



MINUTES

Annual General Meeting of Electors

Wednesday 15 May 2024

Time: 5:30pm

**Location: 13 McGregor Street, PORT HEDLAND WA
6721**

Distribution Date: 29 May 2024

Mayor

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1 Opening of Meeting

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

2 Acknowledgement of Traditional Owners and Dignitaries

The Presiding Member acknowledged the Kariyarra people as the Traditional Custodians of the land that we are meeting on and recognised their strength and resilience and paid 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
Cr Sven Arentz
Cr Camilo Blanco
Cr Lorraine Butson
Cr Adrian McRae
Cr Ambika Rebello

Scheduled for Attendance:

Craig Watts (A/Chief Executive Officer)
Steve Leeson (Director Corporate Services)
Louise Gee (Interim Director Community Services)
Grant Voss (A/Director Regulatory Services)
Tom Kettle (Manager Governance)
Karen Krollig (Governance Officer/ Minute Taker)
Rhiannon Smith (Governance Support Officer)
Belinda Yull (Governance Support Officer)
Sophie Marlow (Governance Services Trainee)

3.2 Attendance by Telephone / Instantaneous Communications

3.3 Apologies

Deputy Mayor Christensen

3.4 Approved Leave of Absence

Cr Turner

Cr Bennett – Leave of Absence request received for dates 13 May through 22 June 2024 – to be brought before Council at the Ordinary Council Meeting to be held on 29 May 2024.

4 Response to Previous Questions

4.1 Response to Questions taken on notice from Public at the Annual General Meeting of Electors held on 8 February 2023

There were Nil questions taken on notice at the Annual General Meeting of Electors held on 8 February 2023.

5 Confirmation of Minutes of Previous Meeting

AGM202324/001 COUNCIL DECISION

MOVED: Nil

SECONDED: Nil

That Council confirm that the Minutes of the Annual General Meeting held on 8 February 2023 are a true and correct record.

LAPSED FOR WANT OF A MOVER

6 Annual Report

Copies of the Annual Report 2022-2023 are attached to this agenda and are available on the Town's website. Questions relating to the Annual Report will be responded to by the Presiding Member or the appropriate Executive Officer.

5:43 - Director Corporate Services presented the Town of Port Hedland 2022-2023 Annual Report Review.

AGM202324/002 ELECTORATE DECISION

MOVED: Cr Sven Arentz

SECONDED: Chris Skelton

That the Town of Port Hedland Annual General Meeting of Electors, pursuant to section 5.27 of the Local Government Act 1995 and regulation 15 of the Local Government (Administration) Regulations 1996, receive and note the contents of the Town of Port Hedland Annual Report for the 2022-2023 Financial Year, including the Mayor's report, the Chief Executive Officer's Report and the Audited Financial Report for the period ended 30 June 2023.

CARRIED UNOPPOSED

7 General Business

In accordance with Section 5.27 of the Local Government Act 1995, and Regulation 15 of the Local Government (Administration) Regulations 1996, Electors present at the Annual General Meeting of Electors are invited to raise any items of general business for discussion.

The Presiding Member declared General Business open at 5:49 pm.

7.1	Jillian Fisher
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Regarding the Annual Report and Financial Statements:

Page 21 - Why are there councillors who were elected in October 2023, actually in the report for FY2022-2023? We have Cr Arentz, Cr Blanco, Cr Butson and Cr Rebello (whose name is spelled incorrectly and I think that's quite rude to get someone's name wrong in the report).

The Mayor provided the following response:

We'll take that on notice for you, thank you.

The Acting Chief Executive Officer provided the following further response:

The listed Councillors names have been removed from the Annual Report.

Can you tell me what position, you don't have to name names, but on page 26, there is a member of your staff who is in the top and earns \$320-329,999. Can you tell me what position that person holds?

The Mayor provided the following response:

I think it's the CEO, but I'll take that on notice for you anyway.

The Acting Chief Executive Officer provided the following further response:

Position confirmed as the Chief Executive Officer. The Western Australian Salaries and Allowances Tribunal determines both local government elected members and CEO allowable remuneration bandings. The Local Government Act Regulations prescribe reporting the total remuneration package for CEO's to also include non-cash benefits, unlike other staff within this table, reporting cash salary only.

Going into the financial statements, I'll be happy to take this on notice. Looking on page 56 - the 2021-2022 Annual Report, the total comprehensive income for this period was \$14,896,000. If we proceed ahead for the budgeted amount for 2022-2023, on page 19, the total comprehensive income for the year is -\$8,000,073. Now the interesting part is my next figure - it's very confusing, electors are going to have issues following this - so we'll go to the financial

year annual report which ends 30th June 2023, and the actual amount for the total comprehensive income for the period \$162,853,060. Can you tell me how we went, in twelve months, from \$14m to \$162m?

The Mayor provided the following response:

I'll take that on notice and give you a full report.

The Director Corporate Services provided the following further response:

As explained in the overview presentation prior on the night, at slide 4, the \$12M payment for the Spoilbank Landside development was a contributing factor. This together with higher than forecast depreciation charges, creating the -\$6M net result for 2022-2023, compared to the budgeted forecast deficit of -\$8M for year, compared to an actual net result of \$14M in 2021-2022.

Then referring to the associate Note 19, it reads "Movement in Revaluation" and details amounts against infrastructure assets (roads, drains, paths etc.). These are non-cash, book entries, to better reflect the value of our community assets and increases are recognised as income according to accounting standards.

7.2	Renae Coles
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My first question is based around the opening statements on the Town of Port Hedland being the town of liveability and inclusivity. I had someone stop and have a chat with me in regards to our Bowls Club, and not being able to use this anymore. With his issues and problems with being as old as what he is, he always like to play lawn bowls. Since the closure of the club, he hasn't been able to actively lead a prosperous life within the Town of Port Hedland, so my question, if you can take it to Council, is how long is it going to take to get that club open? Can sports and recreation not take on the Bowls Club area to be able to get out there enjoy life.

The Mayor provided the following response:

Taken on notice.

The Manager Infrastructure Operations provided the following further response:

We are currently working through the Club liquidation process and dissolution. The determination of assets and other property associated with the Club is yet to be completed and is in the hands of the Administrator.

We recognise that a potential to utilise the site exists, however, until the determination and liquidation process is completed, access to the site will not be permitted.

And also to fix the gates. It's not very safe - it's not very eye-appealing.

The Mayor provided the following response:

Taken on notice.

The Manager Infrastructure Operations provided the following further response:

On Wednesday 22 May, a site wide clean and tidy will be undertaken.

The subject gates had already been identified as requiring replacement along with a number of other maintenance issues. The works will be the subject of an RFQ process which will be initiated in the new financial year.

If there a register or list on ToPH of employees who have free housing here through the Town, and are running a business outside of their employment with the Town. Is there a list of these employees and do they put in a Conflict of Interest for that?

The Mayor provided the following response:

Taken on notice.

The Acting Chief Executive Officer provided the following further response:

All staff members who hold secondary employment, including self-employment, are required to notify the Town to in accordance with internal policy, to ensure there is no Conflict of Interest.

7.3	Roger Higgins
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I'd like an explanation for some of the expenditures in the Financial report. In every one of the months from July 22, there was an expense from C3 Church, but there's no amount in there. Could someone tell me what that's for, there's 12 payments there? What's this payment for and has it been approved by Council?

The Mayor provided the following response:

Taken on notice.

The Manager Financial Services provided the following further response:

\$22,000 was paid to C3 Church in October 2022 for a Christmas Event, being grant funds which the Town was auspice for. These are approved through procurement delegations.

There's also some very regular payments being made to the Royal Lifesaving Association, sometimes there's no figure next to it, but the amount is substantial - it's \$231,000 or thereabouts. There are multiple payments, more than one a month. What's the payment for, has it been approved by Council?

The Mayor provided the following response:

Taken on notice.

The Manager Financial Services provided the following further response:

These payments include labour hire, purchase of equipment such a wrist bands and mats and lifeguard training.

Regarding the expenses versus the income side: We can see actual figures of 2023, the actual income is \$107,353,887 and then we have a figure that says the actual expenses are \$116,745,689. But included in that is a depreciating figure of \$18.6m. I know depreciation is not income and from a tax perspective, it shows up in a balance sheet like this. But if you take out that depreciation, that means there's been an actual expenditure here of about \$98m. If you look at it month by month, the total expenditure from July 2022 through to the end of 30 June 2024, amounts to \$179,930,000m. Now that's a big, big difference, so the question is, how does this come about? It looks to me that we need a forensic audit of what's going on here, unless someone here can give me answer as to why we have such a big variation?

The Director Corporate Services provided the following response:

I would suggest that the answer lies in that the monthly payments you're quoting would be including capital expenditure as well. Those figures that you've pulled off the financial statements are just operating. The Statement of Financial Activity is a comprehensive statement of income and expenditure, being both operating and capital. You've just got the top half there, you're missing out on all the expenditure, so that's your renewal capital works as well as your new infrastructure works, which there are payments for. There are other payments in there as well for loan repayments, which is another factor, and also those monthly payment summaries that you're adding up, they are inclusive of GST. These statements are exclusive of GST.

So you're satisfied that they are accurate and a true representation of the position that the Town is in, is that correct?

The Director Corporate Services provided the following response:

Absolutely, so is the OAG and RSM, they have their stamps on it.

So in your view there is no need for a forensic audit to really... look, the ratepayers are not financially qualified, I'm not financially qualified; but when I look at these figures, I think, what's going on here? So I think it probably needs some further explanation to the community at large, particularly the ratepayers, because the rates here are expensive and those of us who are ratepayers, we don't mind paying rates if we're getting value for money. So I say that in a respectful spirit, not in a critical spirit.

The Mayor provided the following response:

Thank you, Roger.

7.4	Chris Skelton
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The Port Hedland International Airport, when is it going to be more than just a namesake and actually have flights to Asia again, Kuala Lumpur, Singapore? We're looking up at Broome, and Broome have jumped the gun on us. When can we look forward to having our airport be more than a namesake and be an International Airport?

The Mayor provided the following response:

There's a lot of moving parts at the moment, but hopefully we'll have some good news soon.

The Acting Chief Executive Officer provided the following further response:

The Port Hedland International Airport is continuing to investigate the return of international flights from the airport, with the Council providing a financial incentive to support them. There are a number of items to be addressed including engagement and support from Borderforce, access to International Airport slots to receive Port Hedland aircraft and financial viability of providing this service. The Town is hopeful that these will be addressed shortly.

Our budget is some \$75m a year, am I right on that? What's the Hedland budget?

The Director Corporate Services provided the following response:

It's far greater than that when you include capital works, etc.

I've been to numerous council meetings where's there have been police attending - I'd like to know the cost associated with security and with all of that, has there ever been a need to have the police? With all the meetings that I've attended, there was never any need, there were never any violent outbreaks or need for security and I'm personally feeling like you're treating me and other members of the community like criminals, like we can't hold ourselves in good decorum.

The Mayor provided the following response:

I'm sorry you feel that way, Chris.

Governance provided the following further response:

The total cost for 2 security guards attending the Special Council Meeting held on 22 April 2024 was \$687.39.

7.5	Jan Gillingham
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As a Mayor, councillors always have to be on the ball with the finances. How much do you actually read about the finances, grants, etc. The Council has so many million dollars in the balance, do you know what that balance was? Do you know it off the head?

The Mayor provided the following response:

I've got a good understanding, but no, not off the top of my head.

Well you should do. Because you don't, you're just taking things on notice all the time. On page 120 of the financial report, there's grants, subsidies and contributions and it's just below rates, and it says \$8,591,000, etc. What is that for, Mayor Carter?

The Mayor provided the following response:

I'm not 100% sure at the moment, thank you.

The Director Corporate Services provided the following further response:

Operating grants, subsidies and contributions income. This includes Financial Assistant Grants received from State Government as well as sponsorship recognised from the Port Authority, BHP, and Horizon Power for projects that are not capital related.

No, because unfortunately you don't know. You're not on top. Our councillors are on board, but our elected Mayor is not on board. This is very disappointing,

but my question to continue with that is, I'd like to direct that question now to our finance, Steve - is that the grant that was for our building, our community centre across the road?

The Director Corporate Services provided the following response:

No, they're the operating grants, you're referring to capital contributions, which are further down in the financial statements, and even myself, I wouldn't know the details of every single item that you're expecting others to know there. \$8.5m is typically our recurrent grants that we get for financial assistance. It was the money we received for a couple of storm events, items like that.

So where is the supposed \$10m grant coming in for the community building?

The Director Corporate Services provided the following response:

If you look further down on the financial statement, capital grants, subsidies and contributions, \$9,583,000.

Right, so it didn't actually come to \$10m, is that right? That makes me feel as if it's discrepancies with the finances there.

The Director Corporate Services provided the following response:

If I may, it may be that it was budgeted higher, you can see the budget column was \$12.6, but the actual came in at \$9.5 - grants are received as "stages" are completed, and it may be the final amounts were received in the 2023-2024 financial year.

I came across some finances this week, only because my accountant had actually said to me "why have you received a personal grant from the Town of Port Hedland for \$8,845?" So it raised a red flag to me. So I'm happy the Executive Assistant to the Mayor and CEO could see and add up the figures, but why would the ToPH have some information that goes to the taxation department that I had had a grant for \$8,845? Just to cap it, yes, we get funding for the Pilbara Music Festival and other community groups that I'm in, but we've never had a grant that's that much. Luckily for Jess, she actually found out it was from the old system of accounting for councillor remuneration fees 2022-2023 and ending in June 30th, 2023. However my accountant says I did not receive that money. It's been made that I was paid that as a grant, and I'm going through that a little bit more. That's telling me there's something wrong in our finances if that is showing up at the ATO. I was privy to that when I went onto the ATO on my computer, but my accountant was. And straight away he said red flag. I just want to state that I stood at council meeting here last month, and I mentioned about finances; gave a little bit of finances, etc. and there's been red flags popping up all last year from the public and from councillors - there's a few things wrong there. All I'm saying is I'm not asking you to take this on notice because I've already seen our EA. But I just want to

make you aware that if that's happen to me, has is happened to anyone else? So that's what I'm asking you, Mr Mayor, talk to the finance people and just say "has anything shown up?", and I really think the councillors need to see that in their next reports.

The Director Corporate Services provided the following further response:

As explained in person and by email on 13 May 2024, the payments related to your elected member remuneration, specifically July, August and September 2022, made via the Town's Synergy system, "and have no reference to being 'Grant' in the payment description".

Current and former elected members are always advised to seek their own financial advice as these payments are taxable.

As to why the ATO notes these payments as they do? Possibly because it is not a salary, nor dividends or sale proceeds, and like the Town is obliged to, categorises certain other types of payments together such as grants / subsidies / contributions.

7.6	Camilo Blanco speaking as Elector
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In the annual report, it states that we have expenditure of \$116m that we've spent in 2022-2023. If we take the depreciation out of it, we come back to about \$98M that's been spent, and I hear the Director Finance saying that, um...it's been well documented that I have said that we have spent in excess of \$179m or about \$180m in that period. And now the director has said that also includes the capital works, but the slide on the screen said there was \$35m in Capital Works, so there's still a big discrepancy there. The other issue that I have with it is we have spent \$180m in that period. But there is nowhere in the statement here that tells the public that we have spent that amount. That is the main document there, it says expenses, employee costs, materials and contracts. Financial cost, insurance, other expenses. I would have thought that if we spent \$180m, there should be \$180m, well, if we're talking about depreciation, there should be \$200m, around that that we've spent because you add the depreciation onto the total cost. As a ratepayer, I'm not happy with the financial statement. It doesn't outline how much we have actually spent. Now, can I get some sort of explanation as to why we're not seeing those numbers correctly in our statement?

The Mayor provided the following response:

I'll pass that to the Director Corporate Services.

The Director Corporate Services provided the following response:

I'll do my best to add further to the explanation that I provided earlier. By using the monthly payment summaries and collating those together to come up with a total of what has been paid for the year, just recognise that, as I mentioned, capital and operating includes GST. Payments in July may also be for the previous financial year. The other thing being, in that by using or basing your approach on those payments made, you are effectively taking a cash-based point of view. Whereas these financial statements are put together on the accrual method of accounting.

I understand and recognise fully that they are somewhat difficult to read and to interpret. But we are obligated to follow Australian Accounting standards, as well as the Financial Management Regulations, therefore, they have to be prepared in a prescribed manner, which won't make it easily align to the kind of approach that you're trying to take. There's a couple of reasons as to why you're getting a different approach when you're going from a cash payment, with GST approach. It's the timing of it as well - pairing it back to accrual accounting basis.

Through the ARC Audit and Finance - audit and finance has the ability to adjust the statements so that they people can read it a lot easier. I don't understand why people have just glazed over this for years. Why don't we have another line item in expenses for Capital Works. Why don't we have another line item in expenses or credits for our GST content? That would simplify things quite a bit wouldn't it? So that we would have an understanding of what is going on with our money. Can I get an answer to that?

The Mayor provided the following response:

Taken on notice.

The Director Corporate Services provided the following further response:

Payments for Plant & Equipment and Infrastructure as well as GST paid/received for the year ended 30 June 2023 is detailed in the cash flow statement in the annual report. The Profit and Loss Statement is based on accrual accounting for operational projects only, it does not include capital works.

So, my question now is what did the Town spend total in 2022-2023? Was it \$180-188m, or in that vicinity, according to the monthly payments?

The Mayor provided the following response:

Taken on notice.

The Director Corporate Services provided the following further response:

According to the Cashflow statement the total payments made for the year to 30 June

2023 is \$166.2M (ex GST) including capital payments.

When will these questions be answered? We don't have to wait until next year's Agenda, do we?

The Mayor provided the following response:

Within four weeks.

Note from Town of Port Hedland Governance: *Legislation provides that replies to Questions taken on notice at any council meeting are to be responded to as soon as possible and that all responses be included on the agenda of the next Council meeting, or if not feasible, on the agenda for the following Council meeting. Governance has provided the responses within these minutes and they will also be included within the Agenda for the 25 June 2024 Ordinary Council Meeting.*

7.7	Meryn Browning
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Mayor, I've heard you speaking on the radio in regards to how the Council need to work together, put aside some differences, so any external factors, when you come into this room, you are a team and you are representing our community as a team. So I would like to know, many times there's been multiple questions asked by many councillors. Why it's not being answered, I don't know. But I would really like to know why we can't get the report that's been asked for time and time again, for the dissolving of the council previously. Is there any way you can give us something, without saying that you're going to take it on notice?

The Mayor provided the following response:

We've actually asked the department for a letter and we're waiting for them.

The Manager Governance provided the following statement:

Just briefly, that question was asked at the last council meeting and will be presented on the agenda for the May Ordinary Council Meeting with more detail than I can provide right now.

7.8	Lorraine Butson
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Can we please have a breakdown of the \$67m that has been spent from the Airport Fund over the last nine years, and also the amount of interest that would have been put with that, as well.

The Mayor provided the following response:

Taken on notice.

The Manager Financial Services provided the following further response:

The Port Hedland International Airport Reserve was established in March 2016 to recognise \$162.3M of lease proceeds. In May 2020 a transfer of the balance of \$141.2M was allocated to the Strategic reserve (as per CM201920/199). During this time \$4.6M of interest was paid into the account and \$32.5M was transferred out. The transfers out include \$24.7M of early debt repayments (as per CM201819/178) and \$7.8M for capital projects including Staff Housing Construction \$3.6M, JD Hardie roof upgrade \$0.9M, Kevin Scott Reuse Tanks \$0.6M, SH Sport Precinct \$0.5M, Cooke Point round about \$0.2M and other projects of less than \$0.1M

The Presiding Member declared Public Question Time closed at 6.23pm.

8 Closure

8.1 Closure

There being no further business, the Presiding Member declared the meeting closed at 6:24pm.