



# AGENDA

Dear Councillor

I respectfully advise that **ANNUAL GENERAL MEETING OF ELECTORS MEETING** will be held in the **Civic Centre, McGregor St, Port Hedland**, on **Thursday, 19 December 2019**, commencing at **5.00pm**

**MEETING AGENDA ATTACHED**

Yours faithfully

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

David Pentz  
Chief Executive Officer

11 December 2019

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## DISCLOSURE OF FINANCIAL/ IMPARTIALITY/ PROXIMITY INTERESTS

*Local Government Act 1995 – Section 5.65, 5.70 and 5.71**Local Government (Administration) Regulation 34C*

<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 (Administration) Regulation 34C</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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## Item 1 Opening of Meeting

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The Commissioner is to declare the meeting open at [Enter Time](#).

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## Item 2 Acknowledgement of Traditional Owners and Dignitaries

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The Commissioner acknowledges the Kariyarra people, on whose lands we are meeting, and pays his respects to Elders past, present and emerging.

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## Item 3 Recording of Attendance

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### 3.1 Attendance

**Scheduled for Attendance:** Commissioner Fredrick Riebeling  
David Pentz (Chief Executive Officer)  
Anthea Bird (Director Corporate Services)  
Craig Watts (Director Regulatory Services)  
Peter Chandler (Acting Director Infrastructure Services)  
Josephine Bianchi (Director Community Services)  
Rebecca Somerford (Acting Manager Governance)

### 3.2 Attendance by Telephone / Instantaneous Communications

Not applicable.

### 3.3 Apologies

Not applicable.

### 3.4 Approved Leave of Absence

Not applicable.

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## Item 4 Response to Previous Questions

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4.1 Response to Questions taken on notice from Annual General Meeting of Electors held on 27 March 2019.

4.1.1 MR ARNOLD CARTER
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A written response was provided to Mr Carter on 8 May 2019.

*At the Ordinary Council Meeting held on 23 April 2018 it was agreed that the Gratwick Aquatic Centre would be upgraded. I refer to tender 2018-16, which was divided into two components. The first component had an allocation of \$300,000, the second component was to be included in the 2019 budget. This had an estimate of \$500,000 making a total allocation \$800,000.*

*You indicated in your expenditure mid-year review dated 12 February 2019 a budget expenditure of \$905,228 was to be allocated, which is far in excess of the \$800,000. I presume this included the original budget amount of \$500,000, which was in your previous budget.*

*Would you please supply the following information?*

- 1. Were estimates ever received for the first section of the upgrade and have you received a final quote for the completion of this project? If so, what is the final estimate?*
- 2. Why was there such a delay in the construction of the first component of the contract, which was issued in April 2018? Have you received a completion date?*

The Director Infrastructure and Town Services provides the following responses to Mr Carter's questions:

1. a) Yes, a cost estimate was received for the works prior to going to tender.  
b) The final estimate is as per the Council Item in October 2018.  
c) That figure is \$905,295 ex GST.
2. a) The delay was as a result of the pressure filters failing. This was outlined and discussed in October 2018 when the item was brought to Council to seek the additional funds to replace the filters. A lead time of 12-16 weeks was required from when the filters were ordered to delivery.  
b) The current completion date is the end of May 2019.

Furthermore, the Project Manager advises that at the Ordinary Council Meeting on 23 April 2018 Council Awarded Tender 2018-06 Gratwick Aquatic Centre (GAC) Upgrade Works to Dynamic Pools. The Request for Tender (RFT) was divided up in to two separable portions separable portion 1 costing \$291,972 ex GST and separable portion 2 costing \$409,718 ex GST. Separable portion 2 was subject to Council adopting the 2018/19 annual budget. This was a total project cost of \$701,690 ex GST.

As part of separable portion 1, works were completed in the 2017/18 financial year, and there was a remaining budget of \$196,282 ex GST rolled over to the 2018/19 financial year. This, added to the adopted budget for separable portion 2 (\$409,718), provided a project budget of \$606,000 ex GST for the 2018/19 financial year.

In October 2018 details were presented to Council which outlined the structural failures of the pressure sand filters at the GAC facility. These pressure filters had been bypassed several years previously by the Town and as a result, when reconnected and tested, there was a catastrophic failure of the vessels and the tanks exploded. As a result, an item was presented to Council in October 2018 which requested the budget for GAC be amended to so the failed pressure vessels could be replaced. On 24 October 2018 Council endorsed the recommendation and agreed to amend the budget to \$905,295 ex GST, an increase of \$299,295 ex GST.

*In relation to the Port Hedland International Airport, the 2018 budget showed a balance of \$165,827,493.00. Could you please advise what component of this figure is interest received, as it is noted that your 2018/2019 budget comprises of the exact same figure?*

The Manager Financial Services advises that the current balance of the PHIA reserve is \$168,026,137. Interest received was \$2,198,644.56 and was not included in the budgeted closing balance figure, however the actual balance has reflected the interest earned.

*Is it correct that you do not estimate or include in your budget any alteration to the amount of money in the actual funds in 2018?*

The Manager Financial Services advises that this is correct. The Town does transfer the interest at the end of the year to reserve (as shown above) as per council resolution 201516/278.

*As commented on in the audit report, when is it anticipated that a financial management committee be appointed for the management of the proceeds from the sale of the Port Hedland International Airport?*

The Director Corporate and Performance advises that the Town is unable to verify the 'audit report' to which Mr Carter is referring. The most recent external audit closing report issued by RSM for the year ended 30 June 2018 (the year to which the AGM applied) does not mention the PHIA Long Term Lease Proceeds.

Proposed usage and management of the PHIA Long Term Lease Proceeds Reserve will be presented to Council as part of the draft long-term financial plan in June 2019.

*In the Critical Disclosures portion of the Financial Report it states "We have audited the following critical disclosures in the financial report and we find that there are several discrepancies. Disclosures of key management personnel remuneration and related party transactions are not in accordance with AASB 124 Related Party Disclosures", and the auditor has marked that as a matter of concern. Could you please update me on that disclosure?*

The Manager Financial Services advises that she believes Mr Carter is referring to a document provided to him in an ARG meeting on 4 December 2018 (the draft version of the Audit closing report prepared by RSM). Since that draft was issued, the Town received the final closing report dated 4 February 2019.

The final closing report was provided to the ARG committee on 14 February 2019 as Attachment 2 to item 11.1.1. In the final closing report RSM confirmed the Town's related party disclosures complied with accounting standards/financial management regulations.

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**Item 5 Confirmation of Minutes of Previous Meeting**

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- 5.1 Confirmation of Minutes of the Annual General Meeting of Electors held on 27 March 2019.

**RECOMMENDATION**

That the Minutes of the Annual General Meeting of Electors held on 27 March 2019 are a true and correct record.

*SIMPLE MAJORITY VOTE REQUIRED*

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**Item 6 Annual Report**

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- 6.1 Reports

**RECOMMENDATION**

That the Town of Port Hedland Commissioner's Report, Chief Executive Officer's Report and the Annual Report for the 2018/19 Financial Year be received.

*SIMPLE MAJORITY VOTE REQUIRED*

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**Item 7 General Business**

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**Item 8 Closure**

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There being no further business, the Commissioner declared the meeting closed at [enter time](#)