations has been incorporated in the RFT scope of works.

LEGISLATION AND POLICY CONSIDERATIONS

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

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

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

1. 2/007 'Purchasing'
2. 2/016 'Regional Price Preference'

FINANCIAL AND RESOURCE IMPLICATIONS

A breakdown of the approved annual management fee for the Courthouse Gallery services since the contract was awarded in 2019, is included below. Note that commencing on 1 July 2022, the management fee was increased by \$78,000 per annum to include additional KPI's and deliverables for the activation and programming of South Hedland, which was endorsed by Council on 23 February 2022.

Financial Year	Management Fee
1 – July 2019 to June 2020	\$530,000
2 – July 2020 to June 2021	\$500,000
3 – July 2021 – June 2022	\$450,000
4 – July 2022 – June 2023	\$500,000 + \$78,000 = \$578,000
5 – July 2023 – June 2024	\$500,000 + \$78,000 = \$578,000

As part of the 24/25 Annual Budget, \$600,000 has been proposed for the Courthouse Gallery Contract Management Services. Note that the South Hedland Activation and

KPI's are not included in the current tender. This is an annual increase of \$100,000 specifically for the Courthouse Gallery from the previous financial year.

A breakdown of the full Courthouse Gallery management fee proposed by the preferred tenderer is provided below:

Financial Year	Management Fee
1 – July 2024 to June 2025	\$600,000
2 – July 2025 to June 2026	\$600,000
3 – July 2026 – June 2027	\$600,000
4 – July 2027 – June 2028 (optional extension period at the sole discretion of the Town)	\$600,000 plus CPI Index
5 – July 2028 – June 2029 (optional extension period at the sole discretion of the Town)	\$600,000 plus CPI Index

Also, included within the tender contract deliverables is a requirement for the awarded organisation to produce a grants and sponsorship plan to increase the financial independence of the service over the next five years. The current contractor, The Junction Co., receives additional funding from Regional Arts WA and BHP. Additional in-kind support is provided from the Arts Gallery of Western Australia (AGWA).

STRATEGIC SUSTAINABILITY IMPLICATIONS

Strategic Community Plan

The following sections of the Town's *Strategic Community Plan 2022-2032* are applicable in the consideration of this item:

Our Community:

1.1.1 Stakeholders are engaged to develop a whole-of-town approach to increase access to quality health and wellbeing services.

1.3.1 The community, industry, arts and cultural organisations are engaged in identifying, planning and coordinating events and activities.

1.3.2 Events and activities to celebrate the Town's cultural heritage, arts and Pilbara lifestyle are consistently programmed and delivered.

1.3.4 The Town's program of events and activities is promoted locally, regionally and nationally.

1.4.1 The present and future facilities and requirements of the town are planned for and developed in-line with relevant facility standards and community needs.

1.4.3 Facilities and community infrastructure are well maintained, managed and fit-for-purpose to provide a range of lifestyle opportunities.

1.4.4 Community services and facilities are well promoted.

Our Economy:

2.1.3 Strengthen the levels of collaboration, partnership and active networking

between industry and business operators and stakeholders.

2.3.3 Prioritise, encourage and promote local procurement.

2.4.2 Market and promote Hedland for tourism.

2.4.3 Grow and promote existing and new local events that champion local culture and community.

2.4.4 Market and promote the local lifestyle of the Hedland community

2.5.6 Support regional growth initiatives.

Our Built and Natural Environment:

3.3.4 Town Teams are created and supported in both Port and South Hedland that actively engage residents in place making and urban renewal.

Economic

Management of the Courthouse Gallery includes opportunities for local employment and capacity building in the arts and culture industry. In addition, the programming services requires a focus on local art production, sales, and capacity building of artists for the purpose of creating genuine arts career pathways.

Social

There are social benefits from having high quality gallery management, programming, and activation experiences available to the community. The Courthouse Gallery has been identified as the Pilbara's Regional Art Gallery facility and in the 2022/23 FY, attracted approximately 25,000 people through gallery exhibitions, workshops, and activations in the Courthouse Gallery gardens and surrounding area.

There is no significant identifiable environmental impact relating to this item.

Access and Inclusion

The following outcomes of the Town's *Access and Inclusion Plan 2023-2026* apply in relation to this item:

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

Corporate Business Plan

The following services of the Town's *Corporate Business Plan 2023-2027* apply in relation to this item:

Our Community Services:

Events, Arts and Culture - Cultivate an arts and cultural scene that celebrates the rich and culturally significant history of our region, as well as embracing the future

Our Infrastructure Services:

Property Management and Maintenance - Ensure facilities are well maintained in line with the Town’s asset management program

RISK MANAGEMENT CONSIDERATIONS

Risk Type	Operational
Risk Category	Service Interruption Reputational
Cause	Not approving a contractor to deliver Courthouse Gallery management services
Effect (Consequence)	Not delivering services at the Courthouse Gallery
Risk Treatment	Working collaboratively with our community to better understand the needs and desire for Courthouse Gallery management services.
<p>There is an Operational risk associated with this item caused by not approving a contractor to deliver the Courthouse Gallery contract services, leading to a reputational and service disruption risk of not providing regional gallery services and programming.</p> <p>The risk rating is considered to be Medium (5) which is determined by a likelihood of Unlikely (2) and a consequence of Moderate (3).</p> <p>These risks will be mitigated by working more closely with our local arts organisations and community to better understand future needs for Courthouse Gallery management services.</p>	

OPTIONS

- Option 1 – Adopt officer’s recommendation
- Option 2 – Amend officer’s recommendation
- Option 3 – Do not adopt officer’s recommendation

CONCLUSION

The evaluation panel recommend awarding RFT2324-24 to preferred tenderer due to their relevant experience, value for money, quality and suitability of content, high level of understanding and capacity to deliver on community expectations.

ATTACHMENTS

1. CONFIDENTIAL REDACTED - Attachment 1 - Confidential - CEO Signing Memo [12.2.1.1 - 4 pages]
2. CONFIDENTIAL REDACTED - Attachment 2 - Confidential RFX Summary Report [12.2.1.2 - 9 pages]
3. CONFIDENTIAL REDACTED - Attachment 3 RFT2324 24 Courthouse Gallery Management Services 2024 [12.2.1.3 - 34 pages]

12.3 Regulatory Services

12.3.1	Development Application - Lot 300 Hamilton Road, South Hedland - South Hedland Integrated Sport Hub (Stage 1)
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Author: Senior Urban Planner
Authorising Officer: Manager Planning & Economic Development
 Director Regulatory Services
Disclosure of Interest: The Author and Authorising Officer declare that they do not have any conflicts of interest in relation to this item.

Lee Furness, Acting CEO advised on Tuesday, 28 May 2024 at 1:00pm that Item 12.3.1 is to be withdrawn, pending further consultation.

12.3.2	Port Hedland Visitor Centre - Quarterly Report 3: January - March 2024
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Author: Senior Economic Development Officer
Authorising Officer: Manager Planning & Economic Development
Disclosure of Interest: The Author and Authorising Officer declare that they do not have any conflicts of interest in relation to this item.

OFFICER’S RECOMMENDATION

That Council receives the quarterly report from the Port Hedland Peace Memorial Seafarers’ Centre Incorporated for the management of the Port Hedland Visitor Centre for the third quarter, January – March 2024.

SIMPLE MAJORITY VOTE REQUIRED

PURPOSE

The purpose of this report is for Council to consider the general operational report of the Port Hedland Visitor Centre, managed by the Port Hedland Peace Memorial Seafarers’ Centre Incorporated, for the third quarter from January – March 2024. More specifically, this report addresses the reporting requirements outlined in clause 24.2 of the Management Agreement, as amended by the Deed of Variation, between the Port Hedland Peace Memorial Seafarers’ Centre Incorporated and the Town of Port Hedland.

DETAIL

The contract for the management of the Port Hedland Visitor Centre was agreed between the Town of Port Hedland and Port Hedland Peace Memorial Seafarers’ Centre Incorporated for the period 1 July 2019 to 30 June 2021 with a further three x 12-month extension options. Council has exercised all three of these extension options. Council, at the 29 November 2023 Ordinary Council Meeting, agreed to vary the current contract by extending the third further term from 12 months to 16 months. The current management contract will end on 30 October 2024.

Under clause 24.2 of the agreement, Port Hedland Peace Memorial Seafarers’ Centre Incorporated is to provide the Town with a quarterly report, including the following:

- Income and expenditure;
- Marketing and communication activities undertaken;
- Service Providers; and
- Maintenance and capital expenditure.

Desired outcomes of the agreement with the Port Hedland Peace Memorial Seafarers' Centre Incorporated are as follows:

- A friendly and professional face to face welcome to visitors with a consistently high quality, free information service to provide visitors to Port Hedland with insights into the region and distribute information about tourist product available in the region.
- A comprehensive range of local, regional and state-wide brochures, maps and directional information both in hard copy and available electronically.
- Information and booking service for accommodation and tours.
- Information on attractions, events, retail outlets, local services, road conditions and transport options.
- A web presence and digital strategy to educate and attract visitors to the local area.
- High quality customer service to visitors to the Visitor Centre.
- A focus on continuous improvement and service growth at the facility.
- A safe, clean and hygienic environment for staff, customers and other visitors.
- Strong, accountable financial management; and
- Clear, concise and accurate quarterly reporting on the operations of the facility.

The annual Key Performance Indicators (KPI) for the facility will be assessed at the end of the fourth quarter and are as follows:

- 15,000 visitors supported through the Visitor Centre.
- 1,000 people hosted on formal tours operated through the Visitor Centre.
- Gold/A1 Tourism accreditation maintained (or equivalent).
- Development of a web presence and digital strategy to educate and attract visitors to the local area.
- Development and distribution of up-to-date tourism documents promoting Port Hedland and the Pilbara region; and
- Execution of a program to greet and engage Cruise Ship visitors that also engages local businesses and community organisations.

In addition to the above mentioned KPIs, Council requested that an additional KPI was included as part of the contract variation related to hours of operation. Reporting on this KPI has been included in the Seafarers' Quarter Three report.

The attached quarterly report outlines the progress made by the Port Hedland Peace Seafarers' Centre Incorporated in the period January – March 2024. The operational cost of the facility was reported to be within the parameters laid out in the management contract.

Notable events for the third quarter are described below:

- A total of 2,511 people were welcomed to the Centre during the reporting period. This represents a 3% increase compared to the same quarter the year before.
- 1,847 visitors to visitporthedland.com.au.

- For this quarter, no tours were facilitated by the Visitor Centre. This was due to no tours operating during the reporting period.
- Successful implementation of Seat of Love Valentine's Day initiative.
- Successful implementation of SS Koombana – 113 Anniversary Exhibition.
- Continuation of Port Talks initiative in response to sudden cessation of the Harbor Tours. Harbour tours are planned to commence again on 29 April 2024.
- The Visitor Centre now have a regular timeslot on Triple M Radio to promote activities, events, products and history.
- The Visitor Centre reported that the minimum operating hours were met for the reporting period. It should be noted that the Visitor Centre reopened on January 15 following a one-month closure. This closure is allowable under the current contract.

CONSULTATION

Internal

- Director Regulatory Services
- Manager Planning and Economic Development

External Agencies

- Nil

Community

- Nil

LEGISLATION AND POLICY CONSIDERATIONS

There are no legislative or policy considerations for this report.

FINANCIAL AND RESOURCE IMPLICATIONS

The management fee for the Port Hedland Visitor Centre was approved in the Town's FY2023/24 budget.

The management fee relating to the contract variation was approved by Council by absolute majority at the 29 November 2023 Ordinary Council Meeting.

STRATEGIC SUSTAINABILITY IMPLICATIONS

Strategic Community Plan

The following sections of the Town's *Strategic Community Plan 2022-2032* are applicable in the consideration of this item:

Our Community:

1.2.1 Newcomers to Port Hedland are provided with inductions, information and opportunities to engage and get involved.

1.4.4 Community services and facilities are well promoted

Our Economy:

2.4.2 Market and promote Hedland for tourism.

2.4.4 Market and promote the local lifestyle of the Hedland community

Our Leadership:

4.3.1 High-quality and responsive customer service is provided.

4.3.2 Community members, businesses and tourists are engaged to provide feedback about local facilities and services.

Environmental

The Port Hedland Visitor Centre promotes and engages visitors and locals on the natural and environmental tourism opportunities in and around Port Hedland, such as reef walking tours and turtle observations.

Economic

The economic benefits of having a well-managed Visitor Centre include developing a positive narrative about the town and attracting visitors to the region and increasing length of stay and visitor expenditure in the community.

Social

Nil

Access and Inclusion

The following outcomes of the Town's *Access and Inclusion Plan 2023-2026* apply in relation to this item:

- Outcome 2 – Buildings and Facilities
- Outcome 3 – Accessible Information
- Outcome 4 – Quality of Service

Corporate Business Plan

The following service of the Town's *Corporate Business Plan 2023-2027* apply in relation to this item:

Our Regulatory Services:

Business and Economic Development - Lead an integrated and collaborative approach to achieve the community's vision of 'building prosperity for all – enabling sustained economic growth.

RISK MANAGEMENT CONSIDERATIONS

Risk Type	Operational
Risk Category	Reputational
Cause	Perception that the Town has not performed its commitment to provide visitor services to tourist and the community.
Effect (Consequence)	Dissatisfaction among visitors and stakeholders, service disruptions, and a negative impact on the Town’s reputation and relationship with the community.
Risk Treatment	Council supports the officer’s recommendation.
<p>There is an operational risk associated with this item caused by the perception of a lack of commitment to the provision of visitor services, leading to dissatisfaction among visitors and other stakeholders.</p> <p>The risk rating is considered to be Medium (6) which is determined by a likelihood of Possible (3) and a consequence of Minor (2).</p> <p>This risk will be mitigated by the adoption of the officer’s recommendation.</p>	

OPTIONS

- Option 1 – Adopt officer’s recommendation
- Option 2 – Amend officer’s recommendation
- Option 3 – Do not adopt officer’s recommendation

CONCLUSION

This report is provided to inform Council of the operational progress made by Port Hedland Peace Memorials Seafarers’ Centre Incorporated from January – March 2024 in its role as operator of the Port Hedland Visitor Centre.

ATTACHMENTS

1. Jan - March 2024 - Quarterly Report [**12.3.2.1** - 11 pages]
2. Att 1 - Jan to March 2024 Facebook insights [**12.3.2.2** - 5 pages]
3. Att 2 - Jan to March 2024 Website analytics [**12.3.2.3** - 2 pages]
4. Att 3 - Visitor Comments Jan to March 2024 [**12.3.2.4** - 1 page]

12.3.3	Adoption of Business Plan for Major Land Transaction - Lot 5996 Cottier Drive, South Hedland
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Author: Senior Economic Development Officer

Authorising Officer: Manager Planning & Economic Development

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

OFFICER'S RECOMMENDATION 1

That Council:

- 1. Notes that the Business Plan for Major Land Transaction – Lot 5996, Cottier Drive, South Hedland (Attachment 1) has been advertised in accordance with section 3.59 of the *Local Government Act 1995*.**
- 2. Notes that no public comment was received during the advertising period in relation to the proposed transaction.**
- 3. Adopts the Business Plan for Major Land Transaction – Lot 5996, Cottier Drive, South Hedland and proceeds to implement the Business Plan.**
- 4. Notes the draft Contract of Sale (Confidential Attachments 2 and 3) for the acquisition of Lot 5996 and authorises the CEO to enter into the Contract of Sale that is not substantially different to what is attached and make payment of the deposit when required.**

ABSOLUTE MAJORITY VOTE REQUIRED

PURPOSE

The purpose of this report is for Council to consider adopting the Business Plan for a Major Land Transaction – Lot 5996, Cottier Drive, South Hedland for public advertising in accordance with section 3.59 of the Local Government Act 1995. The adoption of the Business Plan should occur prior to awarding any tender related to award a design, construct and/or option of operate tender in relation to this project.

DETAIL

Background

The Town continues to pursue the development of service worker housing within South Hedland to address the acute housing stress experienced within the district, and areas of market failure.

Housing supply and affordability remains a critical issue facing Port Hedland. Many other issues for the community can, in one way or another, be traced the lack of affordable housing. As such, access to affordable housing has been identified by the Town as a key factor in ensuring future economic and trade development.

Increasing the supply and availability of affordable housing is key to attracting and retaining workers in sectors such as education, tourism, childcare, retail, and hospitality.

The cost of housing in Port Hedland is higher than the Australia minimum wage of \$23.23 per hour or \$882.80 per week. As such, without a housing subsidy or a wage substantially higher than the minimum wage, service workers are unable to afford to live and work in Port Hedland.

Housing by the numbers

- Relative to regional WA, there is a current deficit of 1031 service workers in Hedland. Without intervention, this is expected to increase to 1444 by 2031.
- Average rent across Port Hedland is \$1000 per week compared to \$544 across regional WA.
- Average rents have increased 20% p.a. in Port Hedland and 36% p.a. in South Hedland since 2020.
- Housing supply has grown 0.2% p.a. since 2017.
- There have been nine building approvals in the Town of Port Hedland between June 2022-April 2023.
- \$7.2 billion in aggregate capital expenditure for large new infrastructure projects is expected to further exacerbate the issue in the coming years.

Proposed transaction

The Town of Port Hedland (Town) proposes to undertake a Major Land Transaction to develop the land comprising Lot 5996 on Deposited Plan 219941 Crown Land Certificate of Title Volume 2575 Folio 853. The site is depicted by the boundaries of the highlighted site per Attachment 4.

The Site is suitably sized and strategically located to accommodate residential housing development. The development provides future residents walking-distance access to the South Hedland commercial centre.

Under the proposal, the Town proposes to:

1. acquire Lot 5996, Cottier Drive, South Hedland,
2. develop dwellings for service workers, and
3. lease individual dwellings to service workers or to companies for the purposes of employing service workers.

Major Land Transaction

Before undertaking a Major Land Transaction, the Town of Port Hedland under Section 3.59 of the Local Government Act 1995, is to prepare a business plan. The business plan is required to include an overall assessment of the major land transaction and is to include details of:

- a. its expected effect on the provision of facilities and services by the local government;
- b. its expected effect on other persons providing facilities and services in the district;
- c. its expected financial effect on the local government;
- d. its expected effect on matters referred to in the local government's current plan prepared under section 5.56;
- e. the ability of the local government to manage the undertaking or the performance of the transaction; and
- f. any other matter prescribed for the purposes of this subsection. The business plan presented to Council as Attachment 1 complies with these requirements.

Public Advertising

The Major Land Transaction Business Plan was advertised for public comment on 10 April 2024. The public were invited to make submissions regarding the proposal up until Wednesday 22 May 2024.

The business plan was made available for public inspection at the Town of Port Hedland Civic Centre, Port Hedland Library, South Hedland Library and for download on the Town of Port Hedland website.

Submissions received

No submissions were received in relation to this proposal.

Recommendation

In light of there being no submissions, it is recommended that the business plan be adopted (as modified) and implemented accordingly.

Prior Council Decisions

28 June 2023 Ordinary Council Meeting

At the 28 June 2023 Ordinary Council Meeting, the Council of the Town of Port Hedland endorsed the South Hedland Service Worker Housing Business Case and supported undertaking a procurement process to develop service worker accommodation within South Hedland.

30 August 2023 Ordinary Council Meeting

At the 30 August 2023 Ordinary Council Meeting, the Council of the Town of Port Hedland endorsed the Service Worker Demand Analysis and Socio-Economic Impact Assessment.

27 March 2024 Ordinary Council Meeting

At the 27 March 2024 Ordinary Council Meeting, the Council endorsed public advertising of the proposed major land transaction and requested all public comments to be presented back to Council prior to adoption of the business plan.

LEVEL OF SIGNIFICANCE

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

- Significant - Any transfer of ownership or control or the constructions, replacement or abandonment of a strategic asset.
- Significant - The matter will have implications for the present and future social, economic, environmental, and cultural well-being of Port Hedland.

CONSULTATION*Internal*

- Director Regulatory Services
- Director Infrastructure Services
- Manager Planning and Economic Development
- Manager Infrastructure Projects & Assets – Infrastructure & Services
- Manager Public Affairs
- Project Manager

External Agencies

- McLeods Lawyers

Community

- The public was invited to comment on the proposed transaction between 10 April 2024 and 22 May 2024 (6 weeks).

LEGISLATION AND POLICY CONSIDERATIONS

Sections 3.59 of the *Local Government Act 1995* and regulation 8A of the *Local Government (Functions and General) Regulations 1996*.

FINANCIAL AND RESOURCE IMPLICATIONS

Advertising expenditure

Advertising expenses for the Major Land Transaction Business Plan have been included in the Town's annual budget.

Land acquisition

The Town has agreed to purchase the subject lot for the value listed in confidential attachment 2.

Development costs

The Town has allocated funding as part of its Long-Term Financial Plan to the project.

The Town has concluded a restricted request for tender process. A report is expected to be presented to Council at the June Ordinary Council meeting regarding the award of the design, construct and/or option of operate tender.

Grant Funding

The State Government has allocated \$4,554,950 through the Infrastructure Development Fund for this project.

Legal fees

Legal advice related to compliance to the Local Government Act 1995 is budgeted under the Corporate Services operational budgets.

STRATEGIC SUSTAINABILITY IMPLICATIONS

Strategic Community Plan

The following sections of the Town's *Strategic Community Plan 2022-2032* are applicable in the consideration of this item:

Our Community:

1.3.3 Partnerships with industry and government to support events and activities are enhanced.

Our Economy:

2.1.4 Regularly engage local businesses, government agencies and other relevant stakeholders to:

- Identify strategic employment and economic development opportunities and priorities
- Assess and address market failures affecting the cost of living
- Assess and address cost of doing business challenges.

2.2.1 Engage and coordinate local training providers, business, industry, services, agencies, social sector and infrastructure providers in the development of training and employment opportunities.

2.3.4 Ensure business approval processes are transparent, and pathways streamlined.

2.5.1 Pursue investment in key infrastructure development such as the port, airport, service industry and logistics.

2.5.2 Ensure future supply of housing and serviced land for development.

2.5.3 Invest and develop key community and recreation infrastructure.

2.5.5 Support tourism infrastructure development

2.5.6 Support regional growth initiatives.

Our Built and Natural Environment:

3.3.1 Urban and spatial planning is implemented to enhance human interaction with nature and industry

3.3.2 The community has access to attractive natural habitats, built form, parks and amenities.

Environmental

The Town will be required to undertake necessary studies and mitigate any environmental impacts/concerns.

Socio-economic

Total socio-economic benefits are estimated at \$152.4 million.

The project is expected to benefit the community and economy of Port Hedland by:

- Higher resilience and insulation from the turbulence of the mining and transport section' business cycle.
- Greater capacity of key industries to attract and retain staff.
- Increase positively feeding investment into a range of local sectors due to increased certainty around the tenure of labour.
- The Town of Port Hedland economy will increase by approximately \$19 million per annum, representing approximately \$250 million over the 20-year project lifespan.
- Will reduce service worker labour costs and provide local businesses with circa \$16.6 million worth of labour cost savings over the assessment period.
- Closing the gap in housing costs between the Town of Port Hedland will provide local businesses with more confidence to invest and expand with a greater availability of labour.
- The value of additional commercial development as a result of the South Hedland Service Worker Housing project is \$3.575 million (present value).
- The indirect value of construction associated with the South Hedland Service Worker Housing project equates to approximately \$21.6 million (present value).
- The delivery of the project is expected to lead to a 2.5% reduction in rental prices in Port Hedland.

- The delivery of the project has the potential to boost business confidence to a level appropriate to enable the expansion of key services including Childcare, Health and Community Service, and Not-for-Profit.
- The South Hedland Service Worker Housing project has the potential to reduce the Social and Community Service worker gap by circa 12.6%, alleviating pressure on community services, including childcare and NFP sector.
- The South Hedland Service Worker Housing project has the potential to unlock an enhanced offering of retail services via the expansion of operating
- Hours and/or the delivery of new, or extension of existing, anchor or specialty stores.
- The South Hedland Service Worker Housing project has the potential to provide additional volunteering with a value equivalent to \$70,230 p.a. to the Town of Port Hedland.
- The delivery of the Project is expected to increase the volume of participants in local sports by 100 people. This has the potential to alleviate social isolation in the community and trigger a positive cycle of involvement into local clubs by residents. This will reduce resident turnover and increase the attractiveness of the town among new entrants.
- A more stable and permanent resident population will enable the development and/or reestablishment of community groups and services in addition to contributing to greater business confidence.
- The Cottier Drive Project has the potential to further increase community diversity.
- The Cottier Drive Project will generate \$7,633,180 of State Tax Revenue, in present terms, over 20 years.

Access and Inclusion

The following outcomes of the Town's *Access and Inclusion Plan 2023-2026* apply in relation to this item:

- Outcome 2 – Buildings and Facilities
- Outcome 5 – Opportunities for Feedback
- Outcome 6 – Public Consultation

Corporate Business Plan

The following services of the Town's *Corporate Business Plan 2023-2027* apply in relation to this item:

Our Infrastructure Services:

Projects and Assets - Effective and efficient project and asset management

Property Management and Maintenance - Ensure facilities are well maintained in line with the Town's asset management program

Our Regulatory Services:

Business and Economic Development - Lead an integrated and collaborative approach to achieve the community's vision of 'building prosperity for all – enabling

sustained economic growth’

Housing - Provide for housing availability to meet the needs of the community and industry

Planning and Development - Strategic land use planning and regulation to ensure the best development and land use outcomes

RISK MANAGEMENT CONSIDERATIONS

Risk Type	Operational
Risk Category	Reputational
Cause	Failure to adopt the Business Plan
Effect (Consequence)	The South Hedland Service Worker Housing project will not be able to proceed, including the award of any tender.
Risk Treatment	Adopting the Officer’s recommendation.
<p>There is a reputational risk associated with this item as failure to adopt the Business Plan for public advertising would significantly delay the South Hedland Service Worker Housing project and may be interpreted that the project ceases to have Council support, and grant funding would need to be returned.</p> <p>This project has strong support from the community and State Government. Failing to adopt the Major Land Transaction Business Plan would impact the Town’s reputation to follow through on major project commitments.</p> <p>The risk rating is considered to be Medium (12) which is determined by a likelihood of Possible (3) and a consequence of Major (4).</p> <p>This risk will be mitigated by adopting the officer’s recommendation.</p>	

OPTIONS

Option 1 – Adopt officer’s recommendation

Option 2 – Amend officer’s recommendation

Option 3 – Do not adopt officer’s recommendation

CONCLUSION

The adoption of the Business Plan for Major Land Transaction is a legislative requirement under the *Local Government Act 1995*. Council is required to adopt the Business Plan for Major Land Transaction by absolute majority before commencing a major land transaction.

ATTACHMENTS

1. Business Plan for Major Land Transaction - Lot 5996 [**12.3.3.1** - 14 pages]

2. CONFIDENTIAL REDACTED - Contract of Sale [**12.3.3.2** - 8 pages]
3. CONFIDENTIAL REDACTED - Contract of Sale - Standard Terms [**12.3.3.3** - 31 pages]
4. Site of Major Land Transaction - Lot 5996 [**12.3.3.4** - 2 pages]

12.3.4	Review of Business Continuity Plan
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Author: Director Regulatory Services
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’S RECOMMENDATION

That Council adopts the updated Business Continuity Plan as shown in Confidential Attachment 1.

SIMPLE MAJORITY VOTE REQUIRED

PURPOSE

The purpose of this report is for Council to consider the review of the Business Continuity Plan, and to endorse the Plan.

DETAIL

The Town’s Business Continuity Plan (BCP) was originally endorsed at the 25 May 2022 Ordinary Council Meeting, and identifies risks and impacts to the business, together with analysis of these risks, providing preventative actions and contingencies to address these. Updates to the plan were endorsed at the 28 June 2023 Ordinary Council Meeting. The BCP incorporates a business impact analysis which identifies critical risks together with the maximum acceptable outage of the business activity which is disrupted.

In November 2023, the Town completed a half day desktop exercise facilitated by a consultant to test the BCP, with the Town’s Executive and Managers participating to both test the plan, and exercise agile thinking in response to the scenario. Based on the exercise report provided by the consultant to improve the BCP, the Town has engaged MaltIQ to support the development of policy and further exercising to build capacity within the organisation to respond to and recover from an emergency event.

The BCP has been reviewed by the administration (incorporating the exercise recommendations), with the following changes proposed:

1. further defining the roles and responsibilities of the Critical Incident Response Team, which includes “flashcards” to support staff members in these roles.
2. delineating the testing schedule to rotate through the five meta-disasters being:
 - a. Loss of a building,
 - b. Loss of building access,
 - c. Loss of technology (including cyber-crime),

- d. Loss of staff, and
 - e. Loss of supply chain.
3. updating the crisis communications plan with additional detail.
 4. updating contacts and minor grammatical amendments.

It should be noted that the Town has engaged MaltIQ to assist it to develop a BCP/Disaster Response Policy to support this plan, response and recovery. This policy is intended to be completed and considered by Council at the July 2024 Ordinary Council Meeting. MaltIQ will also undertake testing exercises with staff, with the first of these programmed through the contract to be completed in the first quarter of the 2024-2025 financial year.

LEVEL OF SIGNIFICANCE

In accordance with Policy 4/009 'Significant Decision Making', this matter is considered to be of medium significance, because the adoption of the BCP will ensure that the Town has procedures in place to recover from an emergency or incident that affects normal business operations and meets legislative obligations

CONSULTATION

Internal

- The Executive Leadership and Senior Leadership Teams have been consulted and provided information for the BCP.
- As the Audit and Risk Committee has not met in May, this had not been tabled with the committee.

External Agencies

- The revised plan includes learnings from the November 2023 exercise report provided by MaltIQ.

Community

- Nil

Due to the confidential nature of the information within several areas of the plan, the BCP is listed as confidential within the report. Operational copies, including confidential contact information will be supplied to specific staff members when distributed. Redacted versions of the BCP will be made available to the public on request once endorsed by Council.

LEGISLATION AND POLICY CONSIDERATIONS

Regulation 17 of the Local Government (Audit) Regulations 1996 requires a review of the local government systems and procedures in relation to risk management. The Attachment (Attachment one) is confidential in accordance with Sections 5.23(2)(e)(iii) and (f)(ii) of the Local Government Act 1995.

FINANCIAL AND RESOURCE IMPLICATIONS

Nil – the BCP is an internal resource which support the organisation to recover business activities after an incident. No costs are required to implement the plan. Any costs attributed to testing the plan will be absorbed within the Regulatory Services Budget.

STRATEGIC SUSTAINABILITY IMPLICATIONS

Strategic Community Plan

The following sections of the Town’s *Strategic Community Plan 2022-2032* are applicable in the consideration of this item:

Our Built and Natural Environment:

3.2.2 Prepare, educate, respond and recover in partnership with key agencies from emergencies such as cyclones.

Environmental

The protection and recovery of the Town, including provision of services to manage the built and natural environment, are provided within the BCP.

Economic

The BCP has a key focus on returning the Town’s financial and economic systems and operations back to pre-event levels.

Social

Nil

Corporate Business Plan

The following service of the Town’s *Corporate Business Plan 2023-2027* apply in relation to this item:

Our Regulatory Services:

Emergency Planning and Preparedness - Emergency management preparedness, response and recovery.

RISK MANAGEMENT CONSIDERATIONS

Risk Type	Operational
Risk Category	Compliance
Cause	Lack of review
Effect (Consequence)	Non-compliance with the Local Government (Audit) Regulations 1996.
Risk Treatment	Undertaking the review and then Council endorsing the review of the BCP will ensure compliance.

There is an Operational, risk associated with this item caused by the lack of review, leading to non-compliance with legislative requirements.

The risk rating is considered to be Medium (6) which is determined by a likelihood of Possible (3) and a consequence of Minor (2).

This risk will be mitigated by completing the review and Council endorsing the review of the BCP.

OPTIONS

Option 1 – Adopt officer’s recommendation

Option 2 – Amend officer’s recommendation

Option 3 – Do not adopt officer’s recommendation

CONCLUSION

Endorsement of the updated Business Continuity Plan and testing it on a regular basis will minimise the impact of any unforeseen events and enable the Town to return to normal business operations in a timely manner.

ATTACHMENTS

1. CONFIDENTIAL REDACTED - BCP draft 2023 24 ARC version [**12.3.4.1** - 64 pages]

PURPOSE

This report provides a summarised assessment of the submissions received in response to the Invitation to Apply (Tender) RFT2324-19 "Pre-Qualified Panel for Civil Contractors and Trades" ('Panel'), and for Council to endorse for the evaluation panel's recommendation of contractors to be appointed to the Panel.

The Town has successfully used a number of panels in the past. The panels also provide an avenue for local suppliers to work directly with the Town and not have to provide quotes for every transaction. The panels are set up to pre-qualify suppliers who provide hourly rates for their services.

DETAIL*Background*

The Town of Port Hedland ('Town') is seeking to appoint a Panel of Civil Contractors and Trades who have extensive expertise and skills to assist the Town with various ad-hoc civil works to facilitate the timely delivery of its projects.

In accordance with Regulation 24AC of the Local Government (Functions and General) Regulations 1996, a Panel of Pre-qualified Suppliers ("Panel") may be created where the following factors apply:

- A range of similar goods and services are required to be purchased on a continuing and regular basis;
- There are numerous potential suppliers in the local area, that would satisfy the test of 'value for money';
- The purchasing activity under the intended panel is assessed as being of a low to medium risk;
- The panel will streamline and improve procurement processes; and
- The Town of Port Hedland (the Town) has the capability to establish, manage the risks and achieve the benefits expected of the proposed panel.

The Panel will include a diverse range of Contractors offering civil services in various categories critical to the Town's infrastructure and development projects. It will provide cost-effective and specialist civil services for the effective management of the Town's facilities and assets.

The Panel will consist of the following categories:

- Wet and Dry Hire
- Asphalt
- Bitumen Spray Seal
- Concrete Placement
- Kerbing

REQUEST FOR TENDER

Engagement of Consultant

Due to the scale and complexity of this Panel, the Town engaged a consultant "Procurement_PLUS" to assist with the development, and provide support, in the preparation of the tender request and contract documentation.

Procurement_PLUS has extensive experience in providing advice and support regarding procurement practices and has previously been engaged by other government agencies from local government to state agencies for assistance with their procurement practices. The benefits to the Town of using Procurement_PLUS include:

- Minimisation of regulatory and procurement risk.
- Practical procurement expertise and experience from an external source.
- Support to maintain good procurement practices and underlying procurement principles.
- Elimination of perceived bias.
- An affordable solution that delivers value for money.

Invitation to Apply

Tender RFT2324-19 was released via VendorPanel (the Town's e-tendering portal) on 24 January 2024 and was publicly advertised in both the West Australian and the Northwest Telegraph newspapers. The closing date for submissions was 14 March 2024, as required by the *Local Government Act 1995*.

Addendum Details

There were seven (7) addendums submitted during the tender period, of which included questions regarding:

- Traffic Management
- Meterage requirements
- Spray sealing requirements
- Regional Price Preference requirements
- Price schedule requirements
- Inclusions for wet & dry hire requirements
- Request for an extension to the closing date

The Town provided responses to each of the questions within the addenda, which were distributed to all tenderers.

Tender Closing

Tender RFT2324-19 closed on 14 March 2024 3:00pm WST, with twenty-seven (27) submissions received from the following respondents:

1. Accross The Line Construction Pty Ltd
2. Aus Traffic Management Pty Ltd
3. Brooks Hire Service Pty Ltd
4. Conplant Pty Ltd
5. Corps Earthmoving Pty Ltd

6. Degrey Civil Pty Ltd
7. Dowsing Group
8. Ek Contracting
9. Everything Earth Pty Ltd
10. Frc Group
11. Galeform Pty Ltd
12. Harwell Holdings Pty Ltd
13. Helpcon Enterprises Pty Ltd
14. James Matthews Haulage Pty Ltd
15. Jsb Constructions
16. Kat5 Kerbing & Concrete
17. North West Quarries Pty Ltd
18. Proquip Rental & Sales Operations Pty Ltd
19. Rcg Concreting Wa
20. Regroup Australia
21. River Hill Wa Pty Ltd
22. Sherrin Rentals Pty Ltd
23. Stabilised Pavements Of Australia Pty. Limited
24. Supercivil Pty Ltd
25. Swan Traffic Management
26. Tim Landrigan Contracting Pty Ltd
27. Westex Contracting Pty Ltd

Tender Evaluation

The Town has adopted the best value for money approach to the request for this Panel. This means that although price is considered, the responses containing the lowest price will not necessarily be accepted, nor will the lowest offer be ranked the highest on the qualitative criteria.

The evaluation for RFT2324-19 was conducted in accordance with the Town's Procurement Policy, which requires a minimum of three (3) evaluation panel members, two (2) of which must be from the Town's Executive team. In this instance, the panel consisted of:

- Two (2) Directors
- Three (3) Managers
- Two (2) Senior-level Officers
- One (1) Advisor-level Officer

In addition to the above, the consultant, Procurement_PLUS, participated as a non-voting member of the evaluation panel.

As no members of the evaluation panel declared any financial or proximity interests for this tender, they proceeded to evaluate each response individually prior to the evaluation panel consensus meeting.

The qualitative criteria used to evaluate the responses to RFT2324-19 were weighted, as follows:

Qualitative Criteria	%
Relevant Experience	35%
Organisation Capacity to Deliver and Resources	35%
Key Personnel and Skills	20%
Local Content	10%
TOTAL:	100%

The scores for each criterion are multiplied by their respective weight, giving an overall aggregated score. This ensures that the evaluation of each response considers the varying importance of each criterion. The aggregate score of each response is then used as one of the factors in the final assessment of the qualitative criteria and in the overall assessment of value for money.

Of the submissions received, five (5) responses were deemed non-compliant, and as such were removed from the final assessment. The remaining respondents provided compliant tender responses.

Evaluation panel consensus meetings were facilitated and attended by the Town’s Procurement Team and held on Tuesday 16 April 2024 and Wednesday 22 May 2024. The objectives of the panel consensus meeting were to:

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

A summary of the assessment results of each submission received is included in the confidential evaluation report (**Evaluation Report**) attached.

The Town’s Procurement Policy (2/022) requires a minimum of three contractors per category under a panel in order to be a compliant with the policy (section 2 of policy 2/022). This Panel included five (5) categories as part of the tender and assessment process. However, the following two categories either did not have enough contractors submit a response, or, the Evaluation Panel determined there were not three respondents who submitted a compliant response to the tender. As a result, the following two categories will not be awarded under this panel:

- Asphalt
- Bitumen Spray Seal

The Town is seeking to award the following three categories, all of which had a minimum of three compliant tender responses, to form a Panel of Pre-Qualified Contractors for Civil works:

1. Wet and Dry Hire

2. Concrete Placement
3. Kerbing

Operation of Panel

The Town's policy "2/022 Panels of Pre-Qualified Suppliers" governs the use of panel arrangements at the Town.

As stipulated in the Request for Tender, Town staff may either directly engage with, or seek multiple quotes from any of the respective panel suppliers.

The Town will aim to distribute the goods or services required between each Panel Member so that the total value of the services awarded to each supplier is similar at the end of the term of the Panel Agreement. Care will be taken to ensure that no one Contractor is overloaded at any time by keeping accurate records of the timelines of each job.

All purchases made via pre-qualified suppliers are to be made in line with any financial delegation limits imposed under the Town's Delegation Register.

Contract Term

Each supplier contract established under this panel will be for an initial term of one (1) year, with two (2) options to extend for a further one (1) year term. Extensions will be exercisable at the sole discretion of the Town, by an appropriately delegated officer in line with delegation 1.2.19 Panels of Pre-Qualified Suppliers for Goods and Services function 9.

LEVEL OF SIGNIFICANCE

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

A decision that will significantly affect the capacity of the Council to carry out any activity identified in the strategic plan.

A decision that will significantly affect the cost to Council to carry out any activity identified in the strategic plan.

The matter will have implications for the present and future social, economic, environmental, and cultural well-being of Port Hedland.

CONSULTATION

Internal

- Infrastructure Operations team
- Infrastructure Projects team
- Infrastructure Engineering and Assets team
- Corporate Procurement team

External Agencies

- Procurement_PLUS Consultant

Community

- Nil

LEGISLATION AND POLICY CONSIDERATIONS

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

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

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

2/007 'Purchasing'

2/016 'Regional Price Preference'

2/022 'Panels of Pre-Qualified Suppliers'

4/009 'Significant Decision Making'

The successful suppliers must also abide by the Town's Code of Conduct while carrying out works for the Town.

FINANCIAL AND RESOURCE IMPLICATIONS

The appointment of suppliers to this Panel will provide budget predictability through fixed pricing for a minimum term of one (1) year, with the ability to extend each contract for a maximum term of three (3) years.

This approach not only ensures cost savings and value for money, but also facilitates effective allocation of resources for relevant asset management and capital works projects. The Town will benefit from competitive pricing while maintaining quality standards and timely delivery of services, contributing to the economic prosperity and financial sustainability of the respective suppliers.

Funding for proposed works completed under this Panel will be factored within the relevant directorate's approved capital and operational budgets.

STRATEGIC SUSTAINABILITY IMPLICATIONS**Strategic Community Plan**

The following sections of the Town's Strategic Community Plan 2022-2032 are applicable in the consideration of this item:

Our Economy:

2.3.3 Prioritise, encourage and promote local procurement.

2.3.5 Identify opportunities for new social enterprises, innovators, and small and medium-sized businesses and implement strategies to attract and support them.

2.5.1 Pursue investment in key infrastructure development such as the port, airport,

service industry and logistics.

Our Built and Natural Environment:

3.1.4 Ensure natural resource assets are well-managed and enhanced.

Environmental

Nil

Economic

The appointment and subsequent engagement of local suppliers to the Panel will support economic development within the Town.

Social

As a number of suppliers are local Aboriginal enterprises, the appointment of those businesses to the Panel will support growth in Aboriginal participation within the Town.

Access and Inclusion

The following outcomes of the Town's Access and Inclusion Plan 2023-2026 apply in relation to this item:

- Outcome 2 – Buildings and Facilities
- Outcome 4 – Quality of Service

Corporate Business Plan

The following services of the Town's Corporate Business Plan 2023-2027 apply in relation to this item:

Our Corporate Services

Governance and Procurement - Provide high standards of governance and leadership

Our Infrastructure Services:

Projects and Assets - Effective and efficient project and asset management

Roads and Footpaths - Provide an effective road network through the construction, maintenance and renewal of sealed and unsealed local roads and associated infrastructure

Drainage - Drainage systems that provide effective disposal of stormwater to protect community and Town assets

Parks and Gardens - Manage parks, ovals and open space (natural reserves)

Maintain tidy and attractive townsites and centres

Verges and Street Trees - Increase the number of trees to provide a softer landscape, assist in dust suppression, cooling of public spaces and better shade to protect pedestrians and drivers

Property Management and Maintenance - Ensure facilities are well maintained in line with the Town's asset management program

Our Regulatory Services:

Business and Economic Development - Lead an integrated and collaborative approach to achieve the community’s vision of ‘building prosperity for all – enabling sustained economic growth’

RISK MANAGEMENT CONSIDERATIONS

Risk Type	Operational
Risk Category	Service Interruption
Cause	Increased internal administration pressure and lengthy timeframes to assess contractor competency and capability
Effect (Consequence)	Will likely cause delays in procuring qualified contractors to provide civil services, resulting in increased prices and delays in operational works and capital projects.
Risk Treatment	Adopting the officer’s recommendation will reduce this risk by allowing the Town to engage pre-qualified contractor’s directly who have already been pre-qualified and assessed as competent and capable of completing a range of works.
<p>There is a current operational risk caused by the requirement to engage contractors at short notice, if required.</p> <p>The risk rating is considered to be Low (4) which is determined by a likelihood of Likely (4) and a consequence of Minor (2).</p> <p>This risk will be reduced by adopting the officer’s recommendation as the contractor’s on the Panel have already been assessed for competency and are pre-qualified.</p>	

OPTIONS

- Option 1 – Adopt officer’s recommendation
- Option 2 – Amend officer’s recommendation
- Option 3 – Do not adopt officer’s recommendation

CONCLUSION

The Town is seeking to appoint a panel of civil construction contractors and trade services who have extensive expertise and skills to assist the Town with various works to facilitate timely delivery of projects. Responses received for Tender RFT2324-19 have been thoroughly assessed, resulting in a comprehensive evaluation of submissions and the recommendation of contractors for appointment to the pre-qualified panel of civil construction contractors and trade services.

Through adherence to procurement policies, thorough evaluation criteria, and consultation with internal and external stakeholders, the Town has maintained transparency, fairness, and accountability throughout the process.

The establishment of this panel contributes toward enhancing the Town's capacity for timely and efficient project delivery, with a diverse range of expertise readily available to support infrastructure and development initiatives, ensuring value for money is achieved.

ATTACHMENTS

1. CONFIDENTIAL REDACTED - Multi Party Evaluation Report - RFT2324-19 Pre-Qualified Panel of Civil Construction Contractors and Trade Services [**12.4.1.1** - 42 pages]
2. CONFIDENTIAL REDACTED - Evaluation Report Memo - RFT2324-19 Pre-Qualified Panel of Civil Construction Contractors and Trade Services [**12.4.1.2** - 8 pages]

12.4.2 Award RFT 2324-23 South Hedland Landfill Infrastructure Works

Author: Project Manager

Authorising Officer: Director Infrastructure Services

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

OFFICER’S RECOMMENDATION 1

That Council,

1. Pursuant to section 6.8 of the *Local Government Act 1995*, approve the allocation of \$7,276,301 in the 2024/25 Capital Works Budget, as per the following breakdown:

Project Code	Project	24/25 Budget	Funded by:			
			Carry Forward	Borrowings	WasteSorted Infrastructure Grant	Waste Management Reserve
10126	Community Transfer and Recycling Station	4,215,977	225,000	0	130,000	3,860,977
10061	Evaporation Pond Liner	3,060,324	0	3,060,324	0	0
	Total	7,276,301	225,000	3,060,324	130,000	3,860,977

and,

2. Approve the transfer of \$3,860,977 from the Waste Management Reserve to fund the remainder of Project 10126 Community Transfer and Recycling Station.

ABSOLUTE MAJORITY VOTE REQUIRED

OFFICER’S RECOMMENDATION 2

That Council award RFT2324-23 South Hedland Landfill Infrastructure Works to the preferred tenderer for the total contract value of XXX ex GST with works to commence on or after 1 July 2024..

SIMPLE MAJORITY VOTE REQUIRED

PURPOSE

The purpose of this report is for Council to consider the Award RFT2324-23 South Hedland Landfill Infrastructure Works.

DETAIL*Background*

The Evaporation Pond (EP) is at the South Hedland Landfill (SHL) and is used by multiple commercial operators as a location for dumping liquid waste. The pond has a liner and is ten (10) years old and is at risk of failure. Replacement of the pond liner is required to maintain its usability and mitigate leakage as it nears end of life.

The Town's recent engagement through the Waste and Sustainability strategies highlighted the further need for the Town to move towards a greener future and as a priority a Community Transfer and Recycling Station (**CTRS**). The CTRS is designed to offer the community the opportunity to reuse and recycle unwanted goods as well as dispose of dangerous goods in a more environmentally friendly way by sorting and separating waste that comes into the Landfill. Included in the construction of the CTRS is the Community Tip Shop.

Part Offer A - Evaporation Pond Liner

The Town has an Evaporation Pond at the back of the South Hedland Landfill, which expands across a parcel of 52m x 35m and has a current capacity of 25,000KL. As part of the facility, the Pond has a liner that requires replacement every ten (10) years.

The current pond accepts around 32,850KL annually and services larger commercial waste operations in Port and South Hedland. Currently, the daily production rate from the plant of 92KL of waste is processed through the Wastewater Treatment plant at the South Hedland Landfill.

Due to the heavy reliance on the pond by the commercial operators, the Town has designed to deliver a duplicate pond to service the community's needs during the replacement of the original pond liner. This duplication will mitigate service interruption to the commercial operators and increase revenue due to processing the additional volumes of liquid waste.

Part Offer B – Separable Portion 1 Community Transfer and Recycling Station

The Town of Port Hedland's [Waste Management Strategy](#) was endorsed by the Council in September 2018. The strategy identified several actions to improve waste management and increase resource recovery and recycling, including developing a modern Community Recycling Centre.

The Community Transfer and Recycling Station (**CTRS**) is intended to redirect traffic from the tip face and in turn, reduce the instance of human interaction at the more dangerous part of the Landfill, where heavy machinery is operating.

The CTRS will allow specific areas for the separation of waste and materials and provide opportunities for re-sale through a 'tip shop' which will operate through the engagement of community groups once established.

Part Offer B Separable Portion 2 - Tip Shop

The community Tip Shop is supported by the Town’s adopted Waste Strategy and will focus on re-use of items diverted from the tip face.

The included specifications outline both the location and method for delivery of this facility.

Request for Tender

The Town released a Request for Tender (RFT) on 21st February 2024 on Vendorpanel (the Town’s e-tendering portal) and was advertised in the West Australian and the Northwest Telegraph with a closing date of 22nd March 2024.

The RFT number for this project is RFT 2324 23.

Addendums

There were 17 addenda released throughout the tender period:

Addendum	Detail
1	Further Civil detail
2	Confirmation on base material options
3	Site inspection confirmation
4	Date clarification
5	Deadline for submission
6	Confirmation of fill materials
7	Pricing Schedule
8	Cut to Fill detail - Pond Liner
9	Septic Screen and Waste Bin
10	Street Gully Pits - specification
11	Drainage detail
12	Requested extension - Easter
13	Pump specification
14	Landscaping PS
15	Requested extension - Sub Contractors
16	Dome shelter - Building Class
17	Pump specification

Tender Assessment

The Town received five (5) responses The respondents were as follows:

- CMA Contracting Pty Ltd
- Comiskeys Contracting Pty Ltd
- Jaylon Environmental System Pty Ltd
- MGN Civil Pty Ltd
- Norwest Contracting

Of the five (5) responses, one (1) was non-compliant due to the failure to respond to all mandatory criteria.

An evaluation meeting was held on 23rd April 2024, facilitated by the Town’s procurement representative. The compliant submissions were evaluated by a panel of four (4) Town employees whose main objectives were:

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

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

Qualitative Criteria	(%)
Relevant Experience & Key Personnel	40
Capacity to Deliver & Resources	30
Demonstrated Understanding & Methodology	30
Total	100

LEVEL OF SIGNIFICANCE

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

- Exception - The proposal or decision is not of a nature or significance that requires engagement.

CONSULTATION

Internal

- Manager Waste Operations
- Senior Waste & Resource Recovery Officer
- Director Infrastructure Services
- Director Regulatory Services
- Manager Environmental Services
- Manager Planning and Economic Development

External Agencies

- City of Swan – Recycling Centre Malaga WA

Significant consultation was undertaken through the delivery of the Town of Port Hedland's Waste Management Strategy 2022-2027 and The of Port Hedland Environmental Sustainability Strategy 2022 -2027.

Community

Significant consultation was undertaken through the delivery of the Town of Port Hedland's Waste Management Strategy 2022-2027 Environmental Sustainability Strategy 2022 –2027.

LEGISLATION AND POLICY CONSIDERATIONS

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

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

The following Town of Port Hedland policies have been considered in relation to the preparation of this item:

- 1/014 Execution of Documents
- 1/022 Risk Management
- 2/007 Procurement
- 2/018 Borrowings
- 2/019 Financial Reserves
- 4/009 Significant Decision Making

Further sections of the *Local Government Act 1995* have been considered and apply in relation to this item:

6.8 Expenditure from municipal fund not included in annual budget

9.49A Execution of documents

9.49B Contract formalities

Further to the above, “Part 4, Division 2 – Tender for providing goods or services” of the *Local Government (Functions and General) Regulations 1996* also applies in relation to this item.

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

FINANCIAL AND RESOURCE IMPLICATIONS

As part of the Towns Annual Budget FY2023/24 \$4,000,000 was allocated to Project 10061 Evaporation Pond Liner, this was to be funded 100% by Borrowings. During the Q2 Budget review, it was determined that this project would be a 24/25 Capital project and due to the project being funded by borrowings, the project was cancelled and is to be rebudgeted as part of the 24/25 Budget process.

The balance of \$225,000 for the Community Transfer and Recycling Station (project 10126) was determined to be Carry Forward.

Below is a summary of the 2023/24 budget.

Project Code	Project	23/24 Budget	23/24 Actual	23/24 Carry Fwd	23/24 Budget cancelled Q2
10126	Community Transfer and Recycling Station	300,000	75,000	225,000	0
10061	Evaporation Pond Liner	4,000,000	70,000	0	3,930,000
	Total	4,300,000	145,000	225,000	3,930,000

The below table depicts the proposed 2024/25 budget, and funding source detail.

Project Code	Project	24/25 Budget	Funded by:			
			Carry Forward	Borrowings	WasteSorted Infrastructure Grant	Reserve
10126	Community Transfer and Recycling Station	4,215,977	225,000	0	130,000	3,860,977
10061	Evaporation Pond Liner	3,060,324	0	3,060,324	0	0
	Total	7,276,301	225,000	3,060,324	130,000	3,860,977

The below table outlines the anticipated cost breakdown of these budgets.

Project Code	Project	Estimated project costs	Contingency (10%)	Total estimated project cost
10126	Community Transfer and Recycling Station	3,794,379	421,598	4,215,977
10061	Evaporation Pond Liner	2,754,292	306,032	3,060,324
	Total	6,548,671	727,630	7,276,301

The tender award will provide for the endorsement of budget plus contingency for the delivery of all works under scope.

STRATEGIC SUSTAINABILITY IMPLICATIONS

Strategic Community Plan

The following sections of the Town's *Strategic Community Plan 2022-2032* are applicable in the consideration of this item:

Our Community:

- 1.4.1 The present and future facilities and requirements of the town are planned for and developed in-line with relevant facility standards and community needs.
- 1.4.2 Facilities and community infrastructure are revitalized across the town
- 1.4.3 Facilities and community infrastructure are well maintained, managed and fit-for-purpose to provide a range of lifestyle opportunities.

Our Economy:

- 2.3.3 Prioritise, encourage and promote local procurement.
- 2.5.1 Pursue investment in key infrastructure development such as the port, airport, service industry and logistics.
- 2.5.3 Invest and develop key community and recreation infrastructure.

Our Built and Natural Environment:

- 3.2.3 Provide and promote sustainable energy, waste and water management practices.

Our Leadership:

- 4.1.2 Hedland is positively marketed and promoted locally, state-wide, nationally and internationally to tourists, investors and new residents.
- 4.3.4 Efficiency strategies across the town's infrastructure and amenity assets are implemented.

Environmental

The construction of the CTRS will support the Town's commitments to the environmental policies, by providing the community an opportunity to divert waste from the tip face

Economic

Nil

Social

Nil

Waste Management Strategy 2022-2027

- 1. Sound landfill management and planning to lower risk for the Town and the region
 - 1.3. CRC development and associated activities*

Environmental Sustainability Strategy 2022 –2027

Focus Area 2: Waste

Avoid Waste

1. In collaboration with Town staff, examine further opportunities for the Town to reduce waste generation and improve reuse and recycling in facilities and operations. No. of opportunities identified Estimated reduction in waste 3 3 2
2. Consider opportunities that support waste avoidance, recycling, recovery, and disposal.

Recover Resources

1. Implement a community recycling centre providing a tip shop and community recyclables.

Access and Inclusion

The following outcomes of the Town's *Access and Inclusion Plan 2023-2026* apply in relation to this item:

- Outcome 1 – Events and Services
- Outcome 2 – Buildings and Facilities

Corporate Business Plan

The following services of the Town's *Corporate Business Plan 2023-2027* apply in relation to this item:

Our Corporate Services:

Strategic and Corporate Planning - Planning for the future (Integrated Planning and Reporting): community vision, clear strategic direction and financial sustainability
Audit and Risk Management - Committed to organization wide risk management principles, systems and processes that ensure consistent, efficient and effective assessment of risk in all planning, decision making and operational processes

Our Infrastructure Services:

Projects and Assets - Effective and efficient project and asset management
Waste and Services - Provision of general waste services and recycling

Our Regulatory Services:

Environmental Health and Services - Ensure safe food practices and other aspects of environmental health within the local area. Provide the framework for the Town to prioritise and embed environmental sustainability practices across its facilities, operations, planning framework, policies and programs that impact the environment

RISK MANAGEMENT CONSIDERATIONS

Risk Type	Strategic
Risk Category	Reputational
Cause	Not supporting the tender award for the construction of the required infrastructure at the South Hedland Landfill
Effect (Consequence)	Unable to meet commitments under the Towns Endorsed Waste Management Strategy and Towns endorsed Environmental Sustainability Strategy
Risk Treatment	Award the tender as per Officers recommendation
<p>There is a Strategic, risk associated with this item caused by not awarding the tender, leading to no infrastructure being constructed at the Landfill and the administration not being abler to undertake their commitments under key Town of Port Hedland endorsed strategies.</p> <p>The risk rating is considered to be High (12) which is determined by a likelihood of Likely (4) and a consequence of Moderate (3).</p> <p>This risk will be eliminated by the awarding the tender as per the Officers recommendation.</p>	

OPTIONS

- Option 1 – Adopt officer’s recommendation
- Option 2 – Amend officer’s recommendation
- Option 3 – Do not adopt officer’s recommendation

CONCLUSION

The award of tender will support further the commitment that Council has already made to lowering its impact to the environment under Waste Management Strategy 2022-2027 and Environmental Sustainability Strategy 2022 -2027.

ATTACHMENTS

1. CONFIDENTIAL REDACTED - Request Summary Report [**12.4.2.1** - 21 pages]
2. CONFIDENTIAL REDACTED - V P 401857 - Multi party evaluation report [**12.4.2.2** - 11 pages]
3. CONFIDENTIAL REDACTED - Eval Memo SH Landfill Infrastructure Works [**12.4.2.3** - 16 pages]

12.4.3	Endorsement of Concept - Marina Shared Community Facility
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Author: Project Manager
Authorising Officer: Manager Waste & Services
 Manager Infrastructure Projects & Assets
Disclosure of Interest: The Author and Authorising Officer declare that they do not have any conflicts of interest in relation to this item.

OFFICER’S RECOMMENDATION

That Council:

- 1. Endorse the concept plan for the Marina Shared Community Facility as per attachment 1.**
- 2. Endorse the proposed staging plan as follows:**
 - a. Stage 1 - Hub 2 Business and Administration (Storage and Social)**
 - b. Stage 2 – Hub 1 Meeting Hall and Social / Hub 3 Storage / Hub 2 Business and Administration repurpose**
- 3. Authorise a business case be commissioned to support grant funding opportunities to develop and deliver the endorsed concept of the Shared Community Facility.**
- 4. Note that detailed design will not commence until the grant funding target has been achieved.**

SIMPLE MAJORITY VOTE REQUIRED

PURPOSE

The purpose of this report is for the Council to consider the endorsement of the Marina Shared Community Facility concept.

DETAIL

The Town of Port Hedland along with the State Government and BHP has committed significant funds to the construction of the new Port Hedland marina landside development. As part of this development, the remaining parcel to be considered is the area west of the Port Hedland Yacht Club, formally known as the TS Pilbara Sheds and old RSL building.

The facilities in situ are past their end of life with significant compliance defects throughout. In their current state, they are not fit for purpose for their current uses as storage facilities and the Port Hedland Fishing Club operations.

As part of the Town’s support for developing the Marina's landside portion, the Town undertook a needs analysis for a new Shared Community Facility (SCF) on this parcel. The needs analysis was undertaken by ABV with a concept developed by Carabiner Architects, which aimed to design a suitably sized facility to support the needs

identified in that report. This needs analysis was endorsed by Council at the 22 September 2022 Ordinary Council Meeting (CM202223/023).

The Town undertook a Request for Tender process, and a contract was awarded to NORDA Architects for the development of a concept for a SCF, in line with the outcomes from the endorsed needs analysis.

The consultant considered the space and the current buildings in situ and has undertaken a re-use approach developing a concept based on the adaptive re-use of the TS Pilbara Shed, duplicating to produce three (3) hubs design, which are fit for the purposes identified in the needs analysis.

The Elected Members were presented with the final concept of the SCF on the 6th of May 2023. Feedback was received and noted and provided for a finalised version included in the attached concept.

By creating three (3) hubs, the facility can separate the three (3) core functions found in the needs analysis – social/ business/ storage and be delivered in a staged approach.

Concept

Hub 1 – Meeting Hall and & Social

This facility's design is to meet the provision of a shared community space at the Marina. The design includes a large function area with a supporting kitchen, ablutions, and storage space.

Hub 2 – Business and Administration

The reuse of the TS Pilbara shed is included in this hub and aims to meet the requirements of future opportunities in business and retail.

Hub 3 - Storage

This hub aims to give adequate storage options to community and internal user grounds including the Towns Events team for Marina activations.

Proposed Staging Plan For Delivery

Stage 1 - Hub 2 – Business and Administration (Storage and Social)

The delivery of Stage 1 Hub 2 would include the refurbishment of the TS Pilbara shed and construction of a smaller social area to the north of the shed. The two (2) adjacent parcels on either side would be quarantined for future Stage 2 with landscaping to be provided for surface treatment and dust suppression.

Stage 2 – Hub 1 – Meeting Hall and & Social / Hub 3 – Storage / Hub 2 – Business and Administration

The delivery of Stage 2 would include the construction of the two (2) adjoining hubs as per the concept and a refurbishment of the TS Pilbara Shed to align with business and administration hub function as per the concept.

Hub1 would provide for the social activities and Hub 3 storage as outlined in the Concept.

Financials

A recent Quantity Surveyor report indicated that the overall cost for the preparation of the site has provided the breakdown below:

NB: Costs include 70% regional construction loading/ locality allowance.

Stage	Inclusions	Value
1	<ul style="list-style-type: none"> Demolition RSL Building and Ablution block Refurbishment TS Pilbara Shed (Hub 2) Construction small social hub (Hub 2a) Landscaping and surface treatments for future hubs 1 & 3) 	\$6,967,000
	Professional Fees & Escalation 12 months	\$ 920,000
	Stage 1 - Total	\$7,887,000
2	<ul style="list-style-type: none"> Construction of Social facility (Hub 1) Construction of Storage area (Hub 3) Repurpose of smaller social area and storage to Business/ administration (Hub 2& 2a) 	\$7,775,000
	Professional Fees & Escalation 36 months	\$ 1,504,000
	Stage 2 - Total	\$ 9,279,000

A value for the removal of the old RSL building and ablution block has been included as part of the site preparation, however under the lease with the Pilbara Ports Authority (PPA), they are required to contribute to their removal, once the Landside portion of the Marina project has been delivered.

There will be no further contract expenditure for the Shared Community Facility once the business case has been commissioned, which an inclusion in the concept phase of this design contract.

CONSULTATION

Significant consultation was undertaken through the needs analysis in 2022, including reaching out to community groups and potential commercial operators who may be interested in a space at the new facility.

Following this, more recently, current community groups located at the Marina have been consulted about this concept. Feedback received was positive and in supportive of the concept and its staging.

The Port Hedland Fishing Club would be impacted the most and the relocation of the community group will need to be considered, before the old RSL building is demolished.

The Town would need to find suitable accommodation should the old RSL building be demolished, and Council elect not to proceed with any improvements at the site.

Internal

- Executive Leadership Team
- Manager Planning and Economic Development
- Manager Infrastructure Projects and Assets
- Manager Leisure and Recreation Facilities
- Manage Infrastructure Operations

External Agencies

- Commercial marine operators and businesses
- Department Planning Lands and Heritage
- Department of Biodiversity, Conservation and Attractions

Community

- Port Hedland Game Fishing Club
- Port Hedland Fishing Club
- Northwest Spear Fishing Club
- Port Hedland Clubbies and Nippers (did not form)
- Port Hedland Yacht Club (administration)
- Current and Potential commercial operators

LEGISLATION AND POLICY CONSIDERATIONS

The following Town of Port Hedland policies have been considered in relation to the preparation of this item:

- 1/014 Execution of Documents
- 1/022 Risk Management
- 2/007 Procurement
- 2/019 Financial Reserves
- 4/009 Significant Decision Making

FINANCIAL AND RESOURCE IMPLICATIONS

The current quantity surveyor report for the three (3) hub concept has shown the significant costs associated with the development of the site, specifically the site

preparation including retaining the parcel itself and considers the need for service location to support the facilities to be constructed on the parcel.

STRATEGIC SUSTAINABILITY IMPLICATIONS

Strategic Community Plan

The following section/s of the Town's *Strategic Community Plan 2022-2032* are/is applicable in the consideration of this item:

Our Community:

1.2.5 Opportunities to get involved and results of engagement are regularly promoted.

1.4.1 The present and future facilities and requirements of the town are planned for and developed in-line with relevant facility standards and community needs.

1.4.2 Facilities and community infrastructure are revitalized across the town

1.4.3 Facilities and community infrastructure are well maintained, managed and fit-for-purpose to provide a range of lifestyle opportunities.

Our Economy:

2.5.3 Invest and develop key community and recreation infrastructure.

2.5.5 Support tourism infrastructure development

Our Built and Natural Environment:

3.2.4 Enhance the protection and valuing of amenities and urban space through community engagement.

Our Leadership:

4.3.2 Community members, businesses and tourists are engaged to provide feedback about local facilities and services.

4.3.4 Efficiency strategies across the town's infrastructure and amenity assets are implemented.

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

Access and Inclusion

The following outcomes of the Town's *Access and Inclusion Plan 2023-2026* apply in relation to this item:

- Outcome 1 – Events and Services
- Outcome 2 – Buildings and Facilities
- Outcome 6 – Public Consultation

Corporate Business Plan

The following service/s of the Town's *Corporate Business Plan 2023-2027* apply in relation to this item:

Our Community Services:

Recreation Leisure Facilities and Programs - Provide and promote, with key stakeholders recreation and sporting activities for healthy lifestyles
 Events, Arts and Culture - Cultivate an arts and cultural scene that celebrates the rich and culturally significant history of our region, as well as embracing the future
 Club Development - To assist sporting and recreation clubs and organizations to develop and thrive in the local Hedland community

Our Corporate Services:

Governance and Procurement - Provide high standards of governance and leadership

Our Infrastructure Services:

Projects and Assets - Effective and efficient project and asset management
 Property Management and Maintenance - Ensure facilities are well maintained in line with the Town’s asset management program

Our Regulatory Services:

Planning and Development - Strategic land use planning and regulation to ensure the best development and land use outcomes
 Building Services - Building advice and approvals

RISK MANAGEMENT CONSIDERATIONS

Risk Type	Strategic
Risk Category	Reputational
Cause	Lack of strategic planning for the Marina landside parcels
Effect (Consequence)	Inefficient use of space and facility that may not meet the needs of the community
Risk Treatment	Endorse the concept for the Shared Community Facility concept

There is a Strategic, risk associated with this item caused by a lack of planning for the use of the Marina landside parcels leading to inefficient use of space and facility that may not meet the needs of the community

The risk rating is considered to be Low (4) which is determined by a likelihood of Unlikely (2) and a consequence of Minor (2).

This risk will be eliminated by the endorsement of the Shared Community Facility concept.

OPTIONS

- Option 1 – Adopt officer’s recommendation
- Option 2 – Amend officer’s recommendation
- Option 3 – Do not adopt officer’s recommendation

CONCLUSION

The Shared Community Facility concept meets the community's needs as outlined in the endorsed needs analysis. By endorsing the concept, Council can show their support of these needs before investigating grant funding opportunities for the project.

ATTACHMENTS

1. 23006 SCF S K.03 Rev C [**12.4.3.1** - 1 page]
2. 23006 SCF S K.04 Rev C [**12.4.3.2** - 1 page]
3. 23006 SCF S K.05 Rev C [**12.4.3.3** - 1 page]
4. 23006 SCF S K.06 Rev C [**12.4.3.4** - 1 page]
5. 23006 SCF S K.07 Rev B [**12.4.3.5** - 1 page]
6. 23006 SCF S K.02 Rev C [**12.4.3.6** - 1 page]

12.5 Executive Services

Nil

13 New Business of an Urgent Nature (Late Items)

Nil

14 Motions of Which Previous Notice has been given

14.1 Audit, Risk and Compliance Committee - Amended Terms of Reference

14.1.1	Audit, Risk and Compliance Committee – Amended Terms of Reference
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Author: Senior Audit, Risk & Compliance Advisor
Authorising Officer: Manager Governance
Disclosure of Interest: The Author and Authorising Officer declare that they do not have any conflicts of interest in relation to this item.

OFFICER’S RECOMMENDATION 1

That Council adopt the amended Audit, Risk and Compliance Committee Terms of Reference, as per Attachment 1.

SIMPLE MAJORITY VOTE REQUIRED

OFFICER’S RECOMMENDATION 2

That Council:

1. Appoints three (3) Elected Members of Council to become members of the Audit, Risk and Compliance Committee.

- Councillor _____
- Councillor _____
- Councillor _____

2. Appoints up to three (3) Elected Members of Council to become Deputy (Proxy) Members of the Audit, Risk and Compliance Committee.

- Councillor _____
- Councillor _____
- Councillor _____

ABSOLUTE MAJORITY VOTE REQUIRED

PURPOSE

The purpose of this report is for Council to adopt the amended Audit, Risk and Compliance Committee (ARC Committee) Terms of Reference (TOR). Additionally, it includes a recommendation for Council to designate three selected members to join

the ARC Committee as full members and three other Council members to serve as proxy members.

DETAIL

Terms of Reference

In accordance with Section 7 of the *Local Government Act 1995* (the Act), an Audit Committee is to be established to offer guidance and assistance to the local government, operating with accountability to the Council.

The ARC Committee Terms of Reference were initially adopted by the Council in November 2011, and the most recent review occurred in September 2022. These TOR delineate the Committee's purpose, authority, membership, functions, reporting requirements, and responsibilities.

As stipulated in clause 8.2 of the TOR (Version 11), the Committee requests the Chief Executive Officer to review the TOR after an election. Any proposed changes necessitate Council approval, with consideration given to ensuring appropriate disclosures as mandated by legislation or regulation.

Attachment 1 highlights all modifications to the current TOR through track changes, providing Council a transparent and accessible overview of the amendments made.

Notable amendments to the TOR include:

- The incorporation of a provision allowing a proxy to attend meetings should a committee member be unavailable. This addition serves to ensure continuity in the Committee's proceedings.
- The Authority and Independence section has been restructured to align with the Town's Register of Delegated Authority – Statutory, enhancing consistency.
- The composition of the Committee was revised to include at least three members and a maximum of five members, with emphasis on having at least one independent member when feasible.
- Guidelines pertaining to Committee member resignations. This inclusion facilitates a structured and transparent process for resignations, contributing to the effective functioning of the Committee.

Another noteworthy aspect of the amendments is the overarching effort to streamline and simplify the document. The Council continues its commitment to promoting transparency, efficiency, and accountability within the ARC Committee through these refined and purposeful amendments.

The ARC Committee TOR was presented to the 28 November 2023 Committee meeting and the ARC Committee resolved to let the motion lie on the table (ARC202324/007).

The amended TOR was returned to the agenda for the 12 March 2024 meeting and, subject to discussion at the ARC Committee feedback session on 5 March 2024, a

further briefing was held with the ARC Committee on 11 March 2024. ARC Committee members have sought amendments to the TOR to include additional powers, including;

1. Power to appoint auditors,
2. Power to appoint independent legal advisors, and
3. Inclusion of the ability to appoint independent members to the ARC Committee.

The ARC Committee was advised that points 1 and 2 are powers outside the legislative functions under the *Local Government (Audit) Regulations 1996* and Council delegation 1.1.1. The ARC Committee report to the Council and may implement these powers through a decision of the Council subject to the relevant legislation. The TOR has been amended to include point 3.

The TOR was considered at the 12 March 2024 ARC Committee meeting and the recommendation proposed that the Committee endorse the revised TOR and recommend its adoption by the Council. While Councilor Turner supported the motion, its lack of a seconder and subsequent absence of debate led to the item lapsing.

Committee Composition

Councillor Blanco resigned from the ARC Committee on 9 May 2024. With only two full members left, the committee lacks sufficient quorum or diversity. It is suggested that the Council appoint two more Councillors to the ARC Committee, making it a total of four members, ensuring both quorum for future meetings and a broader range of expertise.

Additionally, according to clause 6.1 of the proposed TOR, the Council can appoint an independent member where feasible. If this route is taken, a proposal will come before the Council after the Town has explored suitable candidates from the market.

It is also recommended for the Council to appoint up to three Council members as deputy (proxy) members of the committee. These deputies will only need to attend meetings if a regular Committee Member is unable to do so due to illness, absence, or other reasons. Clauses 6.2 and 6.3 of the proposed TOR provides further information.

LEVEL OF SIGNIFICANCE

In accordance with Policy 4/009 'Significant Decision Making', this matter is of low significance because the amendments introduced to the ARC Committee Terms of Reference, as part of the review process, are not anticipated to yield any financial implications for the Town or result in social, economic, or environmental impacts for the community.

CONSULTATION

Internal

- Director Corporate Services
- Manager Governance

- ARC Committee

External Agencies

- Consultant

Community

- Nil

LEGISLATION AND POLICY CONSIDERATIONS

- *Local Government Act 1995*
- *Local Government (Administration) Regulations 1996*
- *Local Government (Audit) Regulations 1996*

FINANCE AND RESOURCE IMPLICATIONS

There are no financial implications associated with this item. Further, the ARC Committee does not hold any financial delegation.

STRATEGIC SUSTAINABILITY IMPLICATIONS

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

Our Leadership:

4.2.2 Transparent and regular financial reporting and communication to the community is undertaken.

4.2.3 Transparent and regular governance reporting and communication to the community is undertaken.

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

Access and Inclusion

The following outcome of the Town's Access and Inclusion Plan 2023-2026 apply in relation to this item:

Nil

Corporate Business Plan

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

Our Corporate Services:

Audit and Risk Management - Committed to organisation wide risk management principles, systems and processes that ensure consistent, efficient and effective assessment of risk in all planning, decision making and operational processes

RISK MANAGEMENT CONSIDERATIONS

Risk Type	Operational
Risk Category	Service Interruption
Cause	Terms of reference not adopted
Effect	Without clear terms of reference adopted by Council, there may be a lack of clear guidance on the Committee’s scope, responsibilities, and objectives, leading to inefficiencies or oversight gaps in the meeting process.
Risk Treatment	A workshop was held with the ARC Committee to offer education and resources on the rationale behind the structure of the Terms of Reference and recent legislative changes pertaining to Audit Committees over the last few years.
<p>Failure to adopt the amended TOR poses a risk of service interruption, potentially resulting in unclear guidelines regarding the Committee’s scope, responsibilities, and objectives. This could lead to inefficiencies, oversight gaps in meetings, and operational disruptions.</p> <p>The risk rating is medium (6) which is determined by a likelihood of possible (3) and a consequence of minor (2).</p> <p>This risk will be mitigated by Council’s adoption of the amended TOR.</p>	
Risk Type	Operational
Risk Category	Compliance
Cause	ARC Committee request further amendments to TOR
Effect	If Council decline to adopt the TOR and requests additional amendments, there is a possibility that the Terms of Reference may not align with the legislative framework.
Risk Treatment	A workshop was held with the ARC Committee to offer education and resources on the rationale behind the structure of the Terms of Reference and recent legislative changes pertaining to Audit Committees over the last few years.

Failure to adopt the amended TOR poses a compliance risk as the recommended TOR are compliant with the legislative framework. Further amendments to the TOR could lead to non-compliance with the legislative framework.

The risk rating is medium (9) which is determined by a likelihood of possible (3) and a consequence of moderate (3).

This risk will be mitigated by Council's adoption of the amended TOR.

OPTIONS

Option 1 – Adopt officer's recommendation

Option 2 – Amend officer's recommendation

Option 3 – Do not adopt officer's recommendation

CONCLUSION

In conclusion, this report is intended to guide Council in adopting the revised ARC Committee Terms of Reference (TOR). The review aligns with the *Local Government Act 1995*, ensuring clarity on the Committee's purpose and responsibilities. Noteworthy amendments, such as proxy provisions and streamlined documentation, are intended to enhance the operational efficiency of the Committee. The TOR is intended to help Committee members fulfill their obligations in line with the Act and supporting regulations.

ATTACHMENTS

20240306 Audit, Risk and Compliance Committee Terms of Reference No Track Changes

20240306 Audit, Risk and Compliance Committee Terms of Reference With Track Changes

15 Matters for Which Meeting May be Closed (Confidential Matters)

PROCEDURAL MOTION

That Council close the meeting to members of the public as prescribed in section 5.23(2) of the Local Government Act 1995, to consider item 15.1, 15.2, 15.3 and 15.4

SIMPLE MAJORITY VOTE REQUIRED

15.1	Town Debtors
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Confidential Reasons: b the personal affairs of any person.

15.2	Land Tenure Outcome – South Hedland
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Confidential Reasons: e (iii) a matter that if disclosed, would reveal information about the business, professional, commercial or financial affairs of a person, where the information is held by, or is about, a person other than the local government.

15.3	Yacht Club Venue Refurbishment
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Confidential Reasons: c a contract entered into, or which may be entered into, by the local government and which relates to a matter to be discussed at the meeting.

e (ii) a matter that if disclosed, would reveal information that has a commercial value to a person, where the information is held by, or is about, a person other than the local government.

15.4	Purchase of Residential Properties
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Confidential Reasons: c a contract entered into, or which may be entered into, by the local government and which relates to a matter to be discussed at the meeting.

16 Closure

16.1 Date of Next Meeting

The next Ordinary Meeting of Council will be held on Tuesday, 25 June 2024 commencing at 5:30 pm.

16.2 Closure

There being no further business, the Presiding Member shall declare the meeting closed.