

SGS Australia Pty Ltd  
PO Box 219 Bentley WA 6982  
36 Railway Parade  
Welshpool WA 6106

## TEST CERTIFICATE



ABN: 44 000 964 278  
ph: 1300 781744  
fx: (08) 9458 3700

Client:	Town of Port Hedland	Client Job No:	60-8887
Project:	McGregor Street Sporting Reserve (MSSR)	Order No:	
Location:		Tested Date:	11/02/2009
Sample No:	09-MT-1538	WG Job Number:	09-01-299
Sample ID:	HA3	Lab:	Welshpool

### PERMEABILITY: FALLING HEAD

AS1289.6.7.2 Remoulded sample

Sieve Size (mm):	4.75
Moisture Ratio (%)	101.5
Max. Dry Density (t/m <sup>3</sup> )	1.81
Optimum Moisture Content (%)	12.4
Dry Density (t/m <sup>3</sup> )	1.73
Dry Density Ratio (%)	95.4
Moisture Content (%)	12.6
Surcharge (kPa)	0.0
Hydraulic Gradient (mm)	1,536

#### COEFFICIENT OF PERMEABILITY

m/sec at 20 ° C	1.3E-07
Percentage Retained:	0
Max Mod. Dry Density (t/m <sup>3</sup> ):	

Note: Sample supplied by client.

Approved Signatory:  (Mark Matthews)

Date: 25/02/2009

Form No.PF-(AU)-[IND(MTE)]-TE-S800.LCER/A/01.01.2009

Site No.: 2411  
Cert No.: 09-MT-1538-S800  
Page: 1

**LABORATORY REPORT COVERSHEET**

**DATE:** 25 February 2009

**TO:** SGS Materials Testing  
36 RAILWAY PARADE  
WELSHPOOL WA 6106

**ATTENTION:** Mr Russell Calvert


**YOUR REFERENCE:** Town of Port Hedland


**OUR REFERENCE:** PE021050

**SAMPLES RECEIVED:** 11/02/2009

**SAMPLES/QUANTITY:** Soil

The above samples were received intact and analysed according to your instructions. Unless otherwise stated, solid samples are reported on a dry weight basis and liquid samples as received.

  
SAID HIRAD  
NATA Signatory

  
PAMELA ADAMS  
Laboratory Organic Supervisor



WORLD RECOGNISED  
ACCREDITATION

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www.au.sgs.com

Member of the SGS Group



**CLIENT:** SGS Materials Testing  
**PROJECT:** Town of Port Hedland

**OUR REFERENCE:** PE02105C

### LABORATORY REPORT

Your Reference Our Reference Type of Sample	Units	#1 PE021050-1 Soil	#2 PE021050-2 Soil	#3 PE021050-3 Soil	#4 PE021050.4 Soil
Electrical Conductivity @ 25°C (1:5)	µS/cm	160	160	74	3,800
pH	pH Units	8.5	9.3	8.3	8.3
Nitrate, NO <sub>3</sub> #	mg/kg	<5	<5	<5	<5
Ammoniacal Nitrogen, NH <sub>3</sub> -N #	mg/kg	<1	<1	<1	<1
Total Phosphorus, P #	mg/kg	66	210	290	74
Potassium, K	mg/kg	660	350	350	180
Calcium, Ca	mg/kg	450	32,000	1,900	210
Magnesium, Mg	mg/kg	680	3,300	690	87
Iron, Fe	mg/kg	14,000	8,200	4,800	8,800
Sulphate, SO <sub>4</sub> #	mg/kg	63	<5	<5	4,600
Chloride, Cl #	mg/kg	59	17	7	4,422
Sodium, Na	mg/kg	210	230	44	47
Carbonate, CO <sub>3</sub> #	mg/kg	<5	7	<5	<5
Salinity (calculated as NaCl)	mg/L	<10	<10	<10	<10



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**OUR REFERENCE:** PE021050

### LABORATORY REPORT

TEST PARAMETERS	UNITS	LOR	METHOD
<b>Soil/Solids Analysis</b>			
Electrical Conductivity @ 25°C (1:5)	µS/cm	5	AN106
pH	pH Units	0.1	AN106
Nitrate, NO <sub>3</sub> #	mg/kg	5	AN002-AN258
Ammoniacal Nitrogen, NH <sub>3</sub> -N #	mg/kg	1	AN002-AN266
Total Phosphorus, P #	mg/kg	5	AN045-AN321
Potassium, K	mg/kg	10	AN045-AN321
Calcium, Ca	mg/kg	20	AN045-AN321
Magnesium, Mg	mg/kg	5	AN045-AN321
Iron, Fe	mg/kg	20	AN045-AN321
Sulphate, SO <sub>4</sub> #	mg/kg	5	AN002-AN275
Chloride, Cl #	mg/kg	5	AN002-AN274
Sodium, Na	mg/kg	10	AN045-AN321
Carbonate, CO <sub>3</sub> #	mg/kg	5	AN002-AN135
Salinity (calculated as NaCl)	mg/L	10	AN106



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**CLIENT:** SGS Materials Testing  
**PROJECT:** Town of Port Hedland

**OUR REFERENCE:** PE021050

## LABORATORY REPORT

**NOTES:**

LOR - Limit of Reporting.

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# SGS

## FIELD PHOTOS



Photo 1: Test pit 1 at MSSR. View facing East.



Photo 2: Testpit 1 at 0.8 meters



Photo 3: Testpit 1 bottom of hole. Termination due to water at 2.6 meters.



Photo 4: Very plastic clay from test pit at MSSR

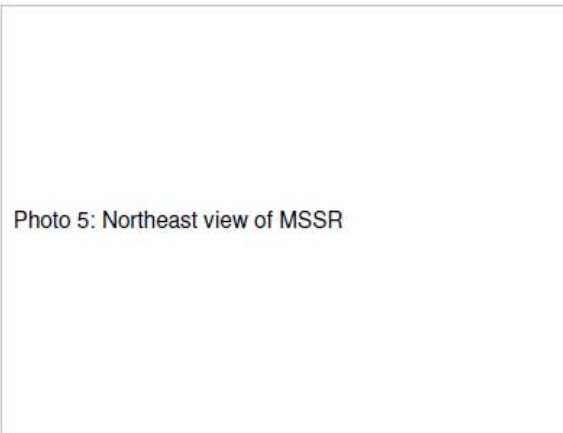


Photo 5: Northeast view of MSSR



Photo 6: Southeast view of MSSR



7:25 pm Councillor Jan M Gillingham declared an impartiality interest in Agenda Item 11.3.1.1 'Financial Reports to Council for Period Ended 28 February 2009' as she has an association with one of the families named in the item. Councillor Gillingham advised that as a consequence, there may be a perception that her impartiality on the matter may be affected. Councillor Gillingham declared that she will consider this matter on its merits and vote accordingly. Councillor Gillingham did not leave the room.

7:25 pm Councillor Arthur A Gear declared an impartiality interest in Agenda Item 11.3.1.1 'Financial Reports to Council for Period Ended 28 February 2009' as he has an association with one of the families named in the item. Councillor Gear advised that as a consequence, there may be a perception that his impartiality on the matter may be affected. Councillor Gear declared that he will consider this matter on its merits and vote accordingly. Councillor Gear did not leave the room.



**11.3 GOVERNANCE AND ADMINISTRATION****11.3.1 Corporate Services****11.3.1.1 *Financial Reports to Council for Period Ended 28 February 2009 (File Nos: FIN-008, FIN-014 and RAT-009)***

Officer Laura Jackson  
Senior Finance Officer

Date of Report 9 April 2009

**Disclosure of Interest by Officer** Nil

**Summary**

The objective of this item is to present a summary of the financial activities of the Town to 31 March 2009, and to compare this with that budgeted for the period. With regard to the Town's Utility and Fuel Costs, a comparison is made with 2007/08.

**Background****1. *Financial Statements***

Presented (see attachments) in this report for the financial period ended 31 March 2009, are the:

- Statements of Financial Activity – see Schedules 2 to 14;
- Notes (1 to 10) to and forming part of the Statements of Financial Activity for the period ending 31 March 2009;
- Review of Transaction Activity.

Note: Interest Rates for investments are selected from those provided by three of the following financial institutions: National Australia Bank, BankWest, Westpac Bank, Citigroup and the Australian and New Zealand Bank.

**2. *Utility and Fuel Costs***

Presented in graph form (see attached), is the 2008/09 monthly water, power and fuel costs compared with 2007/08.

### 3. Schedule of Accounts Paid

The Schedule of Accounts paid (see attachment) under delegated authority as summarised below, and which is submitted to Council on 22 April 2009 for receipt, has been checked and is fully supported by vouchers and invoices which have been duly certified as to the receipt of goods and rendition of services, and verification of prices, computations and costs.

Voucher No's		Value \$	Pages		Fund No.	Fund Name	Description
From	To		From	To			
CHQ18767	CHQ18808	\$71,397.14	1	6	1	Municipal Fund	
EFT24816	EFT25201	\$3,048,013.46	1	67	1	Municipal Fund	
CMS090309	CMS	\$192.39	67	67	1	Municipal Fund	
PAY100309		\$255,436.33	67	67	1	Municipal Fund	
240309		\$249,299.55	67	67	1	Municipal Fund	
BOQ270309		\$891.10	67	67	1	Municipal Fund	
	Muni Total	\$3,625,229.97					
3001590	3001590	\$70,839.04	68	68	3	Trust Fund	
	Trust Total	\$70,839.04					
	Sub-Total	\$3,696,069.01					
LESS: one-off pays		-					
	Total	\$3,696,069.01					

### 4. Write Off Debtors

The following outstanding debts have now been outstanding for several months and are deemed uneconomical to pursue.

*Kevin Fitzgerald:*

This debt dates back to May 2008 and relates to a previous employee's private mobile phone charges. The debt was initially referred to Dun & Bradstreet on 6 January 2009. Correspondence was then received from Dun & Bradstreet on 25 February 2009 advising that their collection efforts were unsuccessful and they recommended that due to the size of the debt, it would be uneconomical to pursue legally.

Note that a new process has been implemented whereby upon a staff member terminating their employment with the Town of Port Hedland, there is a checklist used by payroll that determines whether or not the employee has any outstanding amounts that are due to the Town.

Outstanding items will generally incorporate mobile phone charges or utilities expenses. If such amounts are found to be outstanding they will now be deducted from the employee's termination payment.

*Bradley Cousins:*

This debt dates back to September 2008 and relates to staff charges for not attending a birthday party booked on the 23<sup>rd</sup> August 2008 at the JD Hardie Centre. The debt was initially referred to Dun & Bradstreet on 6 January 2009. Correspondence was then received from Dun & Bradstreet on 25 February 2009 advising that their collection efforts were unsuccessful and they recommended that due to the size of the debt, it would be uneconomical to pursue legally.

**Consultation**

Nil

Statutory Implications

*Financial Statements*

Regulation 34 of the Local Government (Financial Management Regulations), states as follows:

*“34. Financial activity statement report - s. 6.4*

- (1) A local government is to prepare each month a statement of financial activity reporting on the sources and applications of funds, as set out in the annual budget under regulation 22(1)(d), for that month in the following detail:*
  - (a) annual budget estimates, taking into account any expenditure incurred for an additional purpose under section 6.8(1)(b) or (c);*
  - (b) budget estimates to the end of the month to which the statement relates;*
  - (c) actual amounts of expenditure, revenue and income to the end of the month to which the statement relates;*
  - (d) material variances between the comparable amounts referred to in paragraphs (b) and (c); and*
  - (e) the net current assets at the end of the month to which the statement relates.*
- (2) Each statement of financial activity is to be accompanied by documents containing:*
  - (a) an explanation of the composition of the net current assets of the month to which the statement relates, less committed assets and restricted assets;*
  - (b) an explanation of each of the material variances referred to in subregulation (1)(d); and*
  - (c) such other supporting information as is considered relevant by the local government.*
- (3) The information in a statement of financial activity may be shown:*
  - (a) according to nature and type classification;*

- (b) *by program; or*
- (c) *by business unit.*
- (4) *A statement of financial activity, and the accompanying documents referred to in subregulation (2), are to be:*
  - (a) *presented to the council:*
    - (i) *at the next ordinary meeting of the council following the end of the month to which the statement relates; or*
    - (ii) *if the statement is not prepared in time to present it to the meeting referred to in subparagraph (i), to the next ordinary meeting of the council after that meeting;*  
*and*
    - (b) *recorded in the minutes of the meeting at which it is presented.*
- (5) *Each financial year, a local government is to adopt a percentage or value, calculated in accordance with AAS 5, to be used in statements of financial activity for reporting material variances.*

*In this regulation:*

*“committed assets” means revenue unspent but set aside under the annual budget for a specific purpose;*

*“restricted assets” has the same meaning as in AAS 27.*

Section 6.12 of the Local Government Act 1995 (Power to defer, grant discounts, waive or write off debts) states:

- “(1) Subject to subsection (2) and any other written law, a local government may –*
  - (a) when adopting the annual budget, grant\* a discount or other incentive for the early payment of any amount of money;*
  - (b) waive or grant concessions in relation to any amount of money; or*
  - (c) write off any amount of money,*  
*which is owed to the local government.*
- (2) Subsection (1)(a) and (b) do not apply to an amount of money owing in respect of rates and service charges.”*

Policy Implications

2/003 Financial Statements – Copies for Councillors

Apart from the financial reports presented to Council as required by way of legislation, the following reports will be presented to Council:

- Monthly  
Bank Reconciliation of the Municipal, Reserve and Trust Fund  
+90 day outstanding Sundry Debtors Report  
List of Accounts paid under Delegated Authority  
Register of Investments  
Rate Summary Trial Balance  
Reserve Account Balances

- Quarterly  
Quarterly Budget Review  
Report on all Budgeted Grants of \$50,000 or more.

Irregular Financial reports will be presented to Council on request.

Strategic Planning Implications

Key Results Area 5 Environment

Goal 2 Natural Resources

Strategy 1. Continue to monitor and report on the level of Council's energy, fuel and water use.

Budget Implications

At the Special Meeting held on 9 July 2008, Council resolved to adopt item ... Budget Adoption, which included Recommendation 12 as follows:

*"Recommendation 12*

*That Council adopts the following percentage or dollar value for determining and reporting material variances as follows:*

1. 10% of the Function amended budget; or
2. \$100,000 of the Function amended budget

*whichever is the lesser, for the following categories of revenue and expenditure:*

- a. Operating Revenue
- b. Operating Expenditure
- c. Non-Operating Revenue
- d. Non-Operating Expenditure"

*Budget Implications of Write Offs*

The proposed write-offs equate to:

1.	Kevin Fitzgerald	\$61.20
2.	Bradley Cousins	\$155.67
	Total	\$216.87

These write-offs should be applied to the Provision of Doubtful Debts. This is a balance sheet account and therefore does not directly affect the Municipal Budget.

The Provision is reviewed annually, and net adjustment is applied to the Municipal budget at that stage.

### Officer's Comment

For the purpose of explaining Material Variance (Expense/Revenue Up or Down, and see attachment Schedule 2) a three-part approach was taken:

#### *Period Variation*

Relates specifically to the value of Variance between the Budget and Actual figures for the period of the report.

#### *Primary Reason*

Identifies the primary reasons for the period Variance. As the report is aimed at the higher level analysis, minor contributing factors are not reported.

#### *Budget Impact*

Forecasts the likely \$ impact on the Amended Annual Budget position. It is important to note that figures in this part are 'indicative only' at the time of reporting, and that circumstances may subsequently change.

### Attachments

- Page 1–3 of 12. Schedule 2 being a Statement of Financial Activity
- Pages 4 to 12. Notes 3 to 12 which form part of the Statements of Financial Activity. Also Note 10 – March 2009 Bank Reconciliations.
- Pages 1 to 49. Detailed Financial Activity by Program.
- March 2009 Accounts for Payment
- Comparison Between 2007/08:2008/09 Utility & Fuel Costs

200809/306 Council Decision/Officer's Recommendation

**Moved:** Cr A A Carter

**Seconded:** Cr K A Howlett

That:

- i) the:
  - a) **Statements of Financial Activity (represented by Schedules 2 to 14);**
  - b) **Notes (1 to 10) to and forming part of the Statements of Financial Activity for the period ending 31 March 2009; and**
  - c) **Review of Transaction Activity, as attached and/or presented be received;**
- ii) graphic representation of the Town's energy, water and fuel use as attached be received;

- iii) the list of Accounts paid during March 2009 under Delegated Authority, as presented and/or attached be received; and
- iv) the write off of the following debts and application of the write off to the Provision of Doubtful Debts, be approved:

Debtor No	Debtor	Invoice No	Amount
7380	Kevin Fitzgerald	21577	\$61.20
7635	Bradley Cousins	21833	\$155.67
TOTAL			\$216.87

*CARRIED BY ABSOLUTE MAJORITY 9/0*

*11.3.1.2 Audit and Finance Committee Minutes - 2007-08  
Audited Financial Statements (File No.: - )*

**Officer** Natalie Octoman  
Manager Financial Services

**Date of Report** 16 April 2009

**Disclosure of Interest by Officer** Nil

Summary

For Council to note the minutes of the last Audit and Finance Committee meeting held on 4 March 2009 where the Committee adopted the 2007/08 Audited Financial Statements and Associated Notes, and considered the Audit Management letter from Council's Auditor.

Background

On the 20 February 2008, Council received its audited 2007/08 Financial Statements and Associated Notes, Audit Report and Management letter from Mr Greg Godwin, Partner of UHY Haines Norton and Town of Port Hedland Auditor.

The Audit and Finance Committee met on 4 February 2009 to adopt the Financial Statements and to consider the comments made within the Audit Management letter. A copy of those Minutes is attached.

Consultation

The Audit and Finance Committee met on 4 February 2009 to discuss the 2007/08 Audited Financial Statements and the Audit & Management Report from UHY Haines Norton.

Statutory Implications

The Local Government Act 1995 states (in part):

*“5.22. Minutes of council and committee meetings*

- (1) The person presiding at a meeting of a council or a committee is to cause minutes to be kept of the meeting's proceedings.*
- (2) The minutes of a meeting of a council or a committee are to be submitted to the next ordinary meeting of the council or the committee, as the case requires, for confirmation.*
- (3) The person presiding at the meeting at which the minutes are confirmed is to sign the minutes and certify the confirmation.”*

**Policy Implications** Nil



Budget Implications

As mentioned in the minutes of the Committee Meeting, Council made a cash surplus of \$4.726 million in 2007/08. These funds have been carried forward in the 2008/09 financial year to effectively fund uncompleted works from 2007/08. As part of the December Budget Review, the carry forward surplus was amended to reflect this revised figure. There are no further adjustments required.

Attachments

Minutes of the 4 March 2009 Audit and Finance Committee meeting.

Officer's Recommendation

That Council receives the Minutes of the Audit and Finance Committee Meeting held on 4 March 2009.

200809/307 Council Decision

**Moved:** Cr G D Bussell

**Seconded:** Cr A A Carter

That Council:

- i) receives the Minutes of the Audit and Finance Committee Meeting held on 4 March 2009; and
- ii) receives a response to the Management Report Items from the Chief Executive Officer, or his nominated officer.

*CARRIED 9/0*

*REASON: Council required a copy of the response to the Management Report Items to be circulated to Council.*

*11.3.1.3 Local Government Structural Reform Checklist (File No.: ...)*

**Officer** Matthew Scott  
Director Corporate Services

**Date of Report** 15 April 2009

**Disclosure of Interest by Officer** Nil

**Summary**

For Council to endorse the completed Local Government Structural Reform Checklist (refer attachment) to sent to the Minister for Local Government.

**Background**

On Thursday, 5 February 2009 Minister for Local Government, Hon John Castrilli MLA, announced a package of wide-ranging local government reform strategies. The strategies are aimed at achieving greater capacity for local governments to better plan, manage and deliver services to their communities with a focus on social, environmental and economic sustainability.

The principal strategies in the package focus on voluntary structural reform of local government. Specifically, these strategies encourage local governments to:

- take steps to voluntarily amalgamate and form larger local governments;
- reduce the total number of elected members to between six and nine; and
- form appropriate regional groupings of councils to assist with the efficient delivery of services.

The Minister has invited each of the 139 councils in Western Australia to take up the opportunity to voluntarily amalgamate and to reduce the total number of elected members for each Council. The Minister has requested that each council advise him of their intention within six (6) months from the date of his announcement.

The first stage in this process is for all Council to complete a "Local Government Structural Reform Checklist", which is required to be returned to the Minister by 31 April 2009.

A Draft version of the checklist was presented to Council at its Informal Briefing Session on 7 April 2009. Given that there were no changes requested by Councillors at that time, the unchanged checklist now requires Council endorsement, before being sent to the Minister.

**Consultation**

Checklist presented to Council's Informal Briefing Session held on Tuesday 7 April 2009.

**Statutory Implications** Nil

**Policy Implications** Nil

**Strategic Planning Implications** Nil

**Budget Implications**

The Department of Local Government has offered all Local Governments a grant of \$10,000, to assist in determining the need to voluntarily amalgamate. If Council was to decide to voluntarily amalgamate with one or more neighboring Councils, it could apply for these funds.

**Officer's Comment**

Structural reform of Local Government in Western Australia has been discussed in Local Government circles for many years. Particularly due to issue of Local Government Sustainability, many states are actively debating the 'best' model for Local Government.

Victoria and Queensland are recent examples on how Local Government reform can be achieved, with differing levels of success.

The checklist is for the first stage of the proposed reform strategy, as announced by the Minister. Currently Council already achieves 2 of the 3 proposed strategy outcomes, being:

1. A Council consisting of nine members; and
2. A Council working extremely closely with the Pilbara Regional Council and other Pilbara Councils in developing better service delivery methods.

Currently it is believed that the Town of Port Hedland is a sustainable Local Government, in its own right. This view is supported by a recent survey of Local Governments (2007) that determined that Town of Port Hedland was sustainable, from at least a financial perspective. The Town has work actively to developed additional revenue streams (contributions from external parties) and has relatively low debt.

Given the Minister's intention to reform the industry, Council may wish to raise this issue with other members of the Pilbara Regional Council, to appropriately determine whether any Pilbara Councils could be forced to amalgamate.

This is a very distinct possibility, especially considering the Victorian reform exercise in the mid 1990's, where forced amalgamations occurred, after many Council's where requested to consider voluntary amalgamation.

The focus of the Western Australia State Government's reform process is believed to be directed at Local Authorities in the Wheat belt and Southwest regions, which include many small local governments for a relative low population base.

Council can amend the checklist, prior to endorsing it, however it must return the Checklist to the Minister for Local Government and Regional Development by the 31 April 2009.

Attachments

Completed "Local Government Structural Reform Checklist".

Officer's Recommendation

That Council:

- i) endorse the completed Local Government Structural Reform Checklist (as attached) to send the Minister for Local Government, the Hon G M Castrilli MLA by 31 April 2009; and
- ii) request the matter of voluntary amalgamations be discussed at the next meeting of Pilbara Regional Council.

200809/308 Council Decision

**Moved:** Cr G D Bussell

**Seconded:** Cr A A Carter

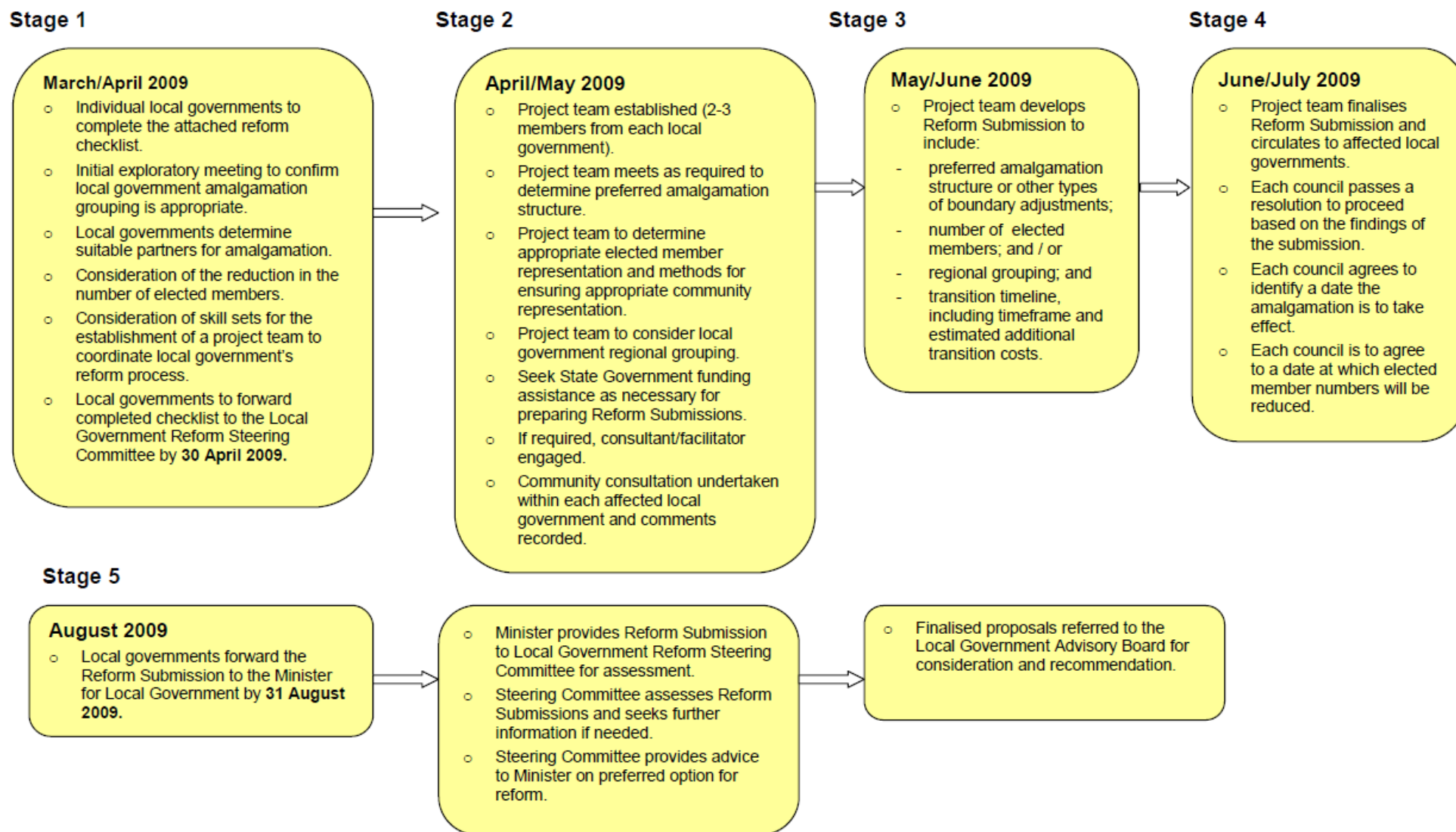
That Council:

- i) endorse the completed Local Government Structural Reform Checklist (as attached) to send the Minister for Local Government, the Hon G M Castrilli MLA by 30 April 2009, with the following amendment:
  - a) **Question 8 - change "yes" to "no"; and remove the word "possible"; and**
- ii) request the matter of voluntary amalgamations be discussed at the next meeting of Pilbara Regional Council.

*CARRIED 9/0*

*REASON: Council amended its response to Question 8 in the Local Government Structural Reform Checklist.*

### Timeframe for Reform Submission to the Minister



## Attachment 1: Local Government Reform Checklist

<b>Local Government Reform Checklist</b>			
Guiding principle <sup>1</sup>	Are these elements in place at your organisation?		Explanatory comment
	Yes	No	
<b>1. Long term strategic planning</b>			
○ Your local government has a five year (or longer) strategic plan in place.	YES		2008-2012 Strategic Plan
○ Your local government has a five year (or longer) financial management plan in place that is linked to the plan for the future.		NO	Council has some long term financial assumptions, however these are not specifically linked to Strategic Plan Items.
○ Your local government has detailed three/five year business plans.	YES		5 years Major Building, Plant & Infrastructure Development and Maintenance Plans
<b>2. Detailed asset and infrastructure management planning</b>			
○ Your local government has an inventory of all infrastructure and assets and has an accompanying maintenance and renewal plan in place.		NO	Council is currently developing an Asset Management Framework, with the PRC.
○ Asset maintenance and replacement gaps have been identified and addressed in the financial plan.		NO	Will be identified as part of the above Asset Management Framework project.

<sup>1</sup> It is understood that some of these principles are not mandatory, however reflect principles of best practice.

## Attachment 1: Local Government Reform Checklist continued

<b>Local Government Reform Checklist</b>			
Guiding principle	Are these elements in place at your organisation?		Explanatory comment
	Yes	No	
<b>3. Future financial viability and planning</b>			
o Your local government has adequate reserve funds for future capital works and plant replacement.		NO	Council has \$9.1million in Reserve funds, of which \$4.8million is for Council's Airport & Waste Facilities. Net Assets = \$27.1 million. Council's Asset Acquisition Program for 08/09 is \$33.5million, much funded from external contributions and government funds.
o Your local government income stream including rates, fees, charges and grants can satisfy your long term community service and operational needs and without grants represents at least 40% of your total revenue.	YES		Net Revenue \$33.9 Million, Rates, Fees, Contributions, interest & other = \$26.5Million, Ratio = 78% of net Revenue.
o Your local government has financial management plans indicating: - existing debt levels; - depreciation allocations compared to allocations on asset replacement and renewal; - operating deficit compared to rates revenue;	YES   YES	NO	Overall Debt is extremely low Depreciation Expense is \$4 Million, not cashed backed.  There is no operating Deficit

## Attachment 1: Local Government Reform Checklist continued

- amount of reserve funds compared to expenses/asset values; and - adverse financial trends.	YES YES	Especially for Airport & Waste Facility Operations All Financial Trends are positive.
Local Government Reform Checklist		
Guiding principle	Include figures	Explanatory comment
<b>4. Equitable governance and community representation</b>		
o Indicate the number of vacancies at the 2007 ordinary local government elections.	5	2 retiring Members, 3 Vacancies.
o Indicate how many vacancies at the 2007 ordinary local government elections were uncontested.	Nil	Number of Candidates was more than number of Vacancies.
o Indicate the ratio of elected members to community population.	1:2000	Based on a Population of 18,000 (not ABS)
o Indicate the percentage of voter turnout at the most recent local government elections.	16.6%	932 votes cast, based on an electoral roll of 5621 individuals.
<b>5. Proficient organisational capacity</b>		
o Indicate the number of staff vacancies and the period these vacancies have continued in each of; - senior management; - middle management; and	1 1	Based on 07/08 financial year. 3 Months (DES) 3 Months (MCS)
- senior operational staff positions.	5	Planners, Admin Coord, Project Officer, EHO, HR (Various timeframes)



## Attachment 1: Local Government Reform Checklist continued

<b>Local Government Reform Checklist</b>			
Guiding Principle	Are these elements in place at your organisation?		Explanatory comment
	Yes	No	
○ Your local government has an employee attraction and retention strategy.	YES		
○ Your current staff engage in annual professional training and development opportunities.	YES		
○ Your local government currently experiences delays in meeting statutory reporting functions and / or requests extensions.	YES		07/08 Financial Audit
○ Your local government processes residential building licence applications within 20 working days.	YES		
○ Under delegations your local government processes development applications within 20 working days.	YES		
○ All other development applications are processed within 40 working days.		NO	Depends if feedback required by other agencies

## Attachment 1: Local Government Reform Checklist continued

<b>Local Government Reform Checklist</b>			
Guiding principle	Are these elements in place at your organisation?		Explanatory comment
	Yes	No	
<b>6. Effective political and community advocacy for service delivery</b>			
○ Your local government has funding or other partnerships in place with programs and services sourced by the State Government.	YES		
○ Your local government has funding or other partnerships in place with programs and services sourced by the Federal Government.	YES		
○ Your local government has funding partnerships in place with the private sector to enhance service delivery.	YES		
○ The relationship between local government boundaries and relevant State and Commonwealth Agency boundaries are appropriate for effective decision making.	YES		Local, State & Federal agency boundaries are considered adequate for the Pilbara.
○ In the past 2 years your local government has attracted investment that has led to economic growth and job creation.	YES		

Attachment 1: Local Government Reform Checklist continued

<b>Local Government Reform Checklist</b>			
Guiding principle	Are these elements in place at your organisation?		Explanatory comment
	Yes	No	
<ul style="list-style-type: none"> <li>○ Your local government has community consultation strategies in place, both on-going and project specific.</li> </ul>	YES		
<b>7. Understanding of and planning for demographic change</b>			
<ul style="list-style-type: none"> <li>○ Your local government's population trend for the past five years has been:                             <ul style="list-style-type: none"> <li>- declining</li> <li>- stable</li> <li>- growing</li> </ul> </li> </ul>	YES		Provide percentage. 3%
<ul style="list-style-type: none"> <li>○ Your local government's projected population for the next five years will be:                             <ul style="list-style-type: none"> <li>- declining</li> <li>- stable</li> <li>- growing</li> </ul> </li> </ul>	YES		Provide estimated percentage. 5%
<ul style="list-style-type: none"> <li>○ Your local government has plans in place for demographic change.</li> </ul>	YES		Provide details.

## Attachment 1: Local Government Reform Checklist continued

<b>Local Government Reform Checklist</b>			
Guiding principles	Are these elements in place at your organisation?		Explanatory comment
	Yes	No	
<b>8. Effective management of natural resources</b>			
○ Your local government, by itself or in partnership, has resource management plans to address changing environmental conditions.	YES		Current Planning Approval recognises possible rising sea levels.
<b>9. Optimal community of interest</b>			
○ Your local government provides services and facilities to communities with a similar community of interest.	YES		
<b>10. Optimal service delivery to community</b>			
○ Your local government has the capacity to improve / increase service delivery in response to community expectation and associated demand.	YES		Quarterly Budget reviews.

## Attachment 1: Local Government Reform Checklist continued

<b>Local Government Reform Checklist</b>			
Guiding principles	Are these elements in place at your organisation?		Explanatory comment
	Yes	No	
<b>11. Membership of an effective regional grouping</b>			
o Your local government is a member of a regional grouping of two or more local governments to plan and deliver services regionally.	YES		
o Indicate your regional grouping preference, identifying participating local governments.	N/A	N/A	Port Hedland, Roebourne, Ashburton & East Pilbara
<b>12. Previous Structural Reform</b>			
o Have you gained any benefits from structural reform measures taken with other local governments to date?	YES		Various Pilbara Regional Development projects
<b>13. Conclusion</b>			
o After completing the checklist, are you of the view that amalgamation or any other type of structural reform is necessary for your local government?		NO	Distance between Townsites, Different local issues & environment ToPH is financially stable,

**11.3.2 Governance****11.3.2.1 Housing for General Practitioners (File No.: ...)**

**Officer** Chris Adams  
Chief Executive Officer

**Date of Report** 31 March 2008

**Disclosure of Interest by Officer** Nil

**Summary**

Report seeks Council consideration of the level of potential involvement in the provision of subsidized housing for general practitioners (GP's) as an attraction and retention initiative.

**Background****General**

The Town of Port Hedland periodically experiences a shortfall in the number of GP's that are available. These shortfalls have generally been overcome by the two private firms that operate GP clinics securing employees through their networks. While solutions have been found, the private practices and the Pilbara Division of GP's have advised that the continuity of GP services is likely to continue to remain problematic whilst accommodation costs remain high.

The issue of potential Council support for GP housing was raised at Council's January 2009 meeting as a component of a report on Staff Housing. At this meeting Council resolved (in part) to:

*Continue discussions with key stakeholders regarding options for the potential provision of subsidized housing for general practitioners.*

While no formal discussions have been held since this resolution, informal discussions have been held with the Pilbara Development Commission, DHW, State Land Services and BHPBIO regarding potential opportunities and models to service this housing need.

**Current Situation**

The reported ideal benchmark ratio of GP's is 1 per 1200 residents however in areas of higher health needs (such as Port Hedland) coupled with the fact that much GP time is spent on pre-employment medicals rather than general practice work, the ratio should be more like 1 per 900 people. The Town currently has 6.5 GP's and operates on a GP ratio of something like 1 per 2,700 people.

Information/advice from the private firms who operate GP services has indicated that the major inhibitor in achieving better GP ratios is the lack of quality, affordable housing.

In the vast majority of cases GP's are private contractors who are engaged by private firms to provide a service. Firms have advised that the 'standard model' for the Pilbara is that 70% of the billing revenue is being directed to the GP with the remaining 30% being kept by the corporate entity to pay for Corporate overheads (including accommodation).

The Town of Port Hedland has traditionally provided no direct or indirect financial support towards the provision of GP housing. The only support that has been received by GP's in this regard in Port Hedland has been from BHPBIO who have provided four lower amenity and older properties to GP's as well as a subsidy for one other doctor. BHPBIO has indicated that, in the longer term, the company will need to reclaim these houses for staff housing.

#### *Models*

While not traditionally a local government role, many local governments have entered into arrangements to provide housing to attract and retain GP's to their region. Models include:

- Shire of Roebourne 'Medical Services Incentive Scheme' (MSIS): The MSIS partnership program has been established whereby quality housing has been made available for GP's in Dampier, Karratha and Wickham. This partnership accessed funding/resources from major resource companies and the Shire of Roebourne (\$1M) to construct and/or manage 13 houses for GP's. The MSIS is governed by an Executive Committee involving the funding partners. To access MSIS housing GP's need to sign a participation agreement that seeks commitments from the GP to provide a minimum of 28hrs/week service, participate in the provision of extended hours services, the provide a bulk billing service to specific clients and the provide a regular report to the MSIS. In addition to housing provision, the MSIS scheme offers access to subsidies utilities costs and cash incentives of up to \$50,000 per GP for extended service to the community (>5yrs)
- Direct Provision: Several smaller Council's provide access to a Council house for individual GP's or a GP service. Under these scenarios an agreement is generally struck between the GP and the local government authority. The private firms have indicated that this model exists in the Wheatbelt as well as in Tasmania and rural Victoria.

### Consultation

Preliminary discussions have been held with a variety of stakeholders regarding this issue. These stakeholders have included:

- Pilbara Development Commission
- Gemini Medical Group
- Department of Housing and Works
- State Land Services
- Tom Stephens Electorate Office
- Shire of Roebourne
- WALGA
- BHPBIO
- FMGL

While discussions have been held, there is no specific model or agreed direction forward on this matter.

### **Statutory Implications**

Nil

### Policy Implications

Council currently has no policy in relation to the provision for housing for non-Council staff. Current practice is to charge market rental to companies/individuals who are non-staff who are accessing Council housing assets.

### Strategic Planning Implications

While housing for GP's is not specifically mentioned within the Town's Plan for the Future, the following statements from within the plan do support Council's potential involvement in this issue:

#### Goal 3 - Health

That the community has access to high quality health services and facilities and the Town is taking appropriate preventative measures to ensure a healthy environment.

Strategy 3: Regularly liaise with stakeholders regarding health care issues and actively seek to ensure that health services improve in accordance with community expectations.

### Budget Implications

Council currently has no budget for the provision of subsidies and/or incentives for the attraction/retention of GP's. Any support for this service would need to come from the 2009/10 budget and would come at the cost of potentially providing other services/facilities to the community.



Officer's Comment

Three specific GP Housing initiatives have been identified for Council's consideration:

*Port Haven:*

Council has secured access to 5 free rooms and 75 heavily subsidised rooms at the new Port Haven accommodation facility that is being constructed at the Port Hedland international Airport. Council could 'quarantine' one or some of these rooms for GP services if they are desirable.

*Morgan St:*

Council is currently constructing eight units on Morgan St in Port Hedland at a cost of \$4M. These units are due to be complete by Oct 2009. Council has indicated that it intends on using four of these units as staff housing and renting the remaining four on the private market to essential services.

It should be noted that financial models that have previously been presented to Council indicate that the rental return from four privately rented units is likely to cover the loan costs for construction the eight units. If Council elects to offer some of the units at a subsidised rate there will be a direct cost to Council. This could possibly be offset by obtaining a contribution towards the capital cost of the buildings from a GP firm, government and/or other stakeholders. This issue is yet to be explored thoroughly.

*GP Housing Trust or Foundation*

A variety of models have been touted for the provision of some style of 'housing trust' for GP's in Port Hedland. While details are yet to be confirmed the model may operate something like the following:

- A trust involving key stakeholders is formed (including Council representation).
- The trust obtains access to Crown land through a vesting order (i.e. It doesn't pay for the land, but doesn't own it freehold)
- The trustees contribute capital towards the construction of appropriate housing to meet GP requirements. Government funding would also be sought to reduce costs and the trust may take out a loan to assist in financing the project.
- Once the housing is constructed, the trust would negotiate agreements with individual GP's or GP firms similar to those that are undertaken by the Shire of Roebourne's MSIS project.
- Any rental income that is received by the trust would assist in loan repayments and/or be quarantined for property refurbishment at a later date.

- Preliminary modeling indicates that the trust could be self sufficient if it is structured appropriately initially and can access land and construction capital readily.

While Council may elect to support one or all of the above initiatives, the Council needs to acknowledge that in doing so it is potentially entering into a service that, in the view of some, is not the core business of the local authority. Over the past four years the Town of Port Hedland has been divesting itself of services that are 'non-core' such as HACC, Mirtanya Maya Aged Care facility and the Stevens St Aged Care Centre. Entering into the provision of GP housing is contrary to this trend and should not be undertaken lightly as it will come at some cost to ratepayers – not to mention the opportunity costs that is involved with being involved with this service.

Some people will reasonably argue that the GP services are private companies, many of which are publicly listed, and will contend that it is not good practice for local government money to be 'propping up' a private company. Alternately it can be reasonably argued that experience has shown that, without support, the provision of this necessary community service is at risk.

Attachments

Nil

Officer's Recommendation

That Council:

- 1) Indicates that it is willing to contribute towards the provision of subsidised housing for General Practitioners in Port Hedland through:
  - a) The provision of access to free and/or heavily subsidised rooms at the Port Haven facility.
  - b) The provision of subsidised accommodation at Morgan's St Port Hedland (on the proviso that an appropriate funding model can be arranged).
  - c) The development of a partnership or trust model with other stakeholders for the provision of GP housing within the Town.
- 2) Officers continue discussions with key stakeholders regarding the above three initiatives with a further report being presented to Council once negotiations have progressed.

200809/309 Council Decision

**Moved:** Cr G D Bussell

**Seconded:** Cr A A Carter

That Council:

- 1) Indicates that it is willing to contribute towards the provision of subsidised housing for General Practitioners in Port Hedland through:
  - a) **The provision of access to free and/or heavily subsidised rooms at the Port Haven facility.**
  - b) **The provision of subsidised accommodation at Morgan's St Port Hedland (on the proviso that an appropriate funding model can be arranged).**
  - c) **The development of a partnership or trust model with other stakeholders for the provision of GP housing within the Town.**
- 2) Officers continue discussions with key stakeholders regarding the above three initiatives with a further report being presented to Council once negotiations have progressed.
- 3) approaches Mindaroo Resources Ltd regarding the potential partial provision of Pretty Pool Housing owned by Mindaroo Resources Ltd. of availability that housing being made available for accommodation of General Practitioners.

*CARRIED 9/0*

REASON: Council resolved to include Clause 3), to approach Mindaroo Resources Ltd, regarding possible availability of its housing in Pretty Pool for the accommodation of General Practitioners.

*11.3.2.2 Country Local Government Fund (File No.: ...)*

**Officer** Matthew Scott  
Acting Chief Executive Officer

**Date of Report** 13 April 2009

**Disclosure of Interest by Officer** Nil

## Summary

For Council to reconsider several proposed Country Local Government Fund (CLGF) projects, which have been rejected by the Department of Local Government and Regional Development (DLGRD).

## Background

At its March 2009 Ordinary Meeting, Council resolve to submit the following projects to the DLGRD for consideration for funding from CLGF, a part of the State Government Royalties for Regions:

Project	\$
Civic Centre Balustrade	73,000
Street Lighting Upgrades - Captains Loop	176,000
South Hedland Street Lighting	270,000
Richardson Street Streetscape/Parking	180,000
Airport Café – Refrigeration	15,000
Pool Blanket	40,000
Toilet block for Civic Centre	150,000
5 x lids for reuse tanks	150,000
Finucane Island Boat Ramp	30,000
JD Hardie Centre	18,000
Shade Sail - SHAC Pool	50,000
Kevin Scott Oval - Clubroom floors/Aircon	20,000
Security System for Council Offices	25,000
Additional CCTV Coverage	110,000
Foreshore Protection/Restoration project	90,000
Airport Parking Lighting	60,000
<b>Total</b>	<b>1,457,000</b>

Since that meeting an application was made to the DLGRD listing the proposed projects.

On the 30 March 2009, Council was advised by the DLGRD that it had rejected the following projects:

Project	\$
Airport Café – Refrigeration	15,000
Pool Blanket	40,000
JD Hardie Centre	18,000
Security System for Council Offices	25,000
Additional CCTV Coverage	110,000
Total	208,000

The basis for rejection was that in the department view these projects did not meet the funding criteria of either Buildings or Infrastructure development. Those these item could be classified as either Furniture and Equipment, or Plant and Equipment, it is believed that they would in fact upgrade or enhance existing Buildings or Infrastructure, hence their initial inclusion. Though repeated attempts to have this decision reconsidered, the department has refused to do so.

The department has however permitted Council to submit other projects to fully access the \$1.457 million allocated to the Town of Port Hedland.

Council is now requested to consider:

1. Which other projects should be substituted for these rejected items (\$208,000)?; and
2. What should happen to these projects that have been rejected?

#### Consultation

The list of possible projects has been put together through consultation with Management and Council. They have been ranked based on:

- Identified Need 5 points
- Prior Planning 5 points
- Ability to complete works by 30/10/09 5 points
- Total 15 points

#### Statutory Implications

Local Government Act 1995 (in part) states:

- 6.8. *Expenditure from municipal fund not included in annual budget*
- (1) *A local government is not to incur expenditure from its municipal fund for an additional purpose except where the expenditure -*
- (a) *is incurred in a financial year before the adoption of the annual budget by the local government;*

- (b) *is authorised in advance by resolution\*; or*
- (c) *is authorised in advance by the mayor or president in an emergency.*

*\* Absolute majority required.*

- (1a) *In subsection (1) -  
additional purpose~ means a purpose for which no expenditure estimate is included in the local government's annual budget.*
- (2) *Where expenditure has been incurred by a local government -*
  - (a) *pursuant to subsection (1)(a), it is to be included in the annual budget for that financial year; and*
  - (b) *pursuant to subsection (1)(c), it is to be reported to the next ordinary meeting of the council.*

**Policy Implications** Nil

**Strategic Planning Implications** Nil

#### Budget Implications

Council effectively has \$208,000 to reallocate to new building or Infrastructure projects, being the remaining funding in the CLGF.

However Council must also decide what to do with the projects that have been rejected. Given the obvious merit of these projects it is recommended that these projects be funded from any surplus derived from the 3<sup>rd</sup> Quarter Budget Review.

#### Officer's Comment

Based on the priority listing from the previous Council items on this matter, the next projects would be:

1. Records Facility, \$96,000
2. Disability Access to Cemetery Beach, \$100,000

This only totals \$196,000, allowing Council to allocate the remaining funds (\$12,000) to Street Lighting, which Council has previously determined as a priority, especially for South Hedland. This would fully allocate Council's allocation from the CLFG.

Given that Council no longer has the funding to pay for the rejected projects, there are effectively two options, being:

1. Simply postpone the projects, and consider them for the 2009/10 Budget; or
2. Fund the projects in 2008/09, subject to funds being identified in the 3<sup>rd</sup> Quarter Budget Review.

Council staff are currently reviewing the Budget, chiefly to identify the final forecast for 2008/09, however there may be surplus funds realized also during this process. Given that Council has already determined the merits of these projects, if sufficient funds could be identified, it would probably be advantageous for Council to complete these projects, rather than wait for the 2009/10 to be adopted.

#### Attachments

- Email from Senior Grants Officer, DLGRD 30 March 2009,
- List of remaining Possible CLGF projects.

#### Officer's Recommendation

#### That Council:

- i) submits the following projects to the Country Local Government Fund, as replacement to those projects rejected on the 30 March 2009, totaling \$208,000:
  - 1) Records Facility, \$96,000;
  - 2) Disability Access to Cemetery Beach, \$100,000; and
  - 3) Additional Street Lighting (South Hedland) \$12,000; and
- ii) the following projects rejected from the Country Local Government Fund on 30 March 2009, be put on hold until sufficient funds are identified in Council's 3<sup>rd</sup> quarter budget review:

Project	\$
Airport Café – Refrigeration	15,000
Pool Blanket	40,000
JD Hardie Centre	18,000
Security System for Council Offices	25,000
Additional CCTV Coverage	110,000
Total	208,000

200809/310 Council Decision

**Moved:** Cr S J Coates

**Seconded:** Cr K A Howlett

That Council:

i) submits the following projects to the Country Local Government Fund, as replacement to those projects rejected on the 30 March 2009, totaling \$208,000:

- 1) **Records Facility, \$96,000;**
- 2) **Disability Access to Cemetery Beach, \$40,000; and**
- 3) **Additional Street Lighting (South Hedland) \$12,000;**
- 4) **Playground Shading at Daylesford and Marrapikurinya Parks (\$60,000); and**

ii) the following projects rejected from the Country Local Government Fund on 30 March 2009, be put on hold until sufficient funds are identified in Council's 3<sup>rd</sup> quarter budget review:

Project	\$
Airport Café – Refrigeration	15,000
Pool Blanket	40,000
JD Hardie Centre	18,000
Security System for Council Offices	25,000
Additional CCTV Coverage	110,000
Total	208,000

*CARRIED BY ABSOLUTE MAJORITY 9/0*

*REASON: Council resolved to amend the projects being submitted to the Country Local Government Fund, as replacement projects to those that were rejected on 30 March 2009, to include playground shading at Daylesford and Marrapikurinya Parks.*



## ATTACHMENT TO AGENDA ITEM 11.3.2.2

**From:** [Rachel Reynolds](#)  
**To:** [Matthew Scott](#)  
**Subject:** Country Local Government Fund Acceptance Form  
**Date:** Monday, 30 March 2009 12:23:45 PM

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Dear Matthew

Thank you for your Acceptance Form for the Country Local Government Fund. I also appreciate the amount of detail that was submitted as part of this process. Unfortunately, after review there are a few line items which are ineligible for funding. The Guidelines state that the *grant funds cannot be applied to expenditure on non-infrastructure items. The grant funds are not to be used for purchasing plant and equipment, employing staff, engaging consultants, retiring debt or any other organisation requirements that fall outside the above asset classes.*

Under Chapter 9, Appendix 6 of the Local Government Accounting Manual, the following items fall outside the Guidelines:

- Airport Cafe project - refrigeration - considered furniture and equipment (kitchen equipment) and therefore falls outside the asset classes stated in the Guidelines
- Pool blanket - considered plant and equipment
- JD Hardie centre project - netting - considered furniture and equipment (sporting equipment) and therefore falls outside the asset classes stated in the Guidelines
- Council Offices project - security system - considered plant and equipment
- CCTV coverage project - security system - considered plant and equipment - and visual equipment - considered furniture and equipment and therefore falls outside the asset classes stated in the Guidelines

Based on the above information please also ensure that the SHAC Pool shade sail is a steel structure (or equivalent) as materials such as cloth (or similar textile type material) is considered plant and equipment and therefore ineligible under the Guidelines.

You do not need to re-submit your entire form, just the section outlining your project allocations.

Any further queries please do not hesitate to contact me.

Kind Regards

**Rachel Reynolds**

Senior Grants Officer

Financial Assistance Branch

Department of Local Government and Regional Development

Tel: (08) 9217 1466

Fax: (08) 9217 1555

Email: [rachel.reynolds@dlgrd.wa.gov.au](mailto:rachel.reynolds@dlgrd.wa.gov.au)

Web: [www.dlgrd.wa.gov.au](http://www.dlgrd.wa.gov.au)



Government of Western Australia  
Department of Local Government  
and Regional Development  
[www.dlgrd.wa.gov.au](http://www.dlgrd.wa.gov.au)

### Country Local Government Fund - Potential Project Expenditure

	Project	Description	Cost	Need	Prior Planning	Can complete by 30/10/09	TOTAL	Cumulative Spend
1	Records Facility	The current record store facility at the Airport does not meet current State Storage requirements. Proposal to build a new storage facility (shed) inc false ceiling, install insulation and provide air-conditioning.	96,000	4	3	4	11	96,000
2	Disability Access and Inclusion Plan: Disabled Access to Cemetery Beach	Construct a concrete ramp/path with handrails to enable people with limited mobility to access beach.	100,000	4	3	4	11	196,000
3	Matt Dann Cultural Centre	Replace fixed lighting trusses with modern lighting truss that can be lowered and raised. Current system cannot be safely used without hiring elevated work platform each time.	120,000	5	3	3	11	316,000
4	Sutherland St Nodes	Build a 3rd 'Node' . Two currently under construction	200,000	1	5	5	11	516,000
5	Re-Use System Transportation Augmentation Port Hedland/ South Hedland	The underground piping at Port Hedland and South Hedland was built 20 years ago. Most of the pipe system has started to fail. These pipes deliver Class C recycled effluent water to sporting fields. Leakages are create health issue and when failures occur, ovals do not get watered. Repair costs are upwards of \$3500 each incident. There has been 10 failures in less than five months.	750,000	5	2	4	11	1,266,000

6	CCTV Network available to TOPH stakeholders	Establish IT infrastructure to allow CCTV to be accessed via public intranet page which monitors the Civic Centre and Spoil Bank Area.	25,000	3	3	4	<b>10</b>	1,291,000
7	McGregor St Reserve - Rehab works	McGregor St Reserve playing surface is least level of all Council sports facilities. Funds would be used for surface repairs and levelling of playing surface.	40,000	4	3	3	<b>10</b>	1,331,000
8	Bleachers - Marie Marland and McGregor St Ovals	Construct scaffold type spectator seating at sport reserves.	40,000	2	4	4	<b>10</b>	1,371,000
9	SH Library Airconditioning	Remove old ducted system and replace with 10 new split system airconditioners	50,000	2	4	4	<b>10</b>	1,421,000
10	Pedestrian Bridge - Demarchi Park	Bridge over drainage reserve at new Demarchi park. Item was removed from original scope due to budget constraints	100,000	3	4	3	<b>10</b>	1,521,000
11	PH Skate Park	Install 1 x Exceloo. No public toilet facilities are available at this location.	150,000	3	3	4	<b>10</b>	1,671,000
12	Courthouse Art Gallery - Upgrades	Undertake upgrades that did not occur in most recent 'facelift'. Includes roof replacement (\$150K), Disabled Toilets (\$45K), Air conditioner replacement (\$30K) & Kitchen upgrade for catering req'ments (\$30K)	255,000	3	3	4	<b>10</b>	1,926,000
13	Cemetery Beach Park toilets	Install 2 x Exceloos. Existing infrastructure struggles to cope with large numbers.	300,000	3	3	4	<b>10</b>	2,226,000
14	Library Server and Workstation	Port Hedland library is planning a project to record the history of TOPH. Allows people to add photos, documents, letters, etc that capture history of TOPH. Project requires purchase of server, router and workstation.	12,500	2	3	4	<b>9</b>	2,238,500

15	Water Foundations SH	Install vandal proof water foundations at various locations in South Hedland	20,000	3	2	4	9	2,258,500
16	Staff Housing - Sheds	Construct storage sheds in Council owned properties in South Hedland that currently do not have them.	30,000	3	2	4	9	2,288,500
17	Off-Site Backup location	All data used by ToPH is currently backed up at the Civic Centre. A portable backup is performed but this is only a temporary measure until a backup replication can occur. A storage area is required which will hold identical data for all sites used by the ToPH in the event of a fire or damage to the Civic Centre, other sites can continue to function normally. Requires purchase of another server, networking and software.	33,000	2	3	4	9	2,321,500
18	Disable Footpath Civic Centre	Construct a disable accessible footpath from the Civic Centre to the BBQ's in the Civic gardens	50,000	3	3	3	9	2,371,500
19	New Fence SH Skate Park	Construct a vandal proof fence at the SH Skate Park	50,000	3	2	4	9	2,421,500
20	Aboriginal Arts Centre	Purchase transportable building for establishment of aboriginal arts centre adjacent to South Hedland Library. Includes landscaping	480,000	4	1	4	9	2,901,500
21	1/2 Basketball Court PH	Build a 1/2 Court Basketball court at the PH Skate park, effectively creating a "teenage" playground	40,000	3	2	3	8	2,941,500
22	South Hedland Footpath Nodes	Construct footpath nodes, similar to those being built on Sutherland street	100,000	3	2	2	7	3,041,500

23	Masters Street Streetscaping	Streetscape Masters Street , South Hedland	100,000	2	2	3	<b>7</b>	3,141,500
24	"Funky" Bus Shelters	Design & construct some interesting Bus shelters for Port & South Hedland Streets	20,000	2	1	2	<b>5</b>	3,161,500

*11.3.2.3 Annual General Meeting of Electors Held on Tuesday 7 April 2009 (File No.: .....)*

**Officer** Gaye Stephens  
Executive Assistant

**Date of Report** 16 April 2008

**Disclosure of Interest by Officer** Nil

Summary

The Local Government Act 1995 requires Council to consider all decisions made at the Annual General Elector's Meeting.

Background

Section 5.27 of the Local Government Act 1995 requires Local Governments to hold a General Meeting of Electors once every financial year and within 56 days of adopting its Annual Report for the previous financial year.

Section 5.33 provides that all decisions made at an Electors Meeting are to be considered at the next Ordinary Council Meeting, or if that is not practicable the following Ordinary Council Meeting.

**Consultation** Nil

Statutory Implications

Sections 5.32 and 5.33 of the Local Government Act ensure that copies of the minutes are available to the public, prior to Council's consideration of any decisions made by electors.

*5.32. Minutes of electors' meetings*

*The CEO is to –*

- (a) cause minutes of the proceedings at an electors' meeting to be kept and preserved; and*
- (b) ensure that copies of the minutes are made available for inspection by members of the public before the council meeting at which decisions made at the electors' meeting are first considered.*

*5.33. Decisions made at electors' meetings*

- (1) All decisions made at an electors' meeting are to be considered at the next ordinary council meeting or, if that is not practicable –*
  - (a) at the first ordinary council meeting after that meeting; or*
  - (b) at a special meeting called for that purpose, whichever happens first.*

- (2) *If at a meeting of the council a local government makes a decision in response to a decision made at an electors' meeting, the reasons for the decision are to be recorded in the minutes of the council meeting.*"

**Policy Implications** Nil

Strategic Planning Implications

Key Result Area 6 – Governance

Goal 3 – Communication

That Town of Port Hedland is recognised by residents and ratepayers as being an open, informative, accountable local government that listens to community views and keeps stakeholders informed.

**Budget Implications** Nil

Officer's Comment

A copy of the Minutes of the Annual General Meeting of Electors has been circulated.

At the Annual General Meeting of Electors held on Tuesday 7 April 2009, the following decisions were made:

*"That the Minutes of the Annual General Meeting of Electors held on Wednesday 26 March 2008 be confirmed as a true and correct record of proceedings."*

*"That the Town of Port Hedland Annual Report for the 2007/08 Financial Year be received."*

**Attachments** Nil

200809/311 Council Decision/Officer's Recommendation

**Moved:** Cr A A Carter

**Seconded:** Cr G D Bussell

That:

- i) the decisions from the Annual General Meeting of Electors held on Tuesday 7 April 2009 be received; and
- ii) answers to questions taken on notice at the Annual General Meeting of Electors held on Tuesday 7 April 2009, be provided to the individual electors prior to 29 May 2009.

*CARRIED 9/0*

*11.3.2.4 Financial Assistance Agreement for the Manufacture and Installation of Signs at Cemetery Beach and Pretty Pool Parks, and the Civic Centre Gardens – Government of Western Australia (through Pilbara Development Commission) (File No.: 15/02/0001)*

**Officer** Gaye Stephens  
Executive Assistant

**Date of Report** 16 April 2009

**Disclosure of Interest by Officer** Nil

Summary

To progress receipt of Government of Western Australia, through the Pilbara Development Commission for the manufacture and installation of signs at:

- Cemetery Beach Park (Port Hedland Community Park);
- Pretty Pool Park; and
- Civic Centre Gardens.

Background

In correspondence received 24 March 2009, the Pilbara Development Commission (PDC) has advised the Government of Western Australia will contribute an amount of \$39,945 (exclusive of GST), plus \$3,994.50 (GST) totalling \$43,939.50 for the manufacture and installation of signs at:

- Cemetery Beach Park (Port Hedland Community Park);
- Pretty Pool Park; and
- Civic Centre Gardens

as part of the Port Hedland Enhancement Scheme.

**Statutory Implications** Nil

**Policy Implications** Nil

**Strategic Planning Implications**

The Town's current Strategic Plan includes various statements that is relevant to this matter:

Budget Implications

Income of \$43,939.50 (including GST) in Account 1407337 'Port Hedland Enhancement Contribution'.



**Officer's Comment**

To progress the administration for the manufacture and installation of those signs, including the release of funding to Council of \$39,945 (exclusive of GST), plus \$3,994.50 (GST) totalling \$43,939.50, the PDC requires Council meet the following conditions:

1. provide the PDC with a signed copy of the 'Financial Assistance Agreement' (FAA);
2. provide the PDC with the following Invoice:  
Instalment 1: Invoice for \$39,945, plus \$3,994.50 (GST) totalling \$43,939.50 within 21 days of signing the FAA, and receipt of confirmation by the Town confirming with the PDC that the Town has secured the necessary funding for the completion of the project;
3. comply with the Environmental Protection Act, Aboriginal Heritage Act and any other relevant acts, regulations and local laws and, obtains relevant approvals prior to construction;
4. all designs and specifications to be supported by the PDC; and
5. the Town of Port Hedland is responsible for all ongoing repairs and maintenance to the signage.

The Financial Assistance Agreement (FAA) requires the Town of Port Hedland Common Seal to be affixed and to be signed by the Mayor and Chief Executive Officer.

**Attachments**

Nil

200809/312 Council Decision/Officer's Recommendation

**Moved:** Cr K A Howlett**Seconded:** Cr J E Ford

That Council:

- i) approval be granted for the Mayor and Chief Executive Officer to sign and duly affix the Town of Port Hedland Common Seal to the Pilbara Development Commission's Financial Assistance Agreement (FAA) for financial contribution of \$43,959.50 (including GST) for the manufacture and installation of signs at Cemetery Beach and Pretty Pool parks, and the Civic Centre Gardens; and
- ii) raises the following Tax Invoice for \$43,959.50 (including GST) within 21 days of signing the FAA, subject to the Town confirming with the PDC that the Town has secured the necessary funding for the completion of the project.

*CARRIED 9/0*

*11.3.2.5 Council Representation on Pilbara District Health Advisory Council/District Health Advisory Network (File No.: .../...)*

**Officer** Gaye Stephens  
Executive Assistant

**Date of Report** 17 April 2009

**Disclosure of Interest by Officer** Nil

Summary

For Council to consider appointing a representative on the Pilbara District Health Advisory Council (DHAC).

Background

Council has been invited by Mr Scott McDonell, the Chairperson of DHAC to appoint a Council representative on the Pilbara District Health Advisory Council; and a Town of Port Hedland staff representative the Port Hedland Health Advisory Network (PHHAN). Both the DHAC and PHHAN fall under the jurisdiction of the Department of Health's WA Country Health Service.

District Health Advisory Council's are a formation of much needed community participation to assist in the development of health service policies.

This group of people usually consists of health consumers, carers, community members and service providers who actively become involved to improve service planning, access, safety and quality of health services being delivered to the region in which they reside.

The Port Hedland Health Advisory Network will effectively network and assist members of DHAC, in identifying health issues that are important in Port Hedland and regionally representing issues faced as a community.

Consultation

Council has consulted with Mr Scott McDonell the Chairperson of Pilbara District Health Advisory Council.

Statutory Implications

Health Act 1911,  
Town of Port Hedland's Health Local Laws 1999 – Arrangement

**Policy Implications** Nil

### Strategic Planning Implications

Key Result Area 3 – Community Development,  
Goal 3 – Health

Strategy 2 - Regularly liaise with stakeholders regarding health care issues and actively seek to ensure that health services improve in accordance with community expectations.

### Budget Implications

Reimbursement of Travel, Accommodation, Meals and Out-Of-Pocket Expenses and Participation Fess Payment for DHAC members is in accordance with WACHS Policy (refer WA Country Health Services 'District Health Advisory Council Guidelines & Orientation & Information'. The Australian Tax Office recommended rates for agreed travel in accordance with WACHS Policy.

A copy of the WA Country Health Services 'District Health Advisory Council Guidelines & Orientation & Information' has been distributed to elected members.

### Officer's Comment

From time to time Council is requested to nominate a Council member to represent the Council on committees of external organisations. Sometimes the constitution of the external organisation required Council to nominate a representative.

The WA Country Health Services 'District Health Advisory Council Guidelines & Orientation & Information' identifies the aims of the Council as follows:

- "1. Provide effective community and consumer participation.*
- 2. Improve service safety, quality and access using consumer and carer input.*
- 3. Provide a voice for the community and consumers to WA Country Health Service (WACHS), the Minister for Health, Director General of Health, Chief Executive Officer of WACHS and other WACHS staff about country health needs, priorities and services.*
- 4. Establish a two-way information exchange by:*
  - a. Consumers and community members informing health service providers of priority health issues and offering solutions;*
  - b. Service providers giving consumers and the community evidence of priority health needs and*

*suitable service delivery models to improve access, safety and quality.*

5. *Influence consumer, community, WACHS and inter-agency links at the local, district, regional and State levels."*

The tenure of Advisory Council Members if for a term of two (2) to three (3) years.

The DHAC Guidelines also advise the tenure of appointments to Councils:

*"After the initial Advisory Council role and work plan development processes are complete, the meeting schedule should reflect work plan priorities. It is expected that once established Advisory Councils will meet no more frequently than quarterly to half yearly."*

It is recommended that Council nominates a member to represent Council on the Pilbara District Health Advisory Council (DHAC); and a member of staff be appointed by the Chief Executive Officer or his nominated officer to represent the Town on the Port Hedland Health Advisory Network (PHHAN).

The Chairman of the DHAC and PHHAN will be informed in writing of Council representatives.

**Attachments** Nil

Officer's Recommendation

That Council appoints Councillor \_\_\_\_\_ as its representative on the Pilbara District Health Advisory Council (DHAC) and advises the Chairman of the Pilbara DHAC of this appointment.

200809/313 Council Decision

**Moved:** Cr A A Carter                      **Seconded:** Cr S J Coates

That Council appoints Councillor Jan M Gillingham (and Councillor Jan E Ford, Proxy), as its representative on the Pilbara District Health Advisory Council (DHAC) and advises the Chairman of the Pilbara DHAC of this appointment.

*CARRIED 9/0*

*REASON: Council appointed Councillor Jan M Gillingham (and Councillor Jan E Ford as Proxy) as its representative on the Pilbara District Health Advisory Council.*

**ITEM 12 LATE ITEMS AS PERMITTED BY CHAIRPERSON/COUNCIL**

12.1 Regulatory and Community Services

*12.1.1 Closed Circuit Television (CCTV) Tender 06/09 (File No.: 03/09/0003)*

**Officer** Terry Sargent  
Director Regulatory and  
Community Services

**Date of Report** 17 April 2009

**Disclosure of Interest by Officer** Nil

Summary

To consider the supplementary responses from bidders for Tender 06/09 for supply and installation of a CCTV system in Port Hedland.

Background

At its special meeting held on 9 April 2009, Council considered tenders for the supply and installation of a CCTV system in South Hedland, being stage one of a broader system that will cover Port Hedland as well.

Council resolved to reject all tenders and to seek further information from tenderers concerning –

- Initial and ongoing maintenance costs
- Local availability of parts and maintenance services
- Their ability to complete works by 30 June 2009
- Product reliability and response in the event of a failure

The responses from bidders are tabulated in Attachment 1.

*NOTE: Revocation of Special Meeting Decision.*

Though Council effectively decided to reject all tenders and subsequently seek additional clarification, advice from the Department of Local Government and Regional Department is that Council should have deferred a decision and sort clarification, rather than reject all tenders. By rejecting all tenders, Council cannot negotiate with any tenderer, and must effectively call a new tender, as the amount of the goods and services to be supplied exceeds the statutory amount (\$100,000) where tenders are not required.

To correct the issue, the Department has advised Council to revoke its earlier decision. Revoking the earlier decision to reject all tenders simply brings Council to exactly the same position prior to Council's Special Meeting, and has no negative effect to any tender. On the special meeting decision is revoked, Council can consider the tenders received and can still decide on which tender it wants, based on the additional clarification, which was the intent of Council's decision at the Special Meeting.

#### Consultation

All tenderers and ATA Engineering (the independent consultant who drafted the project specifications and provided technical assessment of the tenders) were advised of Council's decision and the responses requested.

#### Statutory Implications

All activity related to the CCTV Implementation must comply with the Surveillance Devices Act 1998 and the Privacy Act 1988.

#### Policy Implications

There are no implications in relation to Council's current policy, however, policy related to the Hedland CCTV system is being developed in collaboration with WA Police and Horizon Power. This policy will underpin the Memorandum of Understanding between Town of Port Hedland, WA Police and Horizon Power; and Standard Operating Procedures for the day to day management of the CCTV system will comply with statutory and policy directives.

#### Strategic Planning Implications

##### Key Result Area 3: - Community Development

The development of a more vibrant, sustainable community is a key responsibility of the Town of Port Hedland. One community development area that Council has identified as being critical to achieving this goal is Community Safety & Crime Prevention.

##### Goal 4: Community Safety & Crime Prevention

That the Town of Port Hedland is recognized as a safe place to live.

##### Strategy

1. Work with partners to engage a Community Safety & Crime Prevention Coordinator/Facilitator whose primary responsibility is to ensure the timely implementation of initiatives listed in the Town of Port Hedland Community Safety & Crime Prevention Plan.

2. In conjunction with Police and other stakeholders, develop initiatives that discourage street drinking. Littering and other anti-social behaviour in public places and implement appropriate actions.

### **Budget Implications**

At Council's special meeting the advice was that funding of \$393,000 was available, subject to a successful application for Royalties for Regions Funding.

It has now been confirmed that funding has not been made available so Council currently has available funding of only \$283,000 for this project.

### **Officer's Comment**

Tenders for this project were received from:

- TEC Services \$574,620.00 + GST
- Applicon Australia Pty Ltd \$326,503.65 + GST
- Downer EDI Engineering \$245,300.00 + GST
- SEME \$345,684.00+GST (Digital)
- SEME \$405,648.00+GST(Analog)

and the ratings according to the independent assessment were as follows:

COMPANY	WEIGHTED SCORE (out of 100)
TEC Services	26.8
Applicon	68.5
Downer EDI Engineering	57
SEME	37.5

The highest rated tender (Applicon) was recommended and was within the project budget as it was understood by the manager at the time.

Confirmation that the available funding is now only \$283,000 means that only one tender, (the second highest ranked by the consultant) falls within the project budget.

Council is of course at liberty so provide further funding to the project should it choose to proceed with the consultant's preferred tender. Given the project costs incurred to date this would require provision of approx. \$70,000 additional funding.

In the circumstances, even recognizing the supplementary information provided, it is recommended that Council Accepts Downer EDI Engineering's tender as the only one which falls within the project budget.

To assist Council, a revocation motion is attached to officer's recommendation. This needs to occur before a motion to accept a tender, as currently there is resolution to reject all tenders.

#### Attachments

1. Summary of Supplementary Responses – Tender 06-09
2. Additional Information from Tenderers.

#### Officer's Recommendation

*NOTE: to revoke the decision made in accordance with the Local Government (Administration) Regulations 1996:*

*“10. Revoking or changing decisions made at Council or Committee meetings – s5.25(e)*

- 1. If a decision has been made at a council or committee meeting then any motion to revoke or change the decision must be supported –*
  - (a) Notice of a motion to revoke or change a decision referred to in subregulation (1) is to be signed by members of the council or committee numbering at least 1/3 of the number of offices (whether vacant or not) of members of the council or committee, inclusive of the mover; or*
  - (b) in any other case, by at least 1/3 of the number of offices (whether vacant or not) of members of the council or committee, inclusive of the mover*
- 2. If a decision has been made at a council or a committee meeting then any decision to revoke or change the first-mentioned decision must be made –*
  - (a) In the case where the decision to be revoked or changed was required to be made by an absolute majority or by a special majority, by that kind of majority;*
  - (b) In any other case, by an absolute majority.*
- 3. This regulation does not apply to the change of a decision unless the effect of the change would be that the decision would be revoked or would become substantially different.*

#### Voting Requirements

1. To consider – 1/3 of members (3).
2. To revoke – absolute majority.



*NOTE: Mayor called for a show of hands from Councillors to consider the revocation of resolution 200809/285. The following Councillors indicated their indent to to so:*

*Councillor Arthur A Gear,  
Councillor Jan M Gillingham, and  
Councillor Arnold A Carter.*

200809/314 Council Decision/Officer's Recommendation 1

**Moved:** Cr A A Carter

**Seconded:** Cr A A Gear

That Council revokes Clause i) of resolution 200809/285 of Agenda Item 6.1.1.1 'Closed Circuit Television (CCTV) Tender 06/09' of its Special Meeting held on Thursday 9 April 2009, and recorded on page 12 of those Minutes, as follows:

"That Council:

- i) rejects all tenders for Tender 06/09 for the Supply and Installation of a Closed Circuit Television (CCTV) System in Port Hedland; and
- ii) authorises the Chief Executive Officer or his nominated representative to report back to Council's Ordinary Meeting in April with a comparison of the following factors that need to be taken into consideration before Council can decide on the best outcome for this tender:
  - 1) **Can the company complete the Installation by 30<sup>th</sup> June 2009?**
  - 2) **Availability of local parts and maintenance**
  - 3) **Initial costs and ongoing service and maintenance costs (i.e. travel costs of technicians)**
  - 4) **Indicate proposed Mean Time between Failures (MTBF)"**

*CARRIED BY ABSOLUTE MAJORITY 9/0*

200809/315 Council Decision/Officer's Recommendation 2

**Moved:** Cr A A Gear

**Seconded:** Cr A A Carter

That Council accepts Downer EDI Engineering's tender price of \$245,300 (exc GST) for the supply and installation of Stage 1 of the CCTV system for the Town of Port Hedland.

*CARRIED 8/1*

ATTACHMENT 1 TO AGENDA ITEM 12.1.1

Town of Port Hedland - Tender 06/09 Port Hedland CCTV Project  
 Summary of Supplementary Information from Tenderers

	Applicon	Downer EDI Engineering	SEME	TEC Services./.
Ability to complete project by 30 June 2009	Reaffirmed completion date 30th June 2009 as per tender – concern expressed over access to Telstra Tower. Alternative proposed which could still take additional 2 weeks	Completion proposed 30th June 2009  Provided advice on personnel and procurement – product lead times and key dates provided	Reaffirmed completion date 30th June 2009 as per tender proper and detailed product delivery times, availability etc.	N/A
Initial and ongoing maintenance costs	Initial price includes 4 visits + telephone support for yr 1 Recommends Council purchase spares (wireless link) to value of \$3,842 and support package to value of \$2,800  A range of options proposed for ongoing software support but not accurately detailed until hours of support are quantified. (See Attached)	Standard defects liability for 12 months Cost of recommended annual maintenance \$7,920. And dial in option \$4,000 and approx \$600pa plus actual call out charges	Quarterly site visits included in tender price- Ongoing maintenance cost of proposed system described as “minimal”	N/A

<p>Locally based service personnel and spare parts</p>	<p>Key parts to be purchased and held by Council with Perth based technical support and Sinewave Electrical Contractors (company based in Tom Price with a Karratha branch) providing the technicians</p>	<p>Local staff include- 8 communications technicians, 20 mechanical and 70 electricians Locally held spare parts include Camera, wireless link, enclosure, Encoder/encoder link.</p>	<p>Personnel based in Newman and Wickham with 2 local companies named as having installed equivalent system</p> <p>Full service and spares are Perth based but are willing to hold (1) main item of encoder,NVR and any fibre interface unit at Newman</p>	<p>N/A</p>
<p>Equipment reliability and response in the event of failure</p>	<p>Components selected for reliability specific comment provided in relation to each key component.</p> <p>Response in event of failure assured at 4hrs for system issues – 24hrs for site visit</p>	<p>Components claimed to be suitable for harsh environmental conditions, proven and in use in prisons and by Cities of Albany, Armadale and Joondalup.(see attachment)</p>	<p>Comparison made with systems in use for BHPBIO and Rio Tinto at 6 Pilbara locations and also in use at 2 WA prisons for the past 2 – 3yrs</p>	<p>N/A</p>



**ATTACHMENT 2 TO AGENDA ITEM 12.1.1**

*Process Control  
Fibre Optic and Cabling  
Network Integration  
Communications*

APPLICON AUSTRALIA PTY LTD  
ABN: 68-060-003-143  
12 Fisher St  
Belmont, WA, 6104  
Telephone (08) 6466 4600  
Facsimile (08) 6466 4601

**Thursday, 16 April 2009**

**Town of Port Hedland**

Attention: **Terry Sargent**  
Director Regulatory & Community Services



**Re: TENDER 06/09 - Supply and Installation of a CCTV System in Port Hedland**

Dear Terry,

With reference to the four questions contained in your email of the 15<sup>th</sup> of April 2009 please find our responses below:

**1. Ability to complete project by 30 June 2009**

While it's within our ability to deliver the project by June 30<sup>th</sup> (approx 10 weeks) as shown on the attached project timelines, our concerns remain the time required to obtain site acquisition for the Telstra tower. Please note below the lead-times for items we have been able to confirm:

Wireless Equipment *RAD AirMux* lead-time – 2 weeks (allowance - 3 weeks)  
CCTV Equipment and Software *Telesite* lead-time – most items are in stock (allowance 2 weeks)  
CCTV Enclosure *Dotworkx* lead-time – 10 days (allowance 2 weeks)  
Applicon Engineering Availability – from the 28<sup>th</sup> of April

**Telstra Tower**

We have included \$30,000 in our proposal to support the engineering and contractual work to fast track access to Telstra's tower; however our concern is that this process may take up to 12 weeks. In our schedule we have allowed 7 weeks, if the Town of Port Hedland has already obtained Telstra's preliminary approval then this time can be reduced and most if not all of the \$30,000 allowance could also be removed from our bid.

**Alternative to the Telstra tower – ref our response 2.2.3**

As indicated within our initial response and then confirmed by email on the 7<sup>th</sup> of April 2009, the Town of Port Hedland does have the option to build their own 15 meter cyclone rated free standing tower in the Police Station grounds. This approach would remove the requirement to go through the unpredictable site acquisition process for access to the Telstra tower. Although this alternative would introduce soil testing (geophysics) for foundation calculations and an engineering report, along with building approval we believe these requirements offer a much more predictable process than using the Telstra tower.

In summary keeping the above points in mind, we suggest all equipment can be delivered to site and the majority of the project be installed and operational by June 30<sup>th</sup>, while some aspects such as operator training, final documentation, drawings and inspections may be completed early in July.

*Please refer to the attached projects schedules for both Telstra tower and new tower options.*

## 2. Initial and ongoing maintenance costs

Maintenance costs are a factor of two components, these being insurance against the cost of equipment failure and assurance which covers the time to respond to an event and or turnaround repairs.

### Hardware Maintenance

From the warranty information detailed below it can be seen that most equipment is already covered for hardware failure by a 3 year return to base warranty.

- All Teleste equipment is covered by a 3 year warranty
- RAD AirMux wireless equipment is covered by a 12 month warranty
- CCTV Cameras are covered by a 3 year warranty
- Sony LCD Display is covered by a 3 year warranty

Our recommendation from a spares perspective would be to hold in Port Hedland a complete RAD AirMux wireless link, which could be purchased outright for an investment of \$3,842.00 plus GST as part of the initial project's special pricing, or rolled into a 3 year maintenance contract.

### Software Maintenance

The Teleste software is covered by a 90 Day software warranty, after which Teleste offer three types of service level agreements (bronze, silver or gold) as detailed on the attached SLA 2008 pdf. Teleste are one of the very few CCTV software vendors with employees on the ground in Australia. Most other vendors use their Australian distributor for support, where we have both the Australian distributor and Teleste staff to provide ongoing support. We understand that after the 90 day software warranty telephone support is provided for the first 12 months after which the desired Teleste SLA can be selected. Teleste Service Level agreements include support, updates and possible software upgrades depending on the level selected.

- Bronze \$4,469.00 plus GST
- Silver \$6,820.00 plus GST
- Gold \$9,172.00 plus GST

### Applicon Maintenance Agreement – AppliCare or AppliHours

As our proposal includes 4 visits in the first 12 months, and telephone support from Teleste our recommendation for the initial maintenance period is to purchase some AppliHours that will be used to as infill for any additional support work. i.e. AppliHours 20 pack – 20 hours for \$2,800.00 plus GST

After the initial 12 months an AppliCare agreement can be developed which includes site visits, hours of operation, desired response and turn around repair times.

### Summary

Initial Maintenance Recommendations

- AppliHours 20 pack - \$2,800 plus GST
- Optional RAD AirMux wireless link spare part purchase of \$3,842.00 plus GST

Ongoing Maintenance Recommendations are subject to client consultation to determine in-house capabilities and structure of AppliCare agreement.

- AppliCare agreement
  - x number of site visits
  - x hours response time
  - x hours, and days of cover (i.e. 24 x 7, 8 x 5, NBD)
  - x hours repair turn around
- Teleste Service Level Agreement
  - Bronze, Silver or Gold

### 3. Locally based service personnel and spare parts

As Applicon had an office in Karratha, and has completed a range of projects in the Pilbara we have extensive relationships throughout the region. Please refer the table below that has local contacts who can act as referees to confirm our capabilities to deliver and support projects in the Pilbara.

First name	Last name	Company	Location	Phone
Brad	Pezzali	Roebourne Shire	Karratha	0891-868562
Ken	Caldwell	Port Hedland TAFE	Town of Port Hedland	0417-176183
Peter	Hinchcliffe	PAN Solution	Karratha	0429-114420
Andrew	Cranfield	Sinewave Electrical	Perth, Pilbara (All)	0419-989528
Mick	Byrne	Karratha Comlec	Karratha, Pilbara (All)	0418-937 420

While level 1 support issues would be handled by our Perth office and Teleste's Australian office, our intention is to use our relationship with Sinewave Electrical for any level 2 or 3 field works. We will augment the existing knowledge of staff at Sinewave Electrical with the specific technologies involved with this project. How support issues are typically classified is outlined below:

- Level 1
  - General operational issues where an operator needs some guidance on how to perform a system task. Basic system alarms and minor technical issues.
  - Typically supported by a system engineer over the phone or by email.
- Level 2
  - Failure of a system component that requires direct intervention of an engineer to fault find, reset and or replace.
  - Typically handled by both our Perth based engineer and a local field technician.
- Level 3
  - This would either be a major system wide failure or ongoing technical issue that requires significant system changes.
  - Our specialist system engineer would travel to site and work with local partners field technicians or if an ongoing problem the issue would be raised directly with the equipment manufacturer.

As recommended in our response to question 2, we propose that a complete wireless link be held in Port Hedland as spares for the wireless infrastructure.

### 4. Equipment reliability and response in the event of failure

We selected the RAD AirMux, Teleste CCTV products and other system components with reliability in mind due to the remote location of this project.

Wireless System - The proposed Wireless RAD AirMux High End Multi point to point equipment is used by tier one carriers around the world. To be considered carrier grade, equipment must have a high MTBF rating and field proven reliability. Add to this that we have designed the system in such a way that should any single radio transmitter or receiver fail then only one camera location will be affected thus maintaining overall system reliability.

CCTV System – Please note the following points regarding equipment reliability of the CCTV headend, Software, Operator station, Encoders and CCTV Display.

- Teleste CCTV headend units include redundant power supplies and are industrial hardened devices.
- Teleste CCTV headend equipment include both hardware and software watchdog timers to manage system integrity.
- Town of Port Hedland CCTV System PC in the town office has redundant power supply and is an industrial grade PC.
- The proposed CCTV Display unit is a ruggedised industrial grade high duty LCD display

- Teleste CCTV Encoders are rated at 74 degrees Celsius and are industrial hardened devices.
- Teleste Video Storage Device uses a Raid 5 hard drive array with hot swap to maintain video storage integrity.
- The Dotworkz enclosures are rated for extreme conditions

**Response in the event of a failure**

Our initial response for any system issue would typically be within 4 hours. Then depending on the nature or level of the event we would respond accordingly. This could mean next business day if the event occurred in the afternoon or in 24 hours if the event required an engineer to visit site.

As Applicon is an organisation with a Quality Management System that is ISO 9001:2000 certified and externally audited by SAI Global we have extensive policies and procedures in place to ensure we respond in an appropriate and structured way to provide consistent and reliable service.

We trust the foregoing meets with your approval and await your further direction.

Yours Sincerely,

**Applicon Australia Pty Ltd**



**Ross Chiswell**

Strategic Markets Consultant





Terry Sargent  
Director Regulatory & Community Services  
Town of Port Hedland

ph: 08 9158 9333  
fx: 08 9173 1766

17/4/09

## Ref: Port Hedland CCTV Project

Additional Information:

Dear Terry,  
Thank you for the opportunity to clarify some items provided in our Tender submission for this Project.

### 1. Ability to complete project by 30 June 2009

#### Ability

Downer EDI are second to none when it comes to Wireless Networks as a Business having provided the solution for Optus/Nokia 3G Rollout amongst others. (Please refer to attached additional Telecommunications Capability & reference Projects)

Our Organisation using a combined workforce from our Port Hedland and Perth branches has the ability to deliver this project from a personnel and completion date perspective.

Communications Australia are a working partner of Downer EDI Engineering and we will use them to assist with the Site survey as they have local knowledge of what is in the area.

#### Key personnel

Karl Cook – Project Manager

Will be conducting the initial site survey along with Communications Australia personnel who have knowledge of the local area and who will provide the testing equipment. Communications Australia is the supplier of the nominated RAD equipment to Downer EDI Engineering.

Downer EDI Engineering Power Pty Ltd  
Communications WA  
ABN 53 000 983 700 EC 000510

9 Mumford Place  
Balcatta WA 6021  
PO Box 699  
Balcatta WA 6914

T (08) 9240 3200  
F (08) 9240 3211  
W [www.downerediengineering.com](http://www.downerediengineering.com)  
E [info@downerediengineering.com.au](mailto:info@downerediengineering.com.au)





Karl Cook has nearly 30 years of experience in the Security and CCTV industry. Having spent 6 years looking after the CCTV at Argyle Diamonds (250+ cameras) Karl has the knowledge of types of equipment needed for the harsh WA environment. Karl will be able to identify any would be issues with the Project in consultation with The City of Port Hedland and offer an informed solution.

Karl has assisted Armadale City Council in the Design for City Surveillance and worked on City Surveillance for the City of Stirling and other Major Companies such as Rio Tinto, Main Roads & Water Corporation

**Joseph Mugwanya – System Engineer**

Joseph is a CCNA system & Network Engineer. Joseph has undertaken configuration training on the proposed CCTV Head end solution and will be responsible for Connectivity and Application programming.

**AdamFowler – Technician**

Adam is one of our Security/Comms Technicians and based in Port Hedland. Adam will be an integral part of this Project by way of Installation & ongoing support

**Evan Atkinson – Technician**

Evan is another Security Technician who will assist where required from both a programming & installation aspect.

#### **Procurement** - Product Lead Times (From Date of Order)

CCTV Head End Equipment & Software- 4 Weeks

CCTV Cameras – 4 Weeks or less

CCTV Camera Housings – 3 weeks

Wireless Equipment – 3-4 weeks

#### **Key Dates**

Below are key dates proposed for completion of the CCTV Contract

23/4/09	Tender Award Notification
24/4/09 – 25/04/09	Further Clarifications/Negotiations if necessary
27/4/09	Contract issue
28/4/09	Procurement
29/4/09	Site Survey/Approvals
06/05/09	Final Design detail submitted for approval



14/05/09	Fibre / Electrical works begin
20/05/09	Pre- Testing/ Configuration - Perth
25/05/09	Pole Installation begins
02/06/09	Site Installation begins (Subject to approvals)
16/06/09	Site Commissioning starts
23/06/09	Operator Training
24/06/09	Pre Handover Check & Rectification if required
29/06/09	Final Handover/Documentation(subject to last minute amendment to as constructed drawings)

## 2. Initial and ongoing maintenance costs

Standard Defects liability of 12 months apply.

First Yearly Maintenance will be two 6 monthly visits.

A full inspection, Test and backup shall be conducted.

A comprehensive Maintenance checklist shall be supplied after Award of Contract.

Cost of each visit :

1<sup>st</sup> visit by Local representation 16 hrs @ \$120/hr  
Plus Cost of local Cherry Picker hire \$1000

2<sup>nd</sup> visit to include Perth Representative 20hrs @ \$120/hr  
(Database clean up and PC Maintenance in addition to Cameras)  
Plus Cost of local Cherry Picker hire \$1000  
One night accommodation and meals/OTA      \$375.00  
Car Hire      \$425  
Return flight to Perth      \$800.00

Total cost of yearly Maintenance      \$7920.00 ex GST

Other Maintenance costs – To ensure any callouts are minimised Downer EDI Engineering will propose a Remote dial in facility from Perth via Telstra This will be via 3G or similar. Costs are expected to be around \$600 per year plus initial equipment outlay (one off cost) of \$4000 for the 3G hardware and antennas.

This Remote Dial in facility will enable Downer EDI to troubleshoot and pinpoint any configuration issues so that our local staff will be able to rectify the problem efficiently



Call out rates will be \$120/hr during normal working hours & \$165/hr for A/H work Plus flights/accommodation/meals/car hire where Perth Resources are required. (This is expected to be minimal)  
Travel will e billed at same hourly rates for Support from Karratha

### 3. Locally based service personnel and spare parts

Downer EDI Engineering will use our local branch in Port Hedland as the main support mechanism for this Project.

The LOCAL branch has some 70 Electricians , 20 mechanical staff and 8 Communications technicians including Security Licenced personnel.  
The Port Hedland branch has BHP as a Major client with an existing Contract worth \$26Million per annum.

Additional expertise and remote assistance will be provided from Perth.

We also have an additional resource in Karratha who is conversant with Wireless Networks and fault finding. This resource shall be utilised as a first port of call in an Emergency if required. No support is necessary from Perth in this case apart from procuring spare parts as required

#### Spare Parts

Downer EDI will propose to have key spare parts held & maintained by the Downer EDI local branch in Port Hedland. These will be purchased by the City of Port Hedland at agreed rates. These key items will include

Camera

Wireless link

Enclosure

Encoder /Decoder Link

The availability of these units will ensure a speedy rectification process in the event of failure. It will also provide a means of adding an additional camera in short notice if required.

### 4. Equipment reliability and response in the event of failure

The RAD Wireless equipment offered is tried and tested in harsh environment such as deserts and requires little maintenance once configured and set up.



The Cooldome enclosures will maintain the camera at reasonable operating temperatures and prolong the life of the camera and encoder etc at the field end.

The Panasonic Dome is arguably the best Dome available in the market place today. The SD technology is well proven in Prison environments across the State of WA and Globally.

The DVTEL CCTV head end has been selected for the following City Councils in WA and is under review for Dept Health & Main Roads

Albany  
Armadale  
Joondalup

As well as this There are major customers Nationally who have this product installed and working efficiently and effectively.

#### Response

Call outs shall be attended to within 4 hrs by our local branch at Port Hedland If further wireless Network support is required our support will be from Karratha depending on immediate availability.

Further Remote support can be within 4 hours from Perth or within 24hrs if a site visit is required (subject to flight availability)

#### Tender recommendations & Performance weighting

I would like to address some of the key performance & weighting criteria comments if I may

#### **Wireless & Survey**

It is our opinion that the RAD product offered for the solution is fully compliant to the specification as written

#### **CCTV Head End Software & Display**

Product currently used by Major Businesses and Government institutions across Australia with good supplier support based in Perth. The Product can be serviced and maintained by multiple Service providers.



Commercial grade LCD offered however this can be upgraded as required. 99% of all CCTV installations do NOT go for Industrial grade monitors due to the cost and replacement. You would be able to replace the offered product with a new unit and get change in comparison to the industrial grade unit. These monitors are only usually required where they are outside or in a non controlled environment.

Encoders offered are high temperature rated for harsh environments. These will be located within the Cool dome enclosure.

Encoders offered are MPEG 4 compliant

Redundant Power supplies can be added to offered equipment at an additional cost of \$800 ex GST

#### **Camera**

Camera offered meets or exceeds the specified product whatever that may be. (Downer EDI would be happy to set up a shootout of Camera technology in Perth under different lighting conditions)

#### **Relevant Experience**

Downers are a large organisation and have completed many large scale wireless networks for Telstra, Optus and other customers (please see attached Telecommunications Capability).

#### **Resources (Staff)**

Please refer to key personnel above. Downer EDI have both local National and State based skills to draw on if required. It is envisaged that different skill set (Electrical /Fibre/Security) will be required for this project and a full listing of all available Staff can be given if required. Only Key personnel have been noted.

All in all I truly believe that the Downer EDI solution offered is of best Value to the City of Port Hedland and support second to none. We are fully Police Licenced and work under the Police Agents lic held by myself (**SA31428**) Any tenderer offering a CCTV system for Security purposes should hold a Security Agents Lic and all Security installers should hold an appropriate Installers Lic (Security Act 1996)

Any exclusions nominated in our Tender response can be discussed openly at any time and I personally am prepared to fly to site to offer any further recommendations if required.

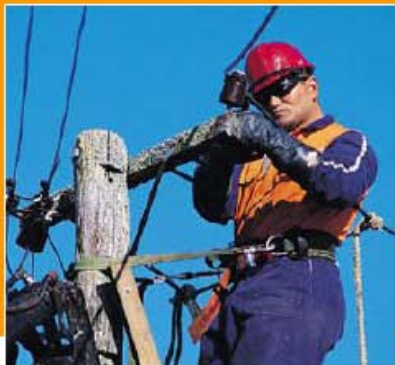
Please feel free to call me if you wish to discuss any of the above



Kind Regards

Karl Cook  
Project Manager (Security)  
Downer EDI Engineering Power Pty Ltd

08 9240 3292 (Direct)  
0404817 379





59 Collingwood Street  
Osborne Park WA 6017

Ph: 9204 7200

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E-mail: [mikes@seme.com.au](mailto:mikes@seme.com.au)

**SEME**  
SOLUTIONS FOR A SAFER WORLD

Electrical Contractors License No. 001631  
Security Agents License No. SA 07022  
Priority Access Number 000193  
A.B.N 20071389135

MS/MS  
16 April 2009  
Our Reference: MS/ms

Mr. Terry Sargent  
Director Regulatory & Community Services  
Town of Port Hedland  
PO Box 41  
PORT HEDLAND WA 6721

**RE: SUPPLY AND INSTALLATION OF A CCTV SYSTEM IN PORT HEDLAND**

Dear Sir,

Further to your email request for further information for the above project, and subsequent to our Tender response based solely on the information and specifications contained therein, we are pleased to confirm the additional detail and information as follows:

Comment: Seme hold all the relevant Security licences required for these type works.

**i) Wireless Transmission System:**

We are able to confirm that Seme can supply the specified Amux (RAV) wireless transmission product as specified in the Tender proper, the product available to us via the manufacturer's representative (distributor) Perth.

This enables us to fully comply with the specification for the Wireless transmission system of the tender, and further enables Seme to commit to meeting the indicated project completion date (the Amux RAV system available for delivery approximately two weeks from confirmation order);

**ii) Equipment Delivery Lead Times:**

We are able to advise the following current indicated product delivery lead times:

- a) Digital/Analogue system (\$405,648.00 + GST) – comprises the Pelco analogue camera product with the Indigo IP encoders:

P/T/Z Dome cameras                      ex-stock Vic bulk store subject to prior sales, 4-5 day delivery lead time to Perth;

Indigo IP System (Head end) fourteen (14) days from receipt of confirmation order.

- b) Digital system (\$345,648.00 + GST) – comprises the Indigo IP P/T/Z cameras:

Indigo P/T/Z domes                      fourteen (14) days from receipt of confirmation order.

Indigo IP System (Head End) fourteen (14) days from receipt of confirmation order.

**iii) Equipment Reliability:**

The offered Indigo/Pelco systems equipment have been installed and operating in excess of 3 years for BHPBIO and Rio Tinto on:

- Ore Body 18 & 25, Whaleback;
- Cape Lambert (Processing & Security);
- Nelson Point;
- Tom Price.

The Indigo system is also used for pit monitoring, trailer mounted and using Wi-Fi transmission on Yandi & West Angelas site (approaching 2 years).

Current WA Prisons installs at Wooraloo & Karnet prison (35+ cameras per site) in excess of 3 years.

Our additional site references scheduled in our Tender response further illustrates product reliability.

**iv) Local Facilities:**

The following staffed premises are in place to support the current BHPBIO, Rio Tinto, FMG and any associated works undertaken by the company:

Newman                      10 Marloo Street Newman, 6753 (Tel: 9175 0864)  
Permanent Staff        Mr. Dave Allen, Mr. Maceij Mlynczak

Karratha                    34 Acacia Place, Wickham (Point Samson), 6720  
Permanent Staff        Mr. Steve Donoho

Rotating staff through these facilities (3 weeks on, 1 week off):

Mr. Jarrad Bond  
Mr. Paul Davey  
Mr. Chevy McKenzie  
Mr. Luke Walkerton

It should also be noted that the following locally based companies have installed Indigo CCTV systems:

Norsat Communications      Mr. Dave McGowan  
TEC Services                    Mr. Darren Boulton

**iv) Spare Parts Availability:**

System Spare parts stock holding and support is typically via:

- standard spares stock holding Perth (major components, eg, power supplies, etc);
- standard finished goods stock holding Perth (ie, complete change out equipment items);
- standard wireless finished goods stock holding Perth.

*NOTE:* Some operate a fully equipped and manned service workshop facility – including telephone support – Perth.

Where required for the Port Hedland City CCTV project, Some are additionally prepared to store one (1) main item of encoder, NVR and any fibre interface unit in our facilities Newman as support for the installed system.



**v) Maintenance Costs:**

Quarterly visits for the first 12 months are allowed for in our original tender response.

Ongoing maintenance required is minimal, typically cleaning of camera lenses (lower domes), etc.

The offered Indigo product includes extensive built in diagnostics capability, including network gain/loss alarms, all diagnostics able to be downloaded/printed for email confirmation Perth of any faults prior to dispatching of any staff to site (Port Hedland Port Authority is services using this functionality via VPN log in to site).

**13.0 SCHEDULE OF CAPABILITY**

Provide the names of the Manager and Contract Manager in the event of a winning tender.

**As Seme currently employ a team of Project managers and Project staff, allocation of specific projects is normally carried out from notification of award of tender**

Manager Mr. Geoff Kidgell (Project Manager, 5 years with Seme)

Name	Company Role	Estimated Time Commitment	Years Experience	
			In current firm	n/a
Mr. Daniel Freeman	Supervisor (installation)	(100%)	6 Years	
Mr. Steve Donoho	Installation technician / electrician	100%	>5 years	n/a

**NOTE:** The above personnel are the likely nominated staff to complete the CCTV project, however, other Pilbara staff may be nominated depending on contract award date, any/all staff allocated to the project would be 100%.

AMux Wireless System (includes completion of site survey)

Name	Company Role	Estimated Time Commitment	In current firm	n/a
Mr. Danny Ainsworth	Director/Specialist – Instra Industries	(100%)	1 Year, previously with ICM > 3 Years	

**16.0 TENDERER'S PARTICULARS - TIMEFRAMES**

NOTE: Remains as defined in our prime tender response (copied below).

**TIMEFRAMES:**

	Item	Completion Date
1.0	Supply and Installation of Wireless Technology Requirements (including a wireless survey).	15 <sup>th</sup> June 2009
2.0	Supply and Installation of CCTV headend hardware, software and display.	30 <sup>th</sup> May 2009
3.0	Supply and Installation of CCTV cameras and enclosures housing.	15 <sup>th</sup> May 2009
	<b>Final completion Date</b>	<b>30<sup>th</sup> June 2009</b>

We trust the above additional information provides the details required for further consideration for the CCTV project and invite you to contact us further should any further detail or information be required.

We would be only too pleased to provide additional reference points or BHPBIO references for further consideration if required.

Should you have any further queries please do not hesitate to contact us.

Yours Faithfully  
Seme Electrical

*Mike Springfield*

Mike Springfield  
Sales Consultant

## 12.2 *Engineering Services*

### 12.2.1 *Regional Aquatic Management Center Tender 08/09 – T1 (File No.: 26/13/0006)*

<b>Officer</b>	Bec Pianta Manager Recreation Services
<b>Date of Report</b>	9 April 2009
<b>Disclosure of Interest by Officer</b>	Nil

#### Summary

The Pilbara Regional Council (PRC) called tenders for the Management and Operation of all Aquatic Centres within the Town of Port Hedland, Shire of Roebourne and Shire of East Pilbara in September 2008. The contract period for the proposed tender was from 1<sup>st</sup> July 2009 – 30<sup>th</sup> June 2011.

In-house bids were submitted for each shire, with the YMCA being the only external tender received.

At the Special Council Meeting on the 16<sup>th</sup> March 2009, Council rejected the latest budget submissions from the YMCA, however invited them to resubmit revised, reduced prices for the operation of both centres for the period 01/01/09 – 30/06/09 and 01/07/09 – 30/06/11 periods.

#### Background

In line with the Pilbara Recreation Plan, joint procurement is being favoured where possible by the PRC to increase efficiencies of scale for Pilbara Council's. In September 2008, the PRC was authorised to call for tenders for the Management and Operation of six (6) aquatic centres, including:

- South Hedland Aquatic Centre
- Gratwick Aquatic Centre
- Roebourne Aquatic Centre
- Karratha Aquatic Centre
- Newman Aquatic Centre
- Marble Bar Aquatic Centre

The Town of Port Hedland, Shire of Roebourne and Shire of East Pilbara each submitted internal tender bids for the operation of their respective aquatic centres, as a means of comparison and identification of internal costs to the shires should they choose to manage their centres in-house.

Information with regards to the Regional Aquatic Tender was presented at the Ordinary Council Meeting on the November 2008, where it was resolved that Council:

- “i) authorise the Chief Executive Officer and relevant staff to enter into discussions with the YMCA in relation to:*
  - a) their tender price for the proposed period contract, being 1 January 2009 to 30 June 2011;*
  - b) a potential short-term extension of their existing contract which expires on 1 January 2009; and*
- ii) the Chief Executive Officer or his nominated officer report the outcomes of the discussions to Council.”*

As can be seen from the resolution of Council above, the PRC is no longer involved in the tender negotiation process. The Town of Port Hedland is currently the only Pilbara Council that is still negotiating the potential out-sourcing of their Aquatic Facilities.

The YMCA and the Town of Port Hedland commenced negotiation discussions on the both contracts (the short term and proposed period contract) in December 2008. Since this time, continued negotiations have occurred with several revised budgets being submitted by the YCMCA as part of the negotiation process.

At its Special Council Meeting held on 16 March 2009, the latest budget submission from the YMCA's was considered. It was resolved at this meeting that:

*“Council advises the YMCA that:*

- 1. Council rejects all bids that were received for the Pilbara Regional Council Tender 08/09 – T1 for the Management and Operation of the Pilbara Aquatic Centres [Town of Port Hedland element];*
- 2. The Town invites the YMCA to resubmit revised, reduced prices for the operation of the Gratwick Aquatic Centre and the South Hedland Aquatic Centre for the 1/1/09 – 30/6/09 and 1/7/09 – 30/6/11 periods;*
- 3. The Town requests that the revised prices indicate what service level reductions (or enhancements) will need to be undertaken to achieve the revised YMCA price; and*
- 4. Requests that the prices be submitted by 5 pm Thursday 2nd April 2009.”*

Following this meeting, the YMCA accepted the invitation to submit revised and reduced prices for the operation and management of the Gratwick and South Hedland Aquatic Centres, and forwarded these budgets on the 1<sup>st</sup> April 2009.

#### Consultation

The tender process was undertaken by Town of Port Hedland staff, including:

- Manager Recreation Services
- Sports and Recreation Officer
- Director Engineering
- Chief Executive Officer
- Director Corporate Support
- Human Resources Coordinator

The PRC review committee (for initial review of the tender bids) includes:

- Adrian Ellson (Executive Officer, PRC)
- Nick Sloan (Department of Sport and Recreation)
- Craig Grant (WALGA)

The PRC is made up of representatives from each of the four (4) council's within the Pilbara.

This tender was publicly advertised, and any clarifications sought were fielded through the Pilbara Regional Council as a component of the tender submission process.

Negotiations have occurred with both representatives from the YMCA and the Town of Port Hedland.

#### **Statutory Implications**

This tender was called by the PRC on behalf of the Town of Port Hedland.

#### **Policy Implications**

Nil

#### Strategic Planning Implications

##### Key Result Area 3

##### Goal 2 – Sports and Leisure

Identify and implement opportunities to sustainably upgrade programs and services at the Town Aquatic Facilities.

## Budget Implications

Should the Town of Port Hedland accept the YMCA updated budget as submitted by the YMCA, the projected operational costs to the Town will be:

	Jan – Jun 09	2009/10	2010/11
GAC	\$ 246,094	\$ 458,636	\$ 472,395
SHAC	\$ 243,868	\$ 522,195	\$ 537,861
TOTAL	\$ 489,962	\$ 980,831	\$1,010,256

## Notes:

1. For the purposes of comparison, the cost of Council providing housing at the SHAC have been removed from the YMCA 2009-2011 contract price as they currently access this property for no cost.
2. As the YMCA's tender price indicates that prices would increase by CPI for the second financial year, the 2010/11 operational costs have increased by 3% to allow for comparison.

The internal bid that was submitted by staff indicated that the projected costs (excluding costs that would be required regardless of management) would be as follows:

	2008/09	2009/10	2010/11
GAC	\$ 258,574	\$ 611,799	\$ 633,212
SHAC	\$ 247,287	\$ 591,782	\$ 612,494
Sub- Total	\$ 505,864	\$1,203,581	\$1,245,706
Competitive Neutrality (7.35%)	\$ 37,181	\$ 88,463	\$ 91,559
TOTAL	\$543,045	\$1,292,044	\$1,337,265

As identified within the tables above, it is likely to be more cost effective to out-source the management and operation of the aquatic centres, as in-house management is more expensive. Primary reasons for this conclusion are:

1. Staff wages. The Town of Port Hedland Enterprise Bargaining Agreement states the wages all employees would receive. These wages are higher than the YMCA's proposed wages.
2. Competitive neutrality. In accordance with the Local Government Act, a percentage must be added to a Local Government tender bid to ensure competitive neutrality when comparing prices with a non-government body. In this instance, 7.35% has been added to the final total.
3. Human Resource expenses. The ToPH allocates distributed administration costs, superannuation levy's etc to the expenses for operations should ToPH staff be employed at the centres.

## Officer's Comment

The revised tender price submitted by YMCA is cheaper than estimated cost of operating the facility 'in-house'. The table below reflects the Year to Date Actuals (Quarter 1 and Quarter 2), as well as comparisons to total budget allowance for this financial year.

Contract Payments to YMCA	SHAC	GAC	Total
08/09 (Q1 & Q2 Actual)	\$ 208,677	\$ 191,289	\$ 399,966
08/09 (Q3 & Q4 Tender)	\$ 243,868	\$ 246,094	\$ 489,962
Total	\$ 452,545	\$ 437,383	\$ 889,928
08/09 Council Budget	\$ 465,350	\$ 430,570	\$ 895,920
2009/10 Tender Price	\$ 522,195	\$ 458,636	\$ 980,831
2010/11 Tender Price	\$ 537,861	\$ 472,395	\$1,010,256

While Quarter 3 and 4 of this financial year will cost more than the first half, staff had allowed and budgeted for this in the 2008/09 budgetary process. Therefore, the revised tender price submitted by the YMCA is below the budget estimate for this financial year.

The YMCA's tender price for 2009/10 represents an increase of 10.2% (or \$90,903 additional) than the 2008/09 operational payments, with the 2010/11 representing an increase of 3% CPI. The YMCA's tender price for 2009/10 however is \$311,213 better than the Town of Port Hedland's estimate for the in-house management and operation of the Aquatic Centres.

The YMCA has indicated that these revised budgets are considered ambitious, and the Town would be required to endorse the YMCA's capital submission for 2009/10. The items mentioned in particular (aqua-runs for each centre, pool cleaners, shade sails at South Hedland Aquatic Centre and dive board repair/replacement at Gratwick Aquatic Centre) are all being undertaken as part of the 2008/09 capital replacement program, indicating that the income targets are certainly achievable. Other items as included in the YMCA's Capital Works Recommendations have been included in the 2009/10 budget New Item Request process.

It is therefore believed that with regards to the Operation and Management of the two Aquatic Centres in Port Hedland, the Council has two (2) options:

1. Contract the YMCA to undertake the Management and Operations of the South Hedland and Gratwick Aquatic Centres, at the negotiated operational cost of:
  - a) \$489,962 for 1<sup>st</sup> January – 30<sup>th</sup> June 2009
  - b) \$980,831 for 2009/10 financial year
  - c) \$1,010,256 for 2010/11 financial year; or

2. Reject the YMCA's submission to manage and operate the Aquatic Centres from the 1<sup>st</sup> July 2009, and negotiate a contract to manage the facilities until that date, with the expectation that the Town of Port Hedland will manage and operate the facilities in-house.

200809/316 Council Decision/Officer's Recommendation

**Moved:** Cr G J Daccache

**Seconded:** Cr K A Howlett

That Council advises the YMCA Inc. that:

- i) the tender submission in response to the Pilbara Regional Council Tender 08/09 – T1 [Town of Port Hedland element] by the YMCA Inc. for the Management and Operation of the Gratwick and South Hedland Aquatic Centres be accepted pending the following:
  - a) **agreement between the Chief Executive Officer and his nominated representative/s on performance measures (to be based on the YMCA tender submission), where any non-achievement can be considered a breach of contract; and**
  - b) **alterations to the tender submission and contract to include provision of housing at SHAC and updated budget;**
- ii) the negotiated budget submission as part of the Pilbara Regional Council 08/09 – T1 [Town of Port Hedland element] by accepted at the following rate (to be invoiced on a monthly basis):
  - a) **\$489,962 for 1<sup>st</sup> Jan – 30<sup>th</sup> June 2009;**
  - b) **\$980,831 for 2009/10 financial year;**
  - c) **\$1,010,256 for 2010/11 financial year**
- iii) the contract documents are to be forwarded to Council prior to the signing of the Management Agreement.

*CARRIED 9/0*



**ITEM 13      MOTIONS OF WHICH PREVIOUS NOTICE HAVE BEEN GIVEN**

Nil.

**ITEM 14      CONFIDENTIAL ITEMS**

200809/317 Council Decision

**Moved:** Cr A A Gear

**Seconded:** Cr A A Carter

**That the Meeting be closed to members of the public as prescribed in Section 5.23 (2) (d) of the Local Government Act 1995, to enable Council to consider Agenda Item 14.1.1 'Confidential Item: Fortescue Mining Group's Airport Lease'.**

*CARRIED 8/0*

*NOTE: Section 5.23 (2) of the Local Government Act 1995 states:*

*“(2) If a meeting is being held by a council or by a committee referred to in subsection (1)(b), the council or committee may close to members of the public the meeting, or part of the meeting, if the meeting or the part of the meeting deals with any of the following —*

*...(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;*

*(d) legal advice obtained, or which may be obtained, by the local government and which relates to a matter to be discussed at the meeting;*

*(e) a matter that if disclosed, would reveal —*

*(i) a trade secret;*

*(ii) information that has a commercial value to a person; or*

*(iii) information about the business, professional, commercial or financial affairs of a person, where the trade secret or information is held by, or is about, a person other than the local government; ...*

*...(h) such other matters as may be prescribed.”*

7:53 pm Mayor advised that the meeting is closed to the public. Members of public and media representative left the room.

7:53 pm Councillor George J Daccache declared a financial interest in Confidential Agenda Item 14.1.1 'Fortescue Mining Group's Airport Lease' as he owns greater than \$10,000 value in FMG shares. Councillor George Daccache left the room.

14.1.1 *Confidential Item: Fortescue Mining Group's Airport Lease (File No.: ...)*

200809/318 Council Decision/Officer's Recommendation

**Moved:** Cr G D Bussell

**Seconded:** Cr A A Gear

That Council:

- i) advise Fortescue Metals Group (FMG) that it will not revoke its decision to publically tender the FMG airport lease area, when the current lease expires (10 September 2009); and
- ii) Invites FMG to submit a tender for the site, once a tender for lease has been called and advertised.

*CARRIED 8/0*

**200809/319 Council Decision**

**Moved:** Cr A A Gear

**Seconded:** Cr A A Carter

**That the Meeting be opened to members of the public.**

*CARRIED 8/0*

- 7:56 pm Members of the public and media were invited to re-enter the room.
- 7:56 pm Councillor George Daccache re-entered the room and assumed his chair.
- 7:56 pm Mayor advised public and media of Council's decision.

**ITEM 15 APPLICATIONS FOR LEAVE OF ABSENCE**

**200809/320 Council Decision**

**Moved:** Cr A A Carter

**Seconded:** Cr A A Gear

**That the following Applications for Leave of Absence:**

- . Councillor Arnold A Carter from 1 to 4 May 2009 inclusive, and 16 May 2009;
- . Councillor Stan R Martin from 25 April to 22 May 2009, inclusive; and
- . Councillor Kelly A Howlett from 30 April to 12 May 2009 inclusive

**be approved.**

*CARRIED 9/0*

**ITEM 16 CLOSURE**

**16.1 Date of Next Meeting**

The next Ordinary Meeting of Council will be held on Wednesday 27 May 2009, commencing at 5.30 pm.

**16.2 Closure**

There being no further business, the Chairman declared the meeting closed at 7:56 pm.

Declaration of Confirmation of Minutes

I certify that these Minutes were confirmed by the Council at its Ordinary Meeting of 27 May 2009.

CONFIRMATION:

\_\_\_\_\_  
MAYOR

\_\_\_\_\_  
DATE