

Town of  
Port Hedland



## **TOWN OF PORT HEDLAND**

### **MINUTES AUDIT & FINANCE COMMITTEE MEETING**

**WEDNESDAY 21 MAY 2014 AT 12:00PM**

**COUNCIL CHAMBERS, MCGREGOR  
STREET, PORT HEDLAND**

**“A nationally significant, friendly city, where people  
want to live and are proud to call home”**

*M.J. (Mal) Osborne  
Chief Executive Officer*



Terms of Reference

**AIM/PURPOSE:**

The Audit and Finance Committee objective is to assist the Town of Port Hedland Council in liaising with the auditor and overseeing the external audit function and promoting the transparency and accountability of Council's financial management systems and reporting

The Audit and Finance Committee has been established in accordance with Part 7 of the Local Government Act 1995 to:

1. liaise with the Auditor(s) to assist Council in carrying out functions in relation to external audit, including liaising with the Auditor and develop a process for selection and appointment of a person as the Auditor.
2. receive Quarterly Budget Review Reports;
3. recommend Donations as per Council's Policy;
4. receive Quarterly Financial Reports on all of the Town of Port Hedland's Managed Community Facilities;
5. review and suggest improvements to Risk Management within the organisation; and
6. assist the organization in the development of an internal audit program.

**QUORUM:**

The quorum for the Committee be a minimum of 50% of its membership.

**MEMBERSHIP:**

Elected Members:

Mayor Kelly Howlett

Councillor Gloria Jacob

Councillor Lorraine Butson – Deputy Presiding Member

Community Member:

Mr Bill Hrambanis

Deputy Members:

Councillor George Daccache

Councillor Jan Gillingham

Councillor David Hooper

Councillor Julie Hunt

Councillor Penny Taylor

Councillor Troy Melville

**MEETING FREQUENCY:**

As and when required.

**DELEGATION:**

The Town of Port Hedland Council provides delegated authority to the Audit and Finance Committee to meet annually with the Town's auditor(s) as required by Section 7.12A(2) of the Local Government Act 1995.

**TENURE:**

Ongoing

**RESPONSIBLE OFFICER:**

Director Corporate Services

*(ADOPTED BY COUNCIL AT ITS ORDINARY MEETING HELD 16 NOVEMBER 2011. AMENDED BY COUNCIL AT ITS ORDINARY MEETING HELD 23 OCTOBER 2013.)*

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**ITEM 1 OPENING OF MEETING**

The Deputy Presiding Member declared the meeting open at 12:00pm and acknowledged the traditional owners, the Kariyarra people.

**ITEM 2 RECORDING OF ATTENDANCE AND APOLOGIES****2.1 Attendance**

Elected Members:

Mayor Kelly Howlett

Councillor Gloria Jacob

Councillor Lorraine Butson – Deputy Presiding Member

Councillor Troy Melville – Deputy Member

Community Member:

Mr Bill Hrambanis

Officers

Mal Osborne

Chief Executive Officer

Russell Dyer

Director Engineering Services

Eber Butron

Director Planning & Development

Clare Phelan

Director Corporate Services

Eddie Piper

Acting Director Community Development

Grace Waugh

Minute Taker/ Governance Officer

**2.2 Apologies**

Nil

**2.3 Approved Leave of Absence**

Nil

**2.4 Resignation**

Councillor David Van Vugt (Presiding Member) resigned on 1 May 2014

**ITEM 3 RESPONSE TO PREVIOUS QUESTIONS TAKEN ON NOTICE****3.1 Questions from Public at Audit & Finance Committee Meeting held on Wednesday 19 February 2014**

Nil

**3.2 Questions from Committee Members at Audit & Finance Committee Meeting held on Wednesday 19 February 2014**

Nil

**ITEM 4 PUBLIC TIME**

*Important note:*

*'This meeting is being recorded on audio tape as an additional record of the meeting and to assist with minute-taking purposes which may be released upon request to third parties. If you do not give permission for recording your participation please indicate this at the meeting. The public is also reminded that in accordance with Section 20.3 of the Town of Port Hedland Local Law on Standing Orders nobody shall use any visual or vocal electronic device or instrument to record the proceedings of any meeting unless that person has been given permission by the presiding member to do so.'*

Deputy Presiding Member opened Public Question Time at 12:02pm.

**4.1 Public Question Time**

Nil

Deputy Presiding Member closed Public Question Time at 12:02pm.

Deputy Presiding Member opened Public Statement Time at 12:03pm.

**4.2 Public Statement Time**

Nil

Deputy Presiding Member closed Public Statement Time at 12:03pm.

**ITEM 5 QUESTIONS FROM MEMBERS WITHOUT NOTICE**

Nil

**ITEM 6 DECLARATION BY MEMBERS TO HAVE GIVEN DUE CONSIDERATION TO ALL MATTERS CONTAINED IN THE BUSINESS PAPER PRESENTED BEFORE THE MEETING**

Mayor Howlett	Councillor Melville
Councillor Jacob	Mr Hrambanis
Councillor Butson	



**ITEM 7 CONFIRMATION OF MINUTES OF PREVIOUS MEETING**

**7.1 Confirmation of Minutes of the Audit & Finance Committee Meeting held on Wednesday 19 February 2014**

**AFC201314/034 RECOMMENDATION/ AUDIT AND FINANCE COMMITTEE DECISION**

**MOVED: CR JACOB**

**SECONDED: MAYOR HOWLETT**

**That Council confirm that the Minutes of the Audit & Finance Committee Meeting held on Wednesday 19 February 2014 are a true and correct record.**

**5/0**

**ITEM 8 ANNOUNCEMENTS BY PRESIDING MEMBER WITHOUT DISCUSSION**

Nil

**ITEM 9 PETITIONS/ DEPUTATIONS/ PRESENTATIONS/ SUBMISSIONS**

Nil

*Disclaimer*

*Members of the public are cautioned against taking any action on Council decisions, on items on this evening's Agenda in which they may have an interest, until formal notification in writing by the Town has been received. Decisions made at this meeting can be revoked, pursuant to the Local Government Act 1995.*

**ITEM 10 REPORTS OF OFFICERS****10.1 Planning and Development Services****10.1.1 Port Hedland Visitor Centre: 2013 Audited Financial Report and Quarterly Review of January to March 2014**

Brie Holland, Economic Development and Strategic Planning Coordinator  
File No. 05/09/0017

**DISCLOSURE OF INTEREST BY OFFICER**

Nil

**AFC201314/035 RECOMMENDATION/ AUDIT AND FINANCE COMMITTEE DECISION**

**MOVED: CR JACOB**

**SECONDED: MAYOR HOWLETT**

**That the Audit & Finance Committee receive the 2013 Audited Financial Report and the 1 January to 31 March 2014 quarter reports from FORM for the management of Port Hedland Visitors Centre.**

**CARRIED 5/0**

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**EXECUTIVE SUMMARY**

The purpose of this report is for the Audit and Finance Committee to review the financial and general operations of the Port Hedland Visitor Centre ('PHVC'), managed by FORM Contemporary Arts and Crafts ('FORM') highlighted in the 2013 audited financial report and for the quarter of January to March 2014. More specifically, this report puts forward the reporting requirements outlined in clauses; 6.3 (2) submission of an annually audited financial report and 23.2 quarterly reporting detailed in the Management Agreement between FORM and the Town.

Council is requested to accept the 2013 audited financial report and the 1 January to 31 March 2014 quarter report of the PHVC.

**DETAILED REPORT**

The first part of this report provides a short summary of the 2013 audited financial report issued by Stielow and Associates on behalf of FORM. The financial report was carried out in accordance with the Australian Auditing Standards and the *Associations Incorporation Act 1987*. The report's Income Statement, Balance Sheet, Cash Flow Statement and Statement of Changes in Equity of all four managed assets of FORM in the State, which include; the PHVC, Port Hedland Court House Gallery, Murray Street Gallery and Midland Atelier. Page nine of the report shows that the total profit from sales at the PHVC grossed \$55,060 compared to \$10,882 from the previous year. Please refer to attachment one for the full financial report.

The second part of this report outlines the financial and general operations for the PHVC for the third financial quarter being January to March 2014. The PHVC is in a surplus of \$3,726 or this quarter and Year to Date. The full list of activities are reflected in the Income and Expenditure Statement (attachment two); the Written Report (attachment three), please see the summary as per contractual Quarterly Report *clause 23.2* below;

QUARTERLY SUMMARIES JANUARY TO MARCH 2014	
	JANUARY TO MARCH 2014
1. Income and expenditure statements for the relevant period.	
Total Earned Income* * includes management fee/ \$85,387.50 per quarter	\$134,448
Total Expenditure	\$130,722
Net Profit/ (Loss)	\$3,726
2. A statement of variations between the Operating Budgets and the actual results achieved for the year to date with explanations of variances.	
	Nil
3. A statement of the capital expenditure items and maintenance items in respect to the Centre for the relevant period. All repairs and maintenance items that have been carried out during the period must be outlined and any repairs or maintenance that are recommended by the Centre for the relevant period.	
Capital Expenditure	Nil

Repairs and Maintenance	<p>1. Jan, Feb and March - replacement of fuse in fuse box by Reddings Electrical.</p> <p>2. Jan, Feb and March - maintenance and cleaning of the outdoor area by Environmental Industries.</p> <p>3. 12 Feb – inspection of leaking air conditioning system in the office by the ToPH.</p> <p>4. 27 March – replacement of damaged light shade to feature light in showroom.</p> <p>5. 27 March – inspection of leaking air conditioning in the main showroom by the ToPH.</p> <p>6. 28 March – replacement of internal sensor on the automatic door.</p>
4. A statement of marketing expenses, programs and initiatives for the Centre for the relevant period and year to date.	
Marketing and Promotional Costs - Advertising	<p>\$5,714 Total</p> <p>\$2,021 Advertising</p> <p>\$3,336 Publications and Printed</p> <p>\$ 357 Website Development</p> <p>\$ 0 Memberships</p>
5. A report on incidents in the Centre for the relevant period for which claims are or may be made against the Town or the Contractor, and other relevant details concerning insurances.	
	Nil
6. Advice on prevailing market conditions and the settling of fees and charges for the relevant period.	
	A total of 2,803 visitors have entered the PHVC since during the quarter. October through to April is traditionally known to be low season for visitors however it is recognised that the cruise ship visitations to the centre provides a tangible benefit in an otherwise quiet period of the year.
7. Customer feedback received for the Centre for the relevant period.	
	Neither responses nor complaints reported.

8. Any negligent damage caused to the Centre or the assets of the Centre must be reported, including any damage caused by the Contractor its agents, employees and subcontractors for the relevant period.	
	Nil
9. Reporting in relation to the KPI's established in <b>Annexure 2 (Key Performance Indicators and Operating Budget)</b> as part of the Contract.	
Management Fee (Town to Contractor) (*no variation is acceptable) <b>2nd year: July 2013 – June 2014</b> \$341,550 per annum; \$85,387.50 per quarter*.	Achieved
Centre membership Secure a minimum of 25 memberships / at a cost reasonable for market demand (initially estimated at \$100) per financial period.	48% of target met FORM has heavily advertised membership since the start of their management term.
Town and BHP Billiton Partnership Funds: Start Up costs (* no variation is acceptable, to be paid only in the first year of tenure) <b>1st year: Oct 2012 - June 2013</b> *\$102,000 Town and BHP Billiton Partnership funds.	Achieved.
Expense recovery suggestion The Town will not be responsible for any expenditure variances and there will not be any variation in income across the three years of tenure, alternative funding sources are suggested.	Not required, profit and loss in surplus.
Minimum Staffing 3x	Achieved:  Visitor Centre Manager – Natasha Fry Visitor Centre Support Officer – Francesca Lines Visitor Centre Support Officer – Sue McMahan Administration support for accounting, purchasing and promotional activities from the FORM HQ in Perth.
Centre Operations Manual Rollout of the manual once a year to Staff	Achieved
Opening hours	Achieved

<p>Peak:                  May – September                  M – F: 9am – 4.30pm                  Sat: 9 – 2pm                  Sun: 9 – 2pm</p> <p>Off Peak:                  Oct – April                  M – F: 9am – 4.00pm                  Sat: 10 – 2pm                  Sun: Closed</p>	<p>M – F: 9am – 5pm                  Sat : 9am – 2pm                  Sun : 9am – 2pm (from 1 May)</p>
<p>Consultation group: Suggested invitation for membership; Council, Town of Port Hedland administration team, Industry, Port Hedland Chamber of Commerce, Wanga Maya, Tourism WA and North West Tourism.</p> <p>Contractor to consult with suggested parties at its discretion during the term of the tenure.</p>	<p>Achieved</p> <p>A steering committee will formed in order to strategise how to further leverage off visitations to Port Hedland. Membership will extend to the Pilbara Development Commission, not originally listed in the suggested invitation for membership.</p>
<p>Reopening Ceremony 2013</p>	<p>Date to be confirmed.</p>
<p>Western Australian Visitor Centre Accreditation Program                  Within the first year of operation, receive Level 1 accreditation</p>	<p>Achieved: 15 August 2013 – the first visitor Centre in the Pilbara.</p> <p>The accreditation allows the Visitor Centre to display the “I”, T-Qual and Tourism Accredited Business logo on the premise and on all marketing material.</p>
<p>Encourage the Centre to be part of the regional school’s curriculum and education program.</p> <p>1 school class tour of the Centre per 4 months; highlight the importance of the growing resource industry, history and culture of Hedland as well as the role of tourism is essential to its development.</p>	<p>To be programmed</p>
<p>Banger's Bungalow Business Enterprise Centre: Accommodation of seminars and workshops for visiting tourism professionals, cultural tourism partners and practitioners linked to the Centre’s programming</p>	<p>Achieved.</p>
<p>Tours                  Marketing two (2) tours per week</p>	<p>Achieved;</p> <ol style="list-style-type: none"> <li>1. Local History and Town Tour – operating each Monday and Friday</li> <li>2. BHP Billiton Iron Ore Tour – operating each Tuesday and Thursday</li> </ol>

	Expansion to include; 3. Colours of Hedland – Indigenous Art and Culture Tour 4. The Brave and the Bold – Karijini flight and adventure package 5. A Bird's Eye View – Port Hedland by air; scenic flight 6. Ocean's Catch – Pilbara fishing adventure tour.
Cruise Ship Welcome Day Coordination	Achieved.
Has the discretion to alter the operations plans and budgets to include this additional service outside of the original RFP scope. This activity will be managed in a way that is at the discretion of FORM as to what is manageable.	The Visitor Centre in associated with Tourism WA and the Port Hedland Port Authority offered a Cruise Ready Workshop to the Hedland business community in October, attended by 25 people. The main goal is to introduce concepts of shore-based activities and tourism experiences that would satisfy the appetite of the cruise ship.
Port Hedland International Airport coordination Port Hedland Visitor Centre to establish a presence, budget permitting.	Budget yet to permit.
Efficiency	
Patronage Maintain 50% interaction of walk in patrons to service staff	Achieved. Jan: 268, Feb: 1,156 and March: 2,803.
Call abandonment Maximum call abandon rate 10%	Achieved, the Visitor Centre receives an average of 20 a day.
Call waiting Average call waits not to exceed 2 minutes	Achieved, the Visitor Centre receives an average of 20 phone based enquiries per day, 100% attended to.
Brochure Maintain brochure racking space including brochure stock, initiate reorder when numbers are under 10.	Achieved.
10. Reporting on items listed in <b>Annexure 3</b>	
Provide statistics on a quarterly basis to Town in relation to the number of contacts at the Centre through the following points:	
Walk in traffic	Achieved. Jan: 268, Feb: 1,156 and March: 2,803.
By Telephone	Achieved, the Visitor Centre receives an average of 20 per day,

	all attended to.
By Mail	Mail-based enquiries are infrequent, when received; they are attended to within one business day.
By Email	An average of 25 email enquiries are received each week (up from 10 received per week, back in June). Enquiries range from accommodation enquiries, travel advice, tour bookings and general advice for travelling in and around the Pilbara, tour bookings and brochure requests.
On-line	The Port Hedland Visitor Centre website <a href="http://www.visitporthedland.com">www.visitporthedland.com</a> is consistently updated with local information, events, tours and attractions. Along with the Discover the Pilbara website and the Visitor Centre Facebook page we are building a constant local audience as well as engaging with visitors from Australia and further afield. Each media has received good traffic and is being reported in feedback as a primary point of destination information for travellers and caravaners alike.
Industry contacts - Product briefings Brochure distribution	Achieved. Dedicated tourism brochures have been developed to profile the history of the town and the activities for the traveler with two and three days. An insider's guide has also been printed. All documents are provided to the visitor without cost. This type of documentation sets the Port Hedland Visitor Centre apart from other Pilbara based visitor centres. Discoverer's Journal: <a href="http://www.form.net.au/files/A_Discovers_Journal.pdf">http://www.form.net.au/files/A_Discovers_Journal.pdf</a> 2 Day Guide: <a href="http://www.form.net.au/files/2Day_guide.pdf">http://www.form.net.au/files/2Day_guide.pdf</a> 5 Day Guide: <a href="http://www.form.net.au/files/5day_guide.pdf">http://www.form.net.au/files/5day_guide.pdf</a> An Insider's Guide:



	<a href="http://www.form.net.au/sites/default/files/Insiders_Guide_.pdf">http://www.form.net.au/sites/default/files/Insiders_Guide_.pdf</a>
Customer complaints and resolutions	Nil
Staff Training	Achieved: continuous improvement daily
11. Any information on the Centre and this Contract reasonably required, and requested in writing, by the Town.	
	See Attachment 2 for the full written overview of operations at the PHVC during October - December 2013.

The report will briefly update on pending items which are not required to be reported on but are significant regarding the operation of the PHVC and the visitor experience to the Town.

#### *2014 / 2015 Budget update*

In order to reduce noise for both staff and visitors and aesthetically finish the PHVC and, FORM's Information Technology Department has identified a need to install a server cabinet for existing networking devices. Investing in this cabinet would ensure that the existing IT infrastructure is safe, protected, and remains in working order for its expected life-span. The total cost of the cabinet is \$1,556 and has been presented to the Executive Group for its consideration of the 2014/2015 Budget.

#### *Dump Points*

As previously reported, the team met with Sue Campbell, Project Manager for Infrastructure and Investment for Tourism WA in January 2014 who has informed the unit that South Hedland has been identified by the agency as an area for an additional dump site. Ms Campbell put the Town into contact with the Pilbara Regional Council regarding the Regional Sullage Points project. The Town contacted a Project Officer from the Pilbara Regional Council on 25 March 2014 requesting an update and offering assistance by any means to the project, however has had no response to date. The Town will continue to pursue this.

2013 for the PHVC evolved in the context of the following;

- Changing customer and visitor experience with an internal refurbishment of the centre, thanks to the support of BHP Billiton and the Town's Council; an update to the online presence of Town on [visitporthedland.com](http://visitporthedland.com) and associated collateral (brochures);
- Actively pursuing to increase the number of tour experiences in the Town – particularly extending and enhancing the area of cultural tourism;
- Dealing with the turnover in staff, including training;
- Dealing with the age of the PHVC building and the increased need for maintenance;
- Dealing with the turnover in staff, including training; and
- Receiving a Level One accreditation from the Western Australian Visitor Centre Accreditation Program which allows the Visitor Centre to display

the “I”, T-Qual and Tourism Accredited Business logo on the premise and on all marketing material.

To the credit of FORM they have successfully managed and continue to manage the PHVC to a high quality. Fundamental to FORM success is its ability to focus on continued process improvement projects and the Town is eager to report on the outcomes of the steering committee in the coming months, which is an example of FORM enhancing its engagement with the local community. The total number of cruise ship visitors reached 6,000 in 2013/2014 from three cruise ship dockings. 2014/15 will see the Town host a total of five cruise ship visits during the 2014/2015 period and the increase in tour options facilitated by FORM will be to the benefit of the centre, the visitor and the Town in the way of tourism. The management agreement between the FORM and the Town ends 30 June 2015, with the option to renew a further two years, upon the discretion of the Town. This will be raised in the next quarterly report in June.

The following assemblies were consulted in order to complete this agenda item;

Town of Port Hedland

- Economic Development and Strategic Planning team

External

- FORM Contemporary Arts and Design Management team

#### FINANCIAL IMPLICATIONS

Council’s 2013/2014 budget contains an allowance of \$341,550 per annum for the contract management of the PHVC, payable quarterly.

#### STATUTORY AND POLICY IMPLICATIONS

*Local Government Act 1995 (WA) Section 5.18 – Register of delegations to committees*

*Local Government Act 1995 (WA) Section 7.1A – Audit Committee*

In accordance with section 5.23(2)(e) of the *Local Government Act 1995* the 2013 Form Financial Report is confidential as it contains commercial and financial information.

#### ATTACHMENTS

1. 2013 Form Financial Report (Confidential - Under Separate Cover)
2. Quarterly Operations Report
3. Profit and Loss Statement

5 May 2014

**ATTACHMENT 2 TO ITEM 10.1.1**

## QUARTERLY OPERATIONS REPORT – PORT HEDLAND VISITOR CENTRE

January - March 2014

Income and Expenditure statements for the Port Hedland Visitor Centre for this reporting period.

(Audited financials attached and quarterly figures to follow).

**Repairs and Maintenance**

The following repairs and maintenance were carried out:

- Pilbara Comfort Air - replacement of air-conditioner to rear office and server office – 3.4.14
- Reddings Electrical - replacement of sensor for automatic door – 28.3.14
- Town of Port Hedland – replacement of damaged light shade to feature light in showroom – 27.3.14
- Town of Port Hedland (Kevin) - checking leaking air-conditioner in office - 12.2.14
- Town of Port Hedland (Kevin) – repair of skirting board from extensive leaking of air conditioner in rear office causing skirting board to pull away from wall – 3.4.14
- Town of Port Hedland (Kevin) - checking leaking air-conditioner in main showroom - 27.3.14
- Reddings Electrical - replacement of fuse in fuse box – Jan/ Feb and March 2014
- Environmental Industries maintenance and cleaning of VC outdoor area – 21.2.14/5.3.14/27.3.14

**Incident reporting/ Damage**

Cyclone damage to roof including replacement of roofing sheets, leaks and water damage to stock.

See attached damage report.

**Customer feedback**

Public feedback for the following programs are included in this report:

- Cruise Ship Visit: Celebrity Solstice/ Radiance of the Seas (21 February/ 6 March)
- Gathered/ Cruise ship visit: West End Markets/ Voyager of the Seas (30 March)

**Visitor Centre Attendance Figures**

Breakdown	Date of Event	No. of Attendees
Visitor Centre attendance – walk in	Jan - March	1,207
Visitor Attendance – cruise ship	Jan - March	3,050
Combined attendance	Jan - March	4,257
Events		
Celebrity Solstice	21 Feb 2014	1,500 (Disembarkation estimate)
Radiance of the Seas	6 March 2014	2,000 (Disembarkation estimate)
Voyager of the Seas	30 March 2014	2,300 (Disembarkation estimate)
West End Markets – Cruise Ship Edition	30 March 2014	6,000 (Attendance estimate)
Tours		
Aussie Fly Away Tours	8 April 2014	22
Wickham Maths and Science Centre	10 April 2014	17

**QUARTERLY TOTAL ATTENDANCE TRENDS FOR PORT HEDLAND VISITOR CENTRE**

Month	January 13.1.14)	(from February	March
Attendance (walk in)	298	406	503
Attendance (Cruise ship visitors to VC)		750 (Celebrity Solstice)	1,000 (Radiance of the Seas)

				1,300 (Voyager of the Seas)
Combined rates	attendance	268	1156	2803

## OPERATIONAL REPORT

### Cruise Ship Management

In the low season, cruise ship visits offer an opportunity to present Port Hedland to a new audience, demonstrating the key tourism aspects of Industrial and Cultural Tourism within the town.

The provision of on-board pre-sold tours deliver a managed visitor experience with a managed expense to providers, delivering a tangible benefit to the Visitor Centre in an otherwise very quiet time of the year.

### Cruise Ship Visits - Arrivals 2013/2014

Wednesday, 6 November 2013 - Radiance of the Seas - 2,800 Passengers

Monday, 24 February 2014 - Celebrity Solstice - 2,100 Passengers

Thursday, 6 March 2014 - Radiance of the Seas - 2,800 Passengers

Sunday, 30 March 2014 - Voyager of the Seas - 3,800 Passengers

**BHP Billiton Iron Ore Tour** – Now firmly cemented as the core Port Hedland experience, this tour offers the cruise ship an opportunity to effectively capitalise on the short-stay arrangement. Over the last year the Visitor Centre has worked to improve the marketability, professionalism and delivery of this tour. These improvements have been identified by the shore excursion negotiators, Inter cruises and have been welcomed by cruise ship and passengers.

Over the last year the Visitor Centre worked to provide the experience at a competitive market rate to ensure maximum exposure to the client, profitability to the cruise ship and financial benefit to the local providers of the tour.

*In the 2013/14 season we have seen the tour numbers double; from an average of 170 passengers in 2012/13 to an average of 360 passengers in the 2013/14 season.*

### West End Market – Cruise Ship Edition

The weekend arrival of the Voyager of the Seas offered an opportunity to showcase an established community event, West End Market, to cruise ship passengers. This offered local micro businesses the opportunity to showcase their products to a larger audience and delivered an excellent income stream for these hand-made businesses. The expansion of the markets to all small-business operators, including non-handmade, saw the integration of an additional four vendors.

While an excellent community and passenger engagement activity, the West End Market is a costly and very labour intensive event, which would require additional funding or resourcing to deliver to this expanded cruise ship market in the future.

#### **MOVING FORWARD – TAKING THE CRUISE SHIP EXPERIENCE TO THE NEXT STAGE**

**Planned visits:** The 2014/15 season is shaping up to be similar, featuring the Celebrity Solstice, Radiance of the Seas and Voyager of the Seas, with a potential addition in January 2015 - The Astor, which is promoting a stop in Port Hedland on its Australia Day experience in later January.

This will bring the ship attendance to five visits, one short of the Port Hedland Port Authority's capacity of six visits per season.

There are several aspects that will drive the continued success of the cruise ship visits to Port Hedland.

- Expanding the core experience
- Developing a steering committee of influential organisations to drive engagement and development
- Managing the experience
- Managing the cost

#### ***Expanding the core experience***

The Visitor Centre will continue to develop the experiences offered on board the vessel.

- BHP Billiton Iron Ore Tour
- Colours of Hedland – Indigenous Art and Culture Tour
- The Brave and the Bold – Karijini flight and adventure package
- A Bird's Eye View – Port Hedland by air; scenic flight
- Ocean's Catch – Pilbara fishing adventure tour

#### ***Steering committee***

The Visitor Centre will lead a steering committee to establish a strategy to address the effective leverage of the visits to Port Hedland. Key proponents will include:

- Town of Port Hedland
- Pilbara Development Commission
- Chamber of Commerce and Industry
- Australia's North West (on behalf of Tourism WA)
- Wangka Maya Pilbara Aboriginal Language Centre

#### ***Managing the experience***

The Visitor Centre will continue to manage the logistics of the shore-based experience of the cruise ship visitor, including:



- Liaison with shuttle bus operators
- Liaison with Port Hedland Port Authority
- Community-based activities
- Passenger engagement activities

### ***Managing the costs***

The format of community and passenger-based activities will require further evaluation to ensure activities are effectively engaging passengers and offering a community benefit in a cost effective manner. Activities such as community markets require a great deal of physical labour to put up and break down. The cost of this labour would need to be covered through a funding arrangements to ensure a sustainable market option.

### **DEVELOPMENT OF CULTURAL TOURISM IN THE PILBARA**

Capitalising on an established and sustained desire for knowledge and exposure to Indigenous and cultural experiences in the Pilbara region, FORM will integrate their various programs and activities in the region to ensure a new stream of cultural tourism is available to the tourist market.

#### **Spinifex Hill Artist Studio**

The new cultural landmark opened in South Hedland in March: a \$2.5 million purpose-built studio facility which will house one of the Pilbara's most dynamic emerging Aboriginal art collectives, the Spinifex Hill Artists (SHA).

From a tourism perspective, this latest addition to the Pilbara's cultural and social infrastructure is destined to become a significant nucleus for arts and culture in the region. A 'must-see' on the visitor attraction network, the centre also has the potential to create important links between other Aboriginal art collectives and commercial galleries, offering another gateway to the extraordinary artists and ancient cultures of the north west of Australia.

#### **Canning Stock Route – One Road App**

Canning Stock Route Project app takes users on a journey through the remote deserts of Western Australia. Part rich cultural resource, part travel guide, One Road is an interactive map spanning the 2000km Canning Stock Route, which was surveyed between 1906 and 1910 to transport cattle to the south during the first of the state's mining booms.

Told from the perspectives of Aboriginal contributors and historical figures, One Road captures a story of exploration, first contact, conflict, diaspora, droving, culture, Country and family and the development of an art movement that has taken the world by storm.

The app is based on its internationally award-winning multimedia display (Silver, MUSE Awards 2011) and now features an extensive range of new content for travellers and 4WD enthusiasts, art lovers, history and culture buffs, teachers and students.

The One Road app is promoted through the Visitor Centre as a downloadable resource and will soon also be featured on an in situ tablet for visitors to explore in the centre, enhancing the visitor experience and showcasing some of the Pilbara's most extraordinary artistic talent.

The Canning Stock Route Project also offers a secondary regional tourism benefit, linking the Pilbara and Kimberley experience for the user.

## ONGOING OPERATIONS

### *Tours*

BHP Billiton Port Operations Tour will commence twice weekly from April 15.

### *Hours of operation*

Monday – Friday: 9am – 5pm

Saturday: 9am – 2pm

Sunday: 9am – 2pm (from 1 May)

### *Staffing*

Visitor Centre Manager – Natasha Fry

Visitor Centre Support Officer – Francesca Lines

Visitor Centre Support Officer – Sue McMahon

Supported by FORM's Perth office for accounting, purchasing and promotional activities

## ATTACHMENT 3 TO ITEM 10.1.1



## PORT HEDLAND VISITOR CENTRE OPERATIONS

Statement of Profit and Loss  
For the Period Ending 31 December 2014

Budget Lines	2014 Quarterly Actual Ending				2014 Actual Total \$	2014 Budget Total \$	Variance Between Actual and Budget \$	Notes
	March	June	September	December				
<b>Sales</b>								1
Sales - Retail	24,840				24,840	200,000	-175,160	
Sales - Tours					0	60,000	-60,000	
Sales - Membership					0	30,000	-30,000	
Management Fee	85,388				85,388	335,776	-250,388	
Sales - Cruise Ship Tours	19,175				19,175	27,200	-8,025	
Other Earned Income	5,045				5,045	20,000	-14,955	
Contribution by FORM								
<b>Total Sales</b>	<b>134,448</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>134,448</b>	<b>672,976</b>	<b>(538,528)</b>	
<b>Expenditure</b>								2
<b>Cost of Sales</b>								
Cost of Sales - Retail	17,601				17,601	134,000	-116,399	
Cost of Sales - Cruise Ship Tours	10,050				10,050	20,000	-9,950	
Cost of Sales - Tours					0	45,000	-45,000	
<b>Total Cost of Sales</b>	<b>27,651</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>27,651</b>	<b>199,000</b>	<b>-171,349</b>	
<b>Operating expenses</b>								
<b>Programming expenses</b>								
- Contractor & Consultant Fees/Travel/Expenses	3,960.04				3,960	21,948	(17,988)	
- Staff Development & Training					0	5,000	(5,000)	
- Travel cost for staff recruitment and builder negotiation								
- Freight, Install and Destall	374.42				374	2000	(1,626)	
<b>Total programming costs</b>	<b>4,334</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>4,334</b>	<b>28,948</b>	<b>-24,614</b>	
<b>Marketing and Promotion Costs</b>								3
- Advertising	2,021				2,021	30,000	-27,979	
- Publications & Printed Material	5,536				5,536	45,000	-41,664	
- Distributions						21,000	(21,000)	
- Subscriptions/Memberships					0	200	(200)	
- Website devt & hosting stage 1	357				357	10,000	(9,643)	
<b>Total marketing and promotion costs</b>	<b>5,714</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>5,714</b>	<b>106,200</b>	<b>-79,486</b>	
<b>Employment costs</b>								4
- Salaries, wages and on-costs	62,187				62,187	218,254	-156,067	
- Staff Housing	13,237				13,237	83,547	-70,310	
<b>Total employment costs</b>	<b>75,425</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>75,425</b>	<b>301,801</b>	<b>-226,376</b>	
<b>Administration Costs</b>								
- Office Consumables & Resources	14,956				14,956	20,696	-5,740	
- Communications	1,106				1,106	5,950	-4,844	
- Legal, Finance & Governance	243				243	5,381	-5,138	
- Insurance	1,294				1,294	5,000	-3,706	
<b>Total Administration Costs</b>	<b>17,599</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>17,599</b>	<b>37,027</b>	<b>(19,428)</b>	
<b>Total operating expenses</b>	<b>103,071</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>103,071</b>	<b>473,976</b>	<b>-349,905</b>	
<b>Total Cost of Sales and Operating Expenses</b>	<b>130,722</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>130,722</b>	<b>672,976</b>	<b>-521,254</b>	
<b>Net Income / (Expenditure)</b>	<b>3,726</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>3,726</b>	<b>0</b>	<b>-1,050,782</b>	

## Budget Variance Notes:

1)

2)

3)

4)



**10.2 Engineering Services**

Nil

**10.3 Community Development****10.3.1 Community Funding and Donations – Endorsement of Funding Requests – April / May 2014**

Eddie Piper, Acting Director Community Development  
File No 02/05/0001

**DISCLOSURE OF INTEREST BY OFFICER**

Nil

**AFC201314/036 RECOMMENDATION/ AUDIT AND FINANCE COMMITTEE DECISION**

**MOVED: CR JACOB**

**SECONDED: MAYOR HOWLETT**

That the Audit & Finance Committee recommend that Council allocate total funding of \$3,731.30 within the 2013/14 budget from GL Account 813285 (Community Funding and Donations) to donations requested from:

- a. Hedland BMX for the amount of \$1,258.50 for the waiver of annual lease fees;
- b. Goodline Engineering for the amount of \$172.80 for the waiver of venue hire fees; and
- c. Pilbara Music Festival for the amount of up to \$2,300 for the funding of the 2013 Festival.

***CARRIED 5/0***

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**EXECUTIVE SUMMARY**

Policy 6/003 Community Funding and Donations was reviewed and updated in May 2013.

The revised policy was developed to:

- Provide an increased focus on capacity building and independent sustainability within community organisations
- Allocate available funding more broadly and equitably throughout the community
- Reflect the new Committee and Working Group structures of Council
- Consolidate community funding requests previously considered outside of the Policy
- Provide for improved process and acquittal governance.

The recent round of Community Funding and Donations closed on Wednesday, 19 March 2014 and have been considered by Council at the OCM in March 2014.

Three additional applications were received after that deadline, with Council requested to allocate funding to Hedland BMX, Goodline Engineering and the Pilbara Music Festival.

#### DETAILED REPORT

The requested funding is summarised below (full copies of the donation requests are included as Attachment 2 to Attachment 4).

##### *Hedland BMX*

Waiver of 2014 annual lease fees is requested for the amount of \$1,258.50 for the BMX Club's facilities.

Hedland BMX unsuccessfully applied for donation funding earlier in 2014/15 and are therefore eligible under the Policy guidelines.

Application is consistent with other donation of lease fees for sporting clubs supported throughout 2013/14.

Application Supported – waiver of annual lease fees \$1,258.50

##### *Goodline Engineering*

Waiver of venue hire fees is requested for the amount of \$172.80 for an AFL Charity Fundraiser match.

Donation (fee waiver) will contribute to the fundraising on the day.

Application / funding is consistent with the Policy.

Application Supported – fee waiver of \$172.80

##### *Pilbara Music Festival*

Funding of up to \$2,300 is requested towards the gap in costs (between actuals and current Town support) for hosting the 2013 Pilbara Music Festival.

The 2013 Pilbara Music Festival was the first event hosted outside of the Gratwick Hall. Costs of operating the Pilbara Music Festival in alternative venues were largely unknown, with Town support (\$5,000) reflecting best estimates at the time.

Venue (Matt Dann Cultural Centre and Wanangkura Stadium) and equipment (sound, audio and lighting) hire costs have exceeded the Town's level of support, resulting in a funding shortfall.

Although technically having received donation funding in 2013/14, this application is intended to address a funding shortfall.

Application Supported – funding of up to \$2,300

**FINANCIAL IMPLICATIONS**

Funds of \$25,000 are contained within the 2013/14 budget for this element of community funding and donations. To date, donations to a total of \$20,508.70 have been allocated, with \$4,491.30 remaining within budget.

**STATUTORY AND POLICY IMPLICATIONS**

Policy 6/003 - Community Funding and Donations is relevant to this agenda item.

Sections 6.1.1 Unified and 6.1.2 Vibrant of the Town of Port Hedland Community Strategic Plan 2012 to 2024 identify key initiatives.

**ATTACHMENTS**

1. Community Donations (April / May 2014) – Summary Table
2. Hedland BMX
3. Goodline Engineering
4. Pilbara Music Festival.

8 April 2014

ATTACHMENT 1 TO ITEM 10.3.1



SUMMARY OF COMMUNITY FUNDING APPLICATIONS  
TO BE ASSESSED at the ORDINARY COUNCIL MEETING  
ON 28 MAY 2014

2013 – 2014 Financial Year Budget for Donations:	\$25,000.00
Donations Approved To Date:	\$20,508.70
<b>Amount Remaining in Budget (prior to considering these applications):</b>	<b>\$ 4,491.30</b>

Organisation	Event	Assistance Requested	Value of Request	Officer's Recommendation	Officer's Rationale / Comment
1 Hedland BMX	Land / facility lease	Waiver of 2014 lease fees	\$1,258.50	Supported – fee waiver of \$1,258.50	Waiver of annual lease fees has been supported throughout 2013/14 for other sporting organisations.
2 Goodline Engineering	AFL Charity Fundraiser	Waiver of hire fees	\$172.80	Supported – fee waiver of \$172.80	Waiver of hire fees will support fundraising for a local charity
3 Pilbara Music Festival	2013 Pilbara Music Festival	Funding of shortfall in hosting 2013 event	\$2,300.00	Supported – cash of up to \$2,300	Costs of running the 2013 Festival (outside of Gratwick Hall / Civic Centre) were largely unknown when Town funding (\$5,000) was set. Now that 2013 Festival has been conducted, costs have exceeded funding and a shortfall remains.
<b>Total</b>			<b>Requests: \$ 3,713.30</b>	<b>Recommendations: \$ 3,731.30</b>	

Amount remaining in budget if Officer's recommendations are followed - \$ 760.00

## ATTACHMENT 2 TO ITEM 10.3.1



## Town of Port Hedland

### Community Funding & Donations Application



Please submit completed form to [council@porthedland.wa.gov.au](mailto:council@porthedland.wa.gov.au)

#### Section 1a: Applicant Details

Identify who is applying for this funding:

Individual Person

Community Organisation

Not For Profit

Organisation/ Individual Name: Hedland Bmx Club

Contact Person: Gaye Hardaker

Position within Organisation: Grants & Sponsorship Co-Ordinator

Postal Address: PO Box 2321 South Hedland Postcode: 6722

Telephone: 0437 055 395 Email: [hedlandbmx@hotmail.com](mailto:hedlandbmx@hotmail.com)

*Applicants are requested to complete ALL sections relevant to their application.*

#### Section 1b: Organisation Details

Incorporated: Yes  No

Year of Incorporation: 1985

*If Yes, please attach a copy of your Certificate of Incorporation*

ABN: 23 416 209 709

Registered for GST: Yes  No

#### Section 1c: Public Liability Insurance

Does your organisation have Public Liability Insurance: Yes  No

If No, are you/your organisation covered under another association (e.g. State Sporting Association)?

Yes  No  If yes, by who? BMXA

If No, will you/your organisation be obtaining cover for this event?

Yes  No  If yes, by who? \_\_\_\_\_



## Town of Port Hedland Community Funding & Donations Application



Please submit completed form to [council@porthedland.wa.gov.au](mailto:council@porthedland.wa.gov.au)

### Section 1d: Authorisation

*I certify that the information provided on this application is correct to the best of my knowledge and that I am authorised to apply for funding on behalf on this community organisation/ individual. If successful, I will acquit the funds received before the end of the financial year in which they were received.*

**Full name:** Gaye Hardaker

**Signed:** *G. Hardaker*

**Date:** 31.03.14

### Section 2a: Application Details

**What is the name of your Project / Event:**

Lease Project

**Provide a brief outline of your project / event and what you would like to achieve.**

Hedland Bmx Club is asking for the Town of Port Hedland to waiver its lease fees for 2014.

**Outline how ToPH funding will specifically be used.**

The funding will be used to cover the Town of Port Hedland lease agreement charges to the Hedland Bmx Club.

**Has this project or event previously been supported by the Town's Funding & Donations Policy?**

Yes       No

**If Yes, in which year?** \_\_\_\_\_

**Please provide details:** \_\_\_\_\_



## Town of Port Hedland Community Funding & Donations Application



Please submit completed form to [council@porthedland.wa.gov.au](mailto:council@porthedland.wa.gov.au)

### Section 2b: Type of Community Support

Which type(s) of community support are you seeking (refer to policy 6/003):

Establishment Funding (max \$2,000 cash)	
Periodical Funding* (max \$1,000 cash)	
In-kind Contributions	
Waiver of Fees	\$1258.50
Development of Talented Local People (max \$500)	

\* provide evidence of 50% cash contribution from applicant organisation.

**Details of funds from applicant:** Hedland Bmx Club will pay for the legal costs associated with the preparation of the lease document.

### Section 2c: Funding Details

Detail the amount of each type of funding requested from contributing parties:

	Contributed by Applicant	Contributed by Other Funding Sources	Requested to be contributed by ToPH
Cash (max \$2,000 by ToPH)	\$	\$	\$
Venue fees funded	\$	\$	\$
In-kind contributions*	\$	\$	\$
<b>Total (max \$5,000 by ToPH)</b>	\$	\$	\$

\* refer to Policy 6/003 for eligible criteria and provide details of in-kind requested (i.e. bins, vehicle usage, mowing, etc)

### Section 3: Recognition

Detail how the funding / support from the Town of Port Hedland will be recognised :

The Town of Port Hedland will be recognised through the Hedland Bmx Clubs Sponsorship levels and Recognition Program. With this support the Town of Port Hedland will be considered Level 2 Silver.  
Please see attached page.





## Town of Port Hedland Community Funding & Donations Application



Please submit completed form to [council@porthedland.wa.gov.au](mailto:council@porthedland.wa.gov.au)

### Section 4: Application Criteria / Checklist

Please ensure the application meets all criteria below:

- a. Applicant has read, understood and acknowledged the conditions and eligibility requirements contained in Policy 6/003 'Community Funding & Donations'
- b. The positive contribution the event or project will make to the Hedland community
- c. The information requested meets the requirements of this policy
- d. The applicant certifies within the application that they are authorised to apply for Town of Port Hedland support and to represent the applicant organisation
- e. The applicant certifies that the information contained within the application is true and accurate, with commensurate evidence / documentation able to be provided on request from the Town
- f. Sufficient financial information has been provided to clearly identify the items on which monies will be spent, their discrete costs and their importance to the success of the event or project
- g. The level of resource contribution to be made by the applicant, relative to their capacity to do so, as well as the accessibility of funds from other sources.



## **Sponsorship Levels & Recognition for Hedland BMX Club**

### **Level 1 Bronze \$50 - \$1000**

- Letter of thanks; and
- Mentioned in the local paper at the end of the season.

### **Level 2 Silver \$1001 - \$5000**

- A framed Certificate of Appreciation;
- Signage / Banner displayed at the track;
- Mentioned in the local paper at the end of the season;
- Logo and acknowledgment on our Facebook page;
- On sponsor list for all reports internally and externally; and
- Framed photo of riders at the end of the season.

### **Level 3 Gold \$5001 upwards**

- Signage / Banner displayed at the track;
- Promotion at our BMX sanctioned event –the Northwest Championships;
- Mentioned in any advertisements promoting the Northwest Championships at our track;
- Logo displayed in the local paper at the end of the season;
- Framed photo of riders at the end of the season;
- Invitation to attend and speak at the Northwest Championship; and
- Invitation to present trophies to our riders at the end of the season windup.

ATTACHMENT 3 TO ITEM 10.3.1



# Town of Port Hedland

## Community Funding & Donations Application



*Please submit completed form to [council@porthedland.wa.gov.au](mailto:council@porthedland.wa.gov.au)*

### Section 1a: Applicant Details

*Identify who is applying for this funding:*

Individual Person       Community Organisation       Not For Profit

Organisation/ Individual Name: Goodline

Contact Person: Tahlia Wilkins / Melissa Massey

Position within Organisation: Health & Fitness advisor

Postal Address: 6 Murrena Street, Wedgefield      Postcode: 6722

Telephone: 08 9160 2600      Email: tahlia.wilkins@goodline.com.au  
melissa.massey@goodline.com.au

**Applicants are requested to complete ALL sections relevant to their application.**

### Section 1b: Organisation Details

Incorporated:      Yes       No       Year of Incorporation: \_\_\_\_\_

*If Yes, please attach a copy of your Certificate of Incorporation*

ABN: \_\_\_\_\_

Registered for GST:      Yes       No

### Section 1c: Public Liability Insurance

Does your organisation have Public Liability Insurance:      Yes       No

**If No, are you/your organisation covered under another association (e.g. State Sporting Association)?**

Yes       No       If yes, by who? \_\_\_\_\_

**If No, will you/your organisation be obtaining cover for this event?**

Yes       No       If yes, by who? \_\_\_\_\_



# Town of Port Hedland Community Funding & Donations Application



Please submit completed form to [council@porthedland.wa.gov.au](mailto:council@porthedland.wa.gov.au)

### Section 1d: Authorisation

I certify that the information provided on this application is correct to the best of my knowledge and that I am authorised to apply for funding on behalf on this community organisation/ individual. If successful, I will acquit the funds received before the end of the financial year in which they were received.

Full name: Tahlia Wilkins of Goodline  
Signed: [Signature] Date: 25-3-14

### Section 2a: Application Details

What is the name of your Project / Event:

Goodline AFL Charity Fundraiser Match

Provide a brief outline of your project / event and what you would like to achieve.

We will raise money for our chosen local charity  
by way of charging the players an entry fee, running a  
BBQ, raffle draw + auctioning off donations from  
local businesses + profits from the drinks sold.

Outline how ToPH funding will specifically be used.

Funding will help us as the less money we need  
to spend on hire & other things the more money we  
will have to donate to our chosen charity.

Has this project or event previously been supported by the Town's Funding & Donations Policy?

Yes  No

If Yes, in which year? \_\_\_\_\_

Please provide details: \_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_







## Town of Port Hedland Community Funding & Donations Application



Please submit completed form to [council@porthedland.wa.gov.au](mailto:council@porthedland.wa.gov.au)

### Section 4: Application Criteria / Checklist

Please ensure the application meets all criteria below:

- a. *Applicant has read, understood and acknowledged the conditions and eligibility requirements contained in Policy 6/003 'Community Funding & Donations'*
- b. *The positive contribution the event or project will make to the Hedland community*
- c. *The information requested meets the requirements of this policy*
- d. *The applicant certifies within the application that they are authorised to apply for Town of Port Hedland support and to represent the applicant organisation*
- e. *The applicant certifies that the information contained within the application is true and accurate, with commensurate evidence / documentation able to be provided on request from the Town*
- f. *Sufficient financial information has been provided to clearly identify the items on which monies will be spent, their discrete costs and their importance to the success of the event or project*
- g. *The level of resource contribution to be made by the applicant, relative to their capacity to do so, as well as the accessibility of funds from other sources.*

## ATTACHMENT 4 TO ITEM 10.3.1



## Town of Port Hedland

### Community Funding & Donations Application



Please submit completed form to [council@porthedland.wa.gov.au](mailto:council@porthedland.wa.gov.au)

#### Section 1a: Applicant Details

Identify who is applying for this funding:

Individual Person

Community Organisation

Not For Profit

Organisation/ Individual Name: Pilbara Music Festival

Contact Person: Kirk Lenton

Position within Organisation: Committee Member

Postal Address: PO Box 445, PORT HEDLAND WA Postcode: 6721

Telephone: 0400 242 335 Email: [klenton@bigpond.net.au](mailto:klenton@bigpond.net.au)

*Applicants are requested to complete ALL sections relevant to their application.*

#### Section 1b: Organisation Details

Incorporated: Yes  No  Year of Incorporation: 2005

*If Yes, please attach a copy of your Certificate of Incorporation*

ABN: 48 663 447 027

Registered for GST: Yes  No

#### Section 1c: Public Liability Insurance

Does your organisation have Public Liability Insurance: Yes  No

If No, are you/your organisation covered under another association (e.g. State Sporting Association)?

Yes  No  If yes, by who? \_\_\_\_\_

If No, will you/your organisation be obtaining cover for this event?

Yes  No  If yes, by who? \_\_\_\_\_



## Town of Port Hedland

### Community Funding & Donations Application



Please submit completed form to [council@porthedland.wa.gov.au](mailto:council@porthedland.wa.gov.au)

#### Section 1d: Authorisation

*I certify that the information provided on this application is correct to the best of my knowledge and that I am authorised to apply for funding on behalf on this community organisation/ individual. If successful, I will acquit the funds received before the end of the financial year in which they were received.*

Full name: Kirk Lenton

Signed: 

Date: 07/04/2014

#### Section 2a: Application Details

**What is the name of your Project / Event:**

Pilbara Music Festival

**Provide a brief outline of your project / event and what you would like to achieve.**

The ToPH has historically provided the PMF with funding. A sum of \$5,000.00 as per last years Communtiy Funding & Donations Policy was provided in 2013 which was designed to absorb new costs associated with new venues that were required due to the inability to use the Gratwick Hall any further. At the time these costs were unknown. At completion of the 2013 PMF annual event it was shown that the \$5,000.00 grant was insufficient to balance the cost of venue hire for that period. The real cost was approximately \$2,300.00 greater than the funding allowed and was born from the use of The Matt Dann Theatre. Not including use of Wanangkura Stadium, airfares and accomodation of officials, judges etc.

**Outline how ToPH funding will specifically be used.**

The funding will be used to meet the shortfall in last years running costs which exceeded the \$5,000.00 grant by approximately \$ 2,300.00.

**Has this project or event previously been supported by the Town's Funding & Donations Policy?**

Yes  No

**If Yes, in which year?** Since 1976

**Please provide details:** ToPH has been the PMF Patron since 1976





## Town of Port Hedland

### Community Funding & Donations Application



*Please submit completed form to [council@porthedland.wa.gov.au](mailto:council@porthedland.wa.gov.au)*

#### Section 2b: Type of Community Support

Which type(s) of community support are you seeking (refer to policy 6/003):

Establishment Funding (max \$2,000 cash)	
Periodical Funding* (max \$1,000 cash)	
In-kind Contributions	
Waiver of Fees	
Development of Talented Local People (max \$500)	

\* provide evidence of 50% cash contribution from applicant organisation.

Details of funds from applicant: \_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

#### Section 2c: Funding Details

Detail the amount of each type of funding requested from contributing parties:

	Contributed by Applicant	Contributed by Other Funding Sources	Requested to be contributed by ToPH
Cash (max \$2,000 by ToPH)	\$	\$	\$
Venue fees funded	\$	\$	\$2,300.00
In-kind contributions*	\$	\$	\$
Total (max \$5,000 by ToPH)	\$	\$	\$

\* refer to Policy 6/003 for eligible criteria and provide details of in-kind requested (i.e. bins, vehicle usage, mowing, etc)

#### Section 3: Recognition

Detail how the funding / support from the Town of Port Hedland will be recognised :

The ToPH is recognised as the Patron of the Festival. This is displayed through the use of the ToPH emblem on Programs and through advertisement.



## Town of Port Hedland Community Funding & Donations Application



Please submit completed form to [council@porthedland.wa.gov.au](mailto:council@porthedland.wa.gov.au)

### Section 4: Application Criteria / Checklist

Please ensure the application meets all criteria below:

- a. *Applicant has read, understood and acknowledged the conditions and eligibility requirements contained in Policy 6/003 'Community Funding & Donations'*
- b. *The positive contribution the event or project will make to the Hedland community*
- c. *The information requested meets the requirements of this policy*
- d. *The applicant certifies within the application that they are authorised to apply for Town of Port Hedland support and to represent the applicant organisation*
- e. *The applicant certifies that the information contained within the application is true and accurate, with commensurate evidence / documentation able to be provided on request from the Town*
- f. *Sufficient financial information has been provided to clearly identify the items on which monies will be spent, their discrete costs and their importance to the success of the event or project*
- g. *The level of resource contribution to be made by the applicant, relative to their capacity to do so, as well as the accessibility of funds from other sources.*

### 10.3.2 Colin Matheson Clubhouse Third Quarter Report – Port Hedland Rovers Football Club

Graeme Hall, Manager Recreation Services and Facilities  
File No. 26/06/0007

#### DISCLOSURE OF INTEREST BY OFFICER

Nil

#### AFC201314/037 RECOMMENDATION/ AUDIT AND FINANCE COMMITTEE DECISION

**MOVED: CR JACOB**

**SECONDED: MR HRAMBANIS**

**That the Audit and Finance Committee receive the third quarter (1 January to 31 March 2014) report for the operation of the Colin Matheson Clubhouse facility as presented by the Port Hedland Rovers Football Club.**

***CARRIED 5/0***

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#### EXECUTIVE SUMMARY

The purpose of this report is for the Audit and Finance Committee to review the third quarter report (1 January to 31 March 2014) presented by the Port Hedland Rovers, for their management agreement of the club room facilities at Colin Matheson Reserve in Cooke Point.

#### DETAILED REPORT

The Ordinary Council Meeting on 16 November 2011 resolved that the Port Hedland Rovers Football Club and the Town of Port Hedland enter a 12 month trial arrangement for the management of the club house facility at Colin Matheson Reserve. This agreement was extended for a further 12 month period (to 31 December 2013) at the Ordinary Council Meeting on 30 November 2012.

This agreement has now expired. Port Hedland Rovers Football Club is currently continuing under the existing conditions of the expired management agreement. The Town is currently developing a policy for leasing of the Town's facilities by sporting and community groups. Once the leasing policy is finalised the Town will commence discussions with the Port Hedland Rovers Football Club in regard to the future operations and tenure arrangement for the Colin Matheson Clubhouse facility.

The Port Hedland Rovers Football Club has expressed an interest in continuing managing the Colin Matheson Clubhouse into the future.

Attached to this report is a copy of the third quarter financial statement (1 January to 31 March 2014) for Colin Matheson Clubhouse (Attachment 1).

The Port Hedland Rovers Football Club has been managing the club house facility at Colin Matheson Reserve since November 2011. The first year of the agreement was considered disappointing from both a usage and financial perspective.

The operation of the facility improved significantly in 2013, with Jabat Dance School hiring the facility for a number of hours per week. In 2014, Jabat Dance School ended their hire arrangement for the Colin Matheson Clubhouse facility and sought an alternate venue. The primary reason provided for seeking an alternate venue was the suitability of the flooring for dancing.

The end of the facility hire by Jabat Dance School has impacted negatively impacted upon the financial position of this facility.

The Club has now employed a booking officer to help generate income and increase usage of the facility and is actively advertising facility hire to the broader Port Hedland community.

### **FINANCIAL IMPLICATIONS**

The existing management agreement for Colin Matheson Clubhouse requires that all revenue from the operation of the facility be equally shared between the Town of Port Hedland and the Port Hedland Rovers Football Club, capped at a maximum value of \$45,000.

The second quarter financial statement for the operation of Colin Matheson Clubhouse facility showed revenue of \$14,284.00. This is attributable largely to the receipt of a large utilities account.

The third quarter financial statement shows a deficit of \$20,053.40 for January – March 2014. This shows a year to date deficit of \$5,769.00 for operation of the facility.

Council will receive fifty percent of any surplus amount, at the end of the 2013/2014 financial year. Council is not liable for payment of any deficits for the facility operations to Port Hedland Rovers Football Club.

### **STATUTORY AND POLICY IMPLICATIONS**

The Town of Port Hedland has developed a draft Leasing Policy which will be presented to a number of groups for consultation and feedback in May / June 2014.

Once the Leasing Policy has been adopted by Council, discussions will be held with the Port Hedland Rovers Football Club regarding the future tenure of Colin Matheson Clubhouse.

### **ATTACHMENTS**

1. 2013/2014 Financial Statement – Colin Matheson Clubhouse

05 May 2014



### 10.3.3 Courthouse Gallery Quarterly Review: January – March 2014

Eddie Piper, Acting Director Community Development  
File No. 20/01/0026

#### **DISCLOSURE OF INTEREST BY OFFICER**

Nil

#### **AFC201314/038 RECOMMENDATION/ AUDIT AND FINANCE COMMITTEE DECISION**

**MOVED: MR HRAMBANIS**

**SECONDED: CR JACOB**

**That the Audit and Finance Committee receive the third quarter report (1 January to 31 March 2014) for the Courthouse Gallery from FORM Contemporary Craft and Design Inc.**

***CARRIED 5/0***

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#### **EXECUTIVE SUMMARY**

The purpose of this report is for the Audit and Finance Committee to review the third quarter report (1 January to 31 March 2014) for the Courthouse Gallery from FORM Contemporary Craft and Design Inc.

#### **DETAILED REPORT**

The contract for the management of the Courthouse Gallery was agreed between the Town of Port Hedland and FORM Contemporary Craft and Design Inc. for the period 1 July 2010 to 30 June 2012. A further period of contract management has since been negotiated and endorsed by Council at OCM 27 June 2012 from 1 July 2012 to 30 June 2015.

Under clause 3.3.10.1 of the agreement, FORM is to provide Council with a quarterly report, including the following:

- Income and expenditure
- Statement of variations (between budget and actual)
- Patronage of programs and activities
- Customer/consumer trend analysis
- Any complaints
- Customer feedback
- Statement of repairs and maintenance undertaken
- Any capital works recommended
- Report on safety issues
- Opportunities for collaboration with the Town of Port Hedland
- Damage incurred by the Centre
- Progress on KPIs.

This report and subsequent attachments endeavor to provide the Committee with information to satisfy the requirements listed in Section 3.3.10.1 of the FORM contract.

Desired outcomes of the agreement with FORM are as follows:

- High and increasing usage of the facilities by a broad diversity of groups and individuals in keeping the integrity of the Gallery's core purpose
- High quality customer service to visitors of the Gallery
- A focus on continuous improvement and service growth at the facility
- A safe, clean and hygienic environment for staff, customers and other visitors
- Strong, accountable financial management
- Clear, concise, accurate quarterly reporting on the operations of the facility
- Input into the service direction and/or capital improvement initiatives that can/should be undertaken to improve operations at the facility.

It is only the first quarter of FORM's budget cycle and care needs to be taken not to view the financial statements in a hard light, however some concern is expressed in the lower than expected 'sales' and higher than budgeted 'employment costs'. Over the next 6 months, the accounts should be closely monitored.

#### **FINANCIAL IMPLICATIONS**

Council's 2013/2014 budget contains an allowance of \$393,000 per annum for the contract management of the Courthouse Gallery, payable quarterly.

#### **STATUTORY AND POLICY IMPLICATIONS**

Section 6.1.3 Rich in Culture of the Strategic Community Plan 2012 – 2022 applies.

#### **ATTACHMENTS**

1. Quarterly Report - January to March 2014
2. Quarterly Operational Report - January to March 2014
3. Operations Profit and Loss Statement to 31 March 2014
4. Programs Profit and Loss Statement to 31 March 2014
5. Exhibition Feedback – Pennie Jagiello, Sharon Jack, Leonie Cannon, David Hooper (Under Separate Cover)

12 May 2014

## ATTACHMENT 1 TO ITEM 10.3.3



**Port Hedland Courthouse Gallery  
Quarterly Report  
13 January to 31 March 2014**

Income and Expenditure statements for the Courthouse Gallery for this reporting period.

Please see attached.

**Repairs and Maintenance**

The following repairs and maintenance were carried out:

- Town of Port Hedland (Kevin) Checked floor damage & hallway door – both warped from cyclone over Christmas 10.4.14
- Town of Port Hedland (Kevin) checked foyer light – ceiling white ants 10.1.14
- Town of Port Hedland (Kevin) checked Water damage to retail shop 10.1.14
- Town of Port Hedland (Kevin) checked the corrugated tin veranda on Manse 10.4.14
- Air-conditioning repair in front retail room 15.1.14
- Town of Port Hedland (Kevin + Gary) & electrician came to fix power outage. Also spoke with Tracey 16.1.14
- Malantino Devel (Barry Jory) replaced roof sheets on manse 3.2.14
- Replace men's toilet light 4.2.14
- Replaced door and new handle on hallway door 4.2.14
- ARB Carpentry (Clint & Simon) Installed whirlybird in Bungalow ceiling 27.2.14
- Town of Port Hedland (Kevin + Gary) looked at main beam between the retail shop and the hallway (splitting) 28.2.14
- Town of Port Hedland (Kevin + Gary) Air-conditioning repair in back hallway – fixed leak.
- ARB Carpentry + Town of Port Hedland fixed bolt of front gallery door

**Incident reporting**

No incidents to report.

**Customer feedback**

Public feedback for the following programs is included in this report:

- Exhibition feedback: *2014 Caught on the Wind & Growing up in Port Hedland (February 7 – March 17)*
- Workshop feedback: *2014 Pennie Jagiello 'Message in a Bottle' Jewellery Workshop. Program (February until May)*

Exhibition feedback for the current exhibit *Helen Ansell (Floribundas) & the Karntimarta Brush Artists* will be included in the April-June Quarterly report.



## Damage to the Gallery and/or Gallery assets

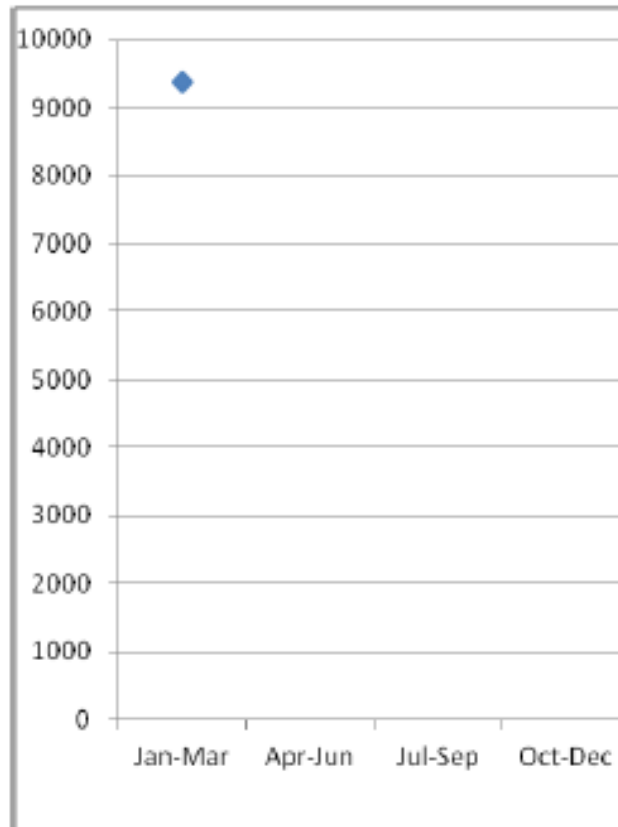
Power point in Main Gallery was damaged (front cover fell off), this has been repaired.

## Gallery Attendance Figures

<b>Breakdown</b>	<b>No. of Events</b>	<b>No. of Attendees</b>
General Gallery attendance		998
Exhibition(s)	2	600
<ul style="list-style-type: none"> <li>▪ Exhibition: Caught on the Wind &amp; Growing up in Port Hedland (7.2.14) 200</li> <li>▪ Exhibition: Helen Ansell <i>Floribundas</i> &amp; the Karntimarta Brush Artists (28.3.14) 400</li> </ul>		
Function(s)/ Events (s)	5	8514
<ul style="list-style-type: none"> <li>▪ West End Markets &amp; Cruise ship 'Voyager of the Sea' (28.03.14) estimate 5000</li> <li>▪ Cruise ship Celebrity Solstice(21.2.14) estimate 1500</li> <li>▪ Cruise ship Radiance of the Seas (06.3.14) estimate 2000</li> <li>▪ Artist Talk: Sharon Jack, David Hooper &amp; Leonie Cannon (8.2.14) 9</li> <li>▪ Artist Talk: Helen Ansell &amp; Peta Reilly (29.3.14) 5</li> <li>▪</li> </ul>		
Gallery Visits	6	247
<ul style="list-style-type: none"> <li>▪ Southern Cross Care (11.02.14) 200</li> <li>▪ FMG group (11.02.14) 6</li> <li>▪ Cater care Services John Holland project 17.2.14) 10</li> <li>▪ Saint Cecilia's primary (26.2.14) 30</li> <li>▪ Mission Australia –Tim Turner &amp; Peta Nordberg (22.3.14) 2</li> <li>▪ PDC Group – Competition winners (31.3.14) 5</li> </ul>		
Workshops	1	14
<ul style="list-style-type: none"> <li>▪ Jewellery Workshop 'Message in a Bottle': South Hedland (1 &amp; 2 March) 13 participants.</li> </ul>		

<b>Breakdown</b>	<b>No. of Events</b>	<b>No. of Attendees</b>
Gallery Closed		
<ul style="list-style-type: none"> <li>▪ Christmas break (24.12.13 – 13.01.14) 20 days</li> </ul>		
<b>Total Events and Attendance figures</b>	<b>14</b>	<b>9374</b>

**QUARTERLY TOTAL ATTENDANCE TREND FOR PHCG**



<i>High attendance is due to 3 cruiseships and west end markets</i>		<i>Apr-Jun will have high attendance as 2 West End Market events occur this quarter</i>		
<b>2014</b>	<b>Jan-Mar</b>	<b>Apr-Jun</b>	<b>Jul-Sep</b>	<b>Oct-Dec</b>
<b>Quarterly Total Attendance</b>	<b>9374</b>			

**Exhibitions**

- 7 Feb - 17 March: Caught on the Wind & Growing up in Port Hedland
- 28 March - May 11: Helen Ansell *Floribundus* & The Karmimarta Brush Artists
- 23 May - 30 June: Martumilli & Renee Hay
- 30 August - 14 Oct: Hedland Art Awards
- 26 Oct - 31 Dec: Di Boyd, Melissa North

## ATTACHMENT 2 TO ITEM 10.3.3

*Operational Report: Port Hedland Courthouse Gallery*Exhibitions

The gallery started off the year with two exciting exhibitions; *Caught on the Wind* by Sharon Jack and Leonie Cannon, and *Growing up in Port Hedland* by David Hooper. The opening night had higher than anticipated attendance and sales, reflecting the strong and on-going support for Pilbara artists. The feedback supported the gallery's on-going professionalism for customer service and exhibition installation and delivery.

- Opening night sales - \$14,000 +
- Attendance- 200 +

Our following and current exhibition is Helen Ansell - *Floribundus* & The Karntimarta Brush Artists, launching on March 28<sup>th</sup>. This was one of our largest openings with an estimated 400-500 guests on the night. Courthouse Gallery customer and Award winning Actress Claudia Karvan, provided another reason for the community to attend and support our local artists for the opening. The highly anticipated event didn't disappoint, opening sales increased on the previous exhibition and record numbers of Friends of the Gallery used one of their many privileges; previewing the exhibition before the public resulting in many sold works before the official start time. This is a very effective tool to increase sales for exhibiting artists, while providing another incentive to join and support the gallery.

Visitor feedback will be provided in the next quarterly report once the exhibition has finished, giving a clear indication of the response.

Exhibition March 28<sup>th</sup> – May 11<sup>th</sup>.

- Opening night sales - \$15,000 +
- Attendance- 400+

The gallery continues to inspire practiced artists to reach creative goals. FORM has placed a lot of effort into curating and mentoring artists to deliver the highest quality exhibits. This dedication continues into May, with a major show by the Martumilli artists and Port Hedland local, Renee Hay. The Martumilli group is nationally and internationally recognised and collected. The Courthouse Gallery is committed and continues to show groups such as this at a National level. The gallery has worked hard this year to improve sales figures, community awareness and cultural vibrancy for Port Hedland.

Up-coming events

- 23<sup>rd</sup> May – June 30 – Martumilli and Renee Hay
- August – Hedland Art Awards
- October – Di Boyd & Melissa North

### Community Workshops + Residency

FORM and The Courthouse Gallery have completed the first community workshop as part of the program *The Unexpected Jeweller*. Pennie Jagiello a Melbourne based jeweller and sculptor; delivered her workshop *Message in a Bottle* to 14 eager participants from emerging and established artistic backgrounds. Pennies' workshop utilised her ethos of using only recycled materials to create unique sustainable wearable objects inspired by her love of the sea and marine life.

This program has been designed to encourage positive and innovative creative engagement for the community, while assisting local craftspeople with professional development. The positive feedback was overwhelming from participants, proving the on-going need for these types of programs in the regions.

#### Workshop feedback- KELLY STEGMEYER

*"I like the fact that you're using rubbish to make something useful and wearable and artistic."*

*"It's good to have this kind of thing particularly now that the TAFE's gone- I've been looking forward to it for weeks!"*

The program continues into April and May under the guidance of two more of Australians most successful contemporary jewellers, Natalia Milosz-Piekarska and Nicky Hepburn. All three jewellers will also take part in residencies at Spinifex Hill Studio, taking exploratory trips around the Pilbara and Port Hedland to make a new body of work in response.

All jewellers use found or reclaimed materials, leaving a positive and sustainable impact on participants. This also follows through into workshops for the Spinifex Hill Artists, teaching them new 3D model making skills with jewellery acting as the vehicle to explore these ideas.

### Up-coming Workshops

Natalia Milosz-Piekarska – 26<sup>th</sup> and 27<sup>th</sup> April

Nicky Hepburn – 17<sup>th</sup> and 18<sup>th</sup> May

### West – End Markets – Cruise ship edition

The West End Markets continues to bring a new local audience to the gallery and many cruise ship travellers enjoyed an unexpected regional experience. The cruise-ship edition not only increased the sales and turnover for local stall holders, but the new exhibition was viewed by broader audience outside the Pilbara, resulting in more sales and commissions and while lifting the profile of the artists involved.

The gallery welcomes this continued success, but also is conscious of the high cost and organisation that surrounds such multifaceted weekend events.

### Bungalow

Due to Cyclone damage, the Bungalow has been unavailable to the gallery as per the request of BHP.

**Opening Hours**

Monday to Friday 9am-4.30pm

Saturday 9-2pm (high season will open until 4.30pm)

Sunday 9-2pm

*Staffing*

Regional and Gallery Manager – Victoria Sinclair

Gallery co-coordinator – Aimee Sharpe

Gallery Support Officer – Deb Evans

Supported by FORM's Perth office for accounting, purchasing and promotional activities

## ATTACHMENT 3 TO ITEM 10.3.3

# form.

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PORT HEDLAND COURTHOUSE GALLERY OPERATIONS  
Statement of Profit and Loss  
for the Year Ending 31 December 2014

Budget Lines	2014 Quarterly Actual Ending				2014 Actual Total \$	2014 Budget \$	Variance Between Actual and Budget \$	Notes
	March	June	September	December				
<b>Turnover</b>								
Sales	72,917				72,917	499,000	-426,083	
Management Fee - Town of Port Hedland	98,325				98,325	386,650	-288,325	
OFTA (DEWHA) - Indigenous Exhibition Development	52,500				52,500	105,000	-52,500	
Sponsorship					0	300,000	-300,000	
Hedland Art Award Partners					0	50,000	-50,000	
Sundry Income - Donations, Workshop Fees, etc.	4,978				4,978	57,120	-52,142	
Total grants and sponsorships	155,803	0	0	0	155,803	898,770	-742,967	
<b>Total Turnover</b>	<b>228,720</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>228,720</b>	<b>1,397,770</b>	<b>-1,169,050</b>	
<b>Expenditure</b>								
Cost of Sales	49,740				49,740	302,380	-252,640	
<b>Operating expenses</b>								
<b>Programming expenses</b>								
- Exhibition Program	56,960				56,960	230,895	-173,935	
- Workshops Program	38,896				38,896	154,515	-115,619	
- Other Programs	20,834				20,834	154,100	-133,266	
Total programming costs	116,690	0	0	0	116,690	539,510	-422,820	
<b>Marketing and Promotion Costs</b>								
- Advertising	1,075				1,075	6,675	-5,600	
- Website devt & hosting stage 1	31				31	5,000	-4,969	
Total marketing and promotion costs	1,106	0	0	0	1,106	11,675	-10,569	
<b>Employment costs</b>								
- Salaries, wages and on-costs	111,071				111,071	371,000	-259,929	
- Staff Housing	39,711				39,711	85,000	-45,289	
Total employment costs	150,783	0	0	0	150,783	456,000	-305,217	
<b>Administration Costs</b>								
- Office Consumables & Resources	13,010				13,010	97,470	-84,460	
- Communications	1,796				1,796	11,200	-9,404	
- Legal, Finance & Governance	1,291				1,291	6,530	-5,239	
- Insurance	1,294				1,294	7,300	-6,006	
Total Administration Costs	17,390	0	0	0	17,390	122,500	-105,110	
<b>Total Operating Expenses</b>	<b>285,969</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>285,969</b>	<b>1,129,685</b>	<b>-843,716</b>	
<b>Total Cost of Sales and Operating Expenses</b>	<b>335,709</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>335,709</b>	<b>1,432,065</b>	<b>-1,096,356</b>	
<b>Net Income / (Expenditure)</b>	<b>-106,988</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>-106,988</b>	<b>-34,295</b>	<b>-72,694</b>	

## ATTACHMENT 4 TO ITEM 10.3.3

**form.**

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Port Hedland Courthouse Gallery Programs

Statement of Profit and Loss

For the Year Ending 31 December 2014

Budget Lines	2014 Budget \$	Cumulative Total -Actual	2014 Quarterly Actuals Ending				Notes
			March	June	September	December	
<b>Programming Budget Calendar Year 2014</b>							
<b>Exhibition Program</b>							
Sharon Jack, Leonie Cannon (Caught On The Wind)							
David Hooper (Growing Up In Port Hedland)	19,860	17,648	17,648				
Helen Ansell (Mulla Mulla) & Karntimarta Brush Artists	49,095	39,058	39,058				
Renee Hay (Overgrowth) & Martumilli	25,245	0					
Di, Naomi, Mel / Gumula	25,215	0					
Hedland Arts Award	111,480	254	254				
<b>Total Exhibition Program Cost</b>	<b>230,895</b>	<b>56,960</b>	<b>56,960</b>	<b>0</b>	<b>0</b>	<b>0</b>	
<b>Workshops</b>							
Indigenous Exhibition Development	86,660	22,421	22,421				
The Unexpected Jeweller	33,068	16,475	16,475				
Visual Arts Development Workshop	13,945	0	0				
Photo P.H.otography: Photography Camp	20,843	0	0				
<b>Total Workshops Program Cost</b>	<b>154,515</b>	<b>38,896</b>	<b>38,896</b>	<b>0</b>	<b>0</b>	<b>0</b>	
<b>Other Programs:</b>							
Westend Markets	145,900	18,938	18,938				
STAFF Travel	8,200	1,897	1,897				
<b>Total Other Programs</b>	<b>154,100</b>	<b>20,834</b>	<b>20,834</b>	<b>0</b>	<b>0</b>	<b>0</b>	
<b>Total Projected Programming Expenditure</b>	<b>539,510</b>	<b>116,690</b>	<b>116,690</b>	<b>0</b>	<b>0</b>	<b>0</b>	



### 10.3.4 GP Housing Quarterly Review: January – March 2014

Eddie Piper, Acting Director Community Development  
File No. 15/01/0020

#### DISCLOSURE OF INTEREST BY OFFICER

Nil

#### AFC201314/039 RECOMMENDATION/ AUDIT AND FINANCE COMMITTEE DECISION

**MOVED: CR JACOB**

**SECONDED: MAYOR HOWLETT**

**That the Audit and Finance Committee receive the third quarter reports (1 January to 31 March 2014) for GP Housing from the Port Hedland Medical Centre (OSH Group) and Kinetic Health Centre.**

**CARRIED 5/0**

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#### EXECUTIVE SUMMARY

The purpose of this report is for the Audit and Finance Committee to review the reports for GP Housing for the third quarter; January to March 2014.

#### DETAILED REPORT

The construction project and subsequent allocation is intended to provide quality subsidised leased housing to general practitioners who support the Port Hedland community and is focused on:

- Assisting in the retention of existing general practitioner / emergency services
- Encouraging and facilitating the expansion of general practitioner service levels and availability
- Assisting in the provision of specialist services not currently available
- Assisting in the provision of services linked to areas of disadvantaged health services / remote servicing / bulk billing
- Beginning to cater for future GP service requirements.

The SCM on 14 November 2012:

1. *Endorsed the disposal of Part Lot 5551 Dempster Street, Cooke Point by way of lease to:*
  - *3 general practitioner houses to Kinetic Health Services (\$600 per week, to be reviewed annually in accordance with the Asset Management Plan) for a term of 3 years;*
  - *4 general practitioner houses to the OSH Group (\$600 per week, to be reviewed annually in accordance with the Asset Management Plan) for a term of 3 years*



2. *Delegated authority to the Chief Executive Officer or delegate to negotiate the provision of housing to preferred doctors within the Kinetic Health Service and OSH Group allocations*
3. *Endorsed the provision of local public notice of the proposed disposals in accordance with section 3.58 of the Local Government Act*
4. *Delegated authority to the Chief Executive Officer to enter into lease agreements should no public submissions be received.*

Construction of the 7 general practitioner houses was completed and readied for occupancy in December 2012. The allocation of GP houses above was based on outcomes / KPI's detailed in submissions, and are the subject of quarterly reporting.

Lease agreements were executed with Port Hedland Medical Centre (OSH Group) on 16 April 2013 and with Kinetic Health on 1 May 2013.

#### *Port Hedland Medical Centre (OSH Group)*

Noted for the Quarter 3 report (Attachment 1) is that:

- Practice hours have been extended until 2pm on Saturdays (current trial)
- Application underway to become accredited for junior rural/remote training placements

#### *Kinetic Health*

KPIs were to maintain existing levels of services and practice hours. See Attachment 2.

### **FINANCIAL IMPLICATIONS**

The construction of 7 general practitioner houses was funded through contributions from WA State Government, resource industry and the Town.

Leases for the general practitioner houses are held separately between the Town and Kinetic Health / Port Hedland Medical Centre. Under the terms of the lease agreements, the medical practices are responsible for the payment of weekly rental, minor upkeep of the homes and utilities; the Town is responsible for maintenance and asset management.

### **STATUTORY AND POLICY IMPLICATIONS**

Section 6.3.2 Community Facilities of the Strategic Community Plan 2012 – 2022 applies.

### **ATTACHMENTS**

1. Port Hedland Medical Centre (OSH Group) Q3 FY 2014 (January to March 2014)
2. Kinetic Health Q3 2014 (January to March 2014)

12 May 2014

## ATTACHMENT 1 TO ITEM 10.3.4



Town of Port Hedland

Contract: GP Housing (PHMC)

Period: Q3 FY14

Contract Number: N/A

Item	Description	KPI	Outcome
1	Expansion of clinical practice hours, including:	(a) Increased clinical hours: Monday to Friday 7:30 am to 7:30pm , Saturday 8am to 12 noon (b) Additional general practitioners available on Saturday mornings. This KPI must be achieved within 6 months of execution of the Lease and maintained for the remainder of the Lease term.	Achieved  Mon – Fri 7.30 – 7.30  Sat – 8 – 2 pm  Have increased to 2pm on Saturdays – running as a trial
2	Expansion of clinical practice hours, to include a Sunday Clinic	This KPI must be achieved within 12 months of execution of the Lease and maintained for the remainder of the Lease term.	Not yet achieved  Q2 Report - January 2014 planned commencement delayed, not financially viable at this stage. Will be reviewed on a quarterly basis.
3	Expansion of the services available, including the introduction of the following services:	(a) Mental health support, identified as particularly important to FIFO workers and residents due to shift work, geographic remoteness and climate and being a regional and remote town;  (b) Re-introduction of Sleep Studies to address the cycle of fatigue management and obesity; and  (c) Indigenous health including-diabetes, heart disease and obesity. These KPIs must be achieved within 6 months of execution of the Lease and maintained for the remainder of the Lease term.	Achieved – Psychologist working at PHMC 4 sessions/wk and mental health trained GP working at PHMC fulltime.  Home based sleep studies are performed at PHMC with regular fortnightly visits of sleep scientist for treatment. We also have a dietician 2 days/wk.  We offer these services to all patients, including Indigenous
4	Expansion of the services available, including the introduction of the following services:	(a) ability to deliver programs such as based exercise programs to combat obesity, Pilates and supervised rehabilitation programs; (b) access to the services of a dietician, if not residential then by Telehealth (although	Pilates classes delivered.  Dietician working 2 days/wk (Residential)



		<p>a Medicare rebates not available via Telehealth) to combat diabetes; and (c) ability to offer diagnostic ultrasound services from the practice.</p> <p>These KPIs must be achieved within 12 months of execution of the Lease and maintained for the remainder of the Lease term. However, the parties acknowledge that achievement of these measures is conditional on physical expansion to suitable and financially viable additional premises.</p>	<p><i>Q2 report - Not yet achieved but in planning stage – ultrasound course and equipment required. GP training has been completed, Business case has been reviewed and CAPEX costs are too high at this stage to advance</i></p>
5	Expansion of the existing range of specialists' services and skills. This KPI will be an ongoing item that will be negotiated over the term if the Lease.		Variable services, female GP performs weekly bulk billed services at Well Women's Centre. Stress ECG and Sleep Science services are replacing PATS and waiting
6	Developing a program to provide training placements to junior doctors to expose the junior doctors to Rural and Remote medicine by applying to become accredited training post.	One of the requirements will be suitably qualified general practitioners to supervise the junior doctors. This KPI must be achieved within 12 months of execution of the Lease and maintained for the remainder of the Lease term.	Work in progress – application for WAGPET Accreditation being completed. Next WAGPET places for 2015, PHMC submission due by mid-2014

## ATTACHMENT 2 TO ITEM 10.3.4

## Town of Port Hedland Contract: GP Housing (Kinetic Health)

Period: Jan-March 2014

Item	KPI	Service Level at commencement of contract (April 2013)	Current Service Level (March 31 <sup>st</sup> 2014)	Comments / Update
1	Maintenance of existing days of operation, as at commencement date (April 2013)	Monday – Friday Extended hours Thursday till 7.30pm Saturday	Monday – Friday Extended hours Thursday till 7.30pm Saturday	
2	Maintenance of existing times of operation, as at commencement date (April 2013)	Mon – Wed, Fri 8.30 – 5.30 Thur - 8.30 – 7.30 Sat – 8.30 – 1pm	Mon – Wed, Fri 8.30 – 5.30 Thur - 8.30 – 7.30 Sat – 8.30 – 1pm	
3	Maintenance of existing services available	GP Care Plans Injury Management Pap Smears Phlebotomy Occupational Health	GP Care Plans Injury Management Pap Smears Phlebotomy Occupational Health	Have increased 45 – 49 year old health checks and diabetes reviews, as to provide more preventive care to community.
4	Maintenance of existing number of doctors available	1 x Permanent 2 x Locum	3 x Permanent Occasional Locums	Contract in pipeline for another permanent doctor. Looking at relationships with HHC to offer days to HHC doctors some GP days in clinic.
5	Additional services / facilities / programs / achievements			Relocating to New Premise in approx June/July- larger, more equipped location. Look into increasing services to the community.

### 10.3.5 Town of Port Hedland Leisure Facilities Management Contract Third Quarter Report 2013 – 2014 YMCA Perth

Graeme Hall, Manager Recreation Facilities and Services  
File No. 26/04/0015

#### DISCLOSURE OF INTEREST BY OFFICER

Nil

#### AFC201314/040 RECOMMENDATION/ AUDIT AND FINANCE COMMITTEE DECISION

**MOVED: CR JACOB**

**SECONDED: MAYOR HOWLETT**

**That the Audit and Finance Committee receive the third quarter report for the operation of the Town of Port Hedland Leisure Facilities Management Contract with the YMCA of Perth for the period 1 January 2014 to 31 March 2014**

***CARRIED 5/0***

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#### EXECUTIVE SUMMARY

The purpose of this report is for the Audit and Finance Committee to receive the third quarter report 2013/14 as presented by the YMCA for the Town of Port Hedland Leisure Facilities Management Contract.

#### DETAILED REPORT

The YMCA of Perth is engaged to manage the Town of Port Hedland Leisure Facilities. The current contract agreement commenced in July 2012 and is for a four year term.

The YMCA is required to provide a monthly report by the 15<sup>th</sup> day of each month. Attached is the March 2014 report (Attachment 1), as provided by the YMCA. The March report provides an up-to-date analysis of the facility's budget and details that reflect the third quarter performance of the leisure facilities up to 31 March 2014.

The three facilities are operating below expectation, some reasons for which cannot be attributed to the YMCA. There is, however, concern that there are a number of issues which the YMCA need to take responsibility for. Both Wanangkura Stadium and South Hedland Aquatic Centre have profit and loss reports which, if fully analysed, are not badly positioned. They have a number of issues (utilities, pool chemicals, maintenance and lost income from the wave rider) that are distorting their current position. Analysis of the reports, giving consideration to these issues, shows that the facilities are operating as anticipated.

The situation regarding the financial performance of all three facilities will be presented for Council's consideration at the May 2014 Council meeting. These two reports have been initiated by the YMCA's correspondence to the Town.

The financial position of Gratwick Aquatic Centre is not tracking favorably. Income is well below expectation and needs to be improved through a range of strategies to encourage greater patronage. Table one below provides an overview of the income and expenditure for this facility. Greater detail of this position is provided in the YMCA's monthly report (see Attachment 1).

*Table 1 - Income and Expenditure - Gratwick Aquatic Centre*

	<b>Budget</b>	<b>Actual</b>	<b>Variance</b>
<b>Income</b>	\$293,599	\$144,830	(\$148,669)
<b>Expenditure</b>	\$759,853	\$728,337	\$31,156
<b>TOTAL</b>	(\$466,255)	(583,507)	(\$117,253)

The areas of greatest concern are:

- Lower than expected attendances at the facility, with little evidence of strategies being implemented to improve this
- Swim school numbers not meeting expectations
- Savings from a reduced program not matching lost income
- Maintenance costs exceeding expectations
- Duty management and lifeguard costs over expended
- Equipment purchases exceeding budget.

These matters are being discussed on an ongoing basis with the YMCA. With the Gratwick pool closing at the end of April, there is little likelihood of a turnaround in the financial position of the facility. The main issue with the current position of this facility is that there is little evidence of the facility managers making any significant effort to arrest the current slide in financial position.

*Table 2 - Income and Expenditure all Facilities*

	<b>Actual YTD</b>	<b>Budget YTD</b>	<b>Variance</b>
<b>Income</b>	\$2,177,294	\$2,566,084	(\$388,790)
<b>Expenditure</b>	\$3,657,048	\$3,724,115	\$67,067
<b>TOTAL</b>	-\$1,479,754	-\$1,158,031	(\$321,723)

It is clear from table two above that there is a need for Council to consider the information presented by the YMCA for budget variations. This matter will be considered through a separate report to the May Council meeting.

## FINANCIAL IMPLICATIONS

The operation of the leisure facilities is incorporated within the Town's operational budget. The fee paid to the YMCA is based upon an agreed operational deficit for each facility and a management fee that is paid to the YMCA of Perth for the delivery of the service.

The budget for the three facilities is reviewed each year in February and any revisions or amendments to the budget are considered by Council as a variation to the contract. The Town has received correspondence from the YMCA seeking dispensations from Council for the current 2013/2014 financial year and for the future 2014/2015 budget.

#### **STATUTORY AND POLICY IMPLICATIONS**

Sections 6.1.1 Unified and 6.1.2 Vibrant of the Strategic Community Plan 2012 – 2022 applies.

#### **ATTACHMENTS**

1. Town of Port Hedland Leisure Facilities Monthly Report - March 2014.  
(Under Separate Cover)

26 April 2014



**10.4 Corporate Services****10.4.1 Policy Review - Investment Policy**

Clare Phelan, Director Corporate Services  
File No. 12/11/0002

**DISCLOSURE OF INTEREST BY OFFICER**

Nil

**AFC201314/041 RECOMMENDATION/ AUDIT AND FINANCE COMMITTEE DECISION**

**MOVED: CR JACOB**

**SECONDED: MAYOR HOWLETT**

**That the Audit and Finance Committee recommend that Council:**

- 1. Note the report by the Director Corporate Services on the review of the Investment Policy;**
- 2. Adopt the revised Investment Policy; and**
- 3. Amend the Chief Executive Officer's delegation under Delegation 1.10 Investment of Funds in accordance with the revised Investment Policy.**

***CARRIED 5/0***

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**EXECUTIVE SUMMARY**

As part of the Town's ongoing policy review program, Officers have reviewed the existing Investment Policy, and are proposing a number of changes so that the Town's policy reflects best practice

**DETAILED REPORT**

The Town's existing Investment Policy was last reviewed in July 2011. It is appropriate that this Policy be reviewed at regular intervals. The current review has resulted in a number of proposed changes to the existing document, to better reflect best practice local government investment management, and incorporate changes made to Regulation 19C of the *Local Government (Financial Management) Regulations 1996* in April 2012.

The primary objective of the proposed Investment Policy is to ensure preservation of capital, and safeguarding of public monies.

The CEO currently has delegation to approve the withdrawal and placement of investments up to \$1 million, in accordance with all other provisions of the current Investment Policy. Any investment equal to or greater than \$1 million requires the written approval and signature of the Mayor. Given that the Town is now managing its investment portfolio in a more active manner, it is appropriate that the existing delegations be reviewed. It is recommended that Council approve delegation to the CEO for the placement and withdrawal of all investments in accordance with the requirements of the revised Investment Policy. A sub-delegation may be granted such that the withdrawal or placement of an investment requires the signature of the CEO or Director Corporate Services, plus any one of the following:

- Director Engineering
- Director Planning & Development
- Director Community Development
- Manager Financial Services

Day to day administration of the portfolio is the responsibility of the Manager Financial Services with the support of Accountants and Finance Officers.

All investments are subject to externally sourced bank confirmations as part of the annual audit process.

Council will receive a monthly report on the investment portfolio, listing for each investment the institution, amount, term to maturity, maturity date, amount interest rate, and % of total portfolio represented by the individual investment. A summary of the composition of the investment portfolio by credit rating and institution will be also be included. A benchmarking report of the Town's investment portfolio will be provided as part of the Quarterly Budget Review document.

#### **FINANCIAL IMPLICATIONS**

The revision of the Investment Policy will not have an impact on the 2013/14 budget, however the Policy does represent a key element of the Town's financial management framework. Effective investment portfolio management will ensure the Town earns an appropriate return on any cash balances held, with due consideration to preservation of capital, and satisfying liquidity requirements. As the Town typically maintains a substantial cash and investment portfolio, it is critical that a robust Policy framework is in place, clearly articulating objectives and considerations, supported by administratively efficient processes.

## STATUTORY AND POLICY IMPLICATIONS

The *Local Government (Financial Management) Regulations 1996* contain the statutory requirements in relation to investments. Regulation 8 provides that money from different accounts (Municipal, Trust, Reserve) may be placed in a common investment authorised by the Act. Regulation 19C sets out the restrictions for local governments when placing investments. Local government is to ensure that any investment is with an Authorised Deposit Taking Institution (ADI) or Western Australia Treasury Corporation; not a deposit with a fixed term of greater than 12 months; is not in the form of a Bond unless it is a bond guaranteed by the Commonwealth Government, or a State or Territory government; is not a bond whose term to maturity is greater than 3 years; and is not an investment in a foreign currency. The Town's proposed Investment Policy is compliant with these statutory obligations.

The then Department of Local Government and Regional Development released Operational Guideline No 19 on Investment Policies in February 2008, as a best practice guide for local government. The proposed investment policy is consistent with the principles and example policies of the Guidelines, however does vary in that the proposed Policy incorporates the legislative changes introduced in April 2012 with Regulation 19C of the *Local Government (Financial Management) Regulations 1996*.

Section 5.42 of the *Local Government Act 1995* outlines how a local government may delegate to the CEO the exercise of any of its powers or the discharge of duties under the Act (other than the powers or duties that cannot be delegated included under section 5.43). Any delegation to the CEO must be made by absolute majority in accordance with section 5.42. Section 5.44 of the *Local Government Act 1995* outlines how the CEO may delegate powers and duties to other employees.

Section 6.4.1 'Strategic' of the Strategic Community Plan 2012 – 2022 outlines that governance processes and associated policies and procedures should align with the leading practice and are up to date with legislative requirements.

## ATTACHMENTS

1. Revised Investment Policy showing track changes
2. Revised Investment Policy
3. Local Government Operational Guidelines – Number 19 – Investment Policy (Under Separate Cover)

8 May 2014

## ATTACHMENT 1 TO ITEM 10.4.1

Town of  
Port Hedland



## 2/010 COUNCIL INVESTMENTS

### Objectives

This policy is to be used to provide direction to staff in investing Council surplus cash funds in order to maximize return to council, without increasing risk. The minimum requirements of this policy are:

- 100% preservation of capital;
- Liquidity of Investment to meet Council's Cash flow requirements;
- A rate of return comparable to predetermined market based measurement criteria.

### Legislative requirements

This policy will be interrupted, implemented and comply with the following:

- Local Government Act 1995, Section 6.14
- The Trustee Act 1962, Part III Investment
- Local Government (Financial Management) Regulations 1996
- Australian Accounting Standards

### Prudent Person Standard

All investments will be managed with the care, diligence and skill that a prudent person would exercise. Officers are to manage the investment portfolio's to safeguard the portfolios in accordance with the spirit of the investment policy, and not for speculative purposes.

### Prohibited Investments

This investment policy prohibits any investments carried out for speculative purposes including:

- Derivative based instruments; and
- Principal only investments or securities that provide potentially nil or negative cash flow; and
- Stand-alone securities issued that have underlying futures, options, forwards contracts and swaps of any kind.

It is recognised that there will be circumstances where Council may decide to invest surplus funds outside the parameters of this policy. This is permitted, if resolved by Council, and the investment is deemed to be in the interest of the local community and a business case been reviewed and approved by the Audit and Finance Committee.

### Investment Funds

Council cash funds have been catergorised into the following:

Town of  
Port Hedland



### *Short Term*

Short Term Funds are funds required for the immediate daily requirements of Council. Maximum value of this fund will be \$1,000,000, unless the daily needs require differently. Of this a maximum of \$50,000 plus the total outstanding cheques/payments and/or payroll requirements to be kept in the Municipal Cheque Account. Balance of funds to be maintained in the Business/Cash maximization Account.

### *Medium Term*

The Maximum value of the is fund will be difference between the total Short Term Funds (see above) and the total funds required in the current financial years as prescribed in Council's Adopted Budget.

### *Long Term*

Long Term Funds are Council surplus funds, except for short Term and Medium Term funds, which are unlikely to be needed in the current financial year. This fund contains cash funds not required in the current financial year as prescribe in Council's Adopted Budget. Investment of these funds will be made on the advice received by Investment Advisors (Advisor), licensed by the Australian Securities and Investment Commission, appointed by Council, on the recommendation of the Audit and Finance Committee. No more than 70% of Long Terms funds can be invested on the advice of a single Advisor. All advisors must be an independent person who has no actual or potential conflict of interest in relation to any investment products recommended to Council; and is free to choose the most appropriate product within the terms of this policy.

Approved Investments	Short Term	Medium Term	Long Term
State/Commonwealth Government Bonds	Yes	Yes	Yes
Interest Bearing Deposits	Yes	Yes	Yes
Bank Accepted/Endorsed Banks Bills	No	Yes	Yes
Commercial Paper	No	Yes	Yes
Bank negotiated Certificate of Deposits	No	Yes	Yes
Managed Funds	No	No	Yes

### Risk Management Guidelines

All investments obtained must comply with three key criteria relating to:



- Limit overall credit exposure of the portfolio (Portfolio Credit Framework)
- Limit exposure to individual counterparties/institutions (Counterparty Credit Framework)
- Limits based upon maturity of securities (term to Maturity Framework)

#### Portfolio Credit Framework

All Council investments will have a minimum Standards and Poors (S&P) rating of AA (long term), A-1 (short term) or AAf (managed fund) depending on the nature of the investment.

#### Counterparty Credit Framework

No individual counterparty/institution will have more than 70% of Council total investment at any one time.

#### Term to Maturity Framework

All Short Term and Medium Term Funds must mature or be capable of maturing within 12 months of the initial investment

All Long Term Funds are to be invested for a minimum of 12 months and mature within 3 years of the initial investment.

#### Authority to Invest

All investments require the authorisation of the Chief Executive Officer or the Director, Corporate Services, along with one of the following staff:

- Chief Executive Officer
- Director, Corporate Services
- Director, Engineering
- Director, Planning and Development
- Director, Community Development
- Manager, Financial Services

*(Amended by Council at its Ordinary Meeting held 13 July 2011)*

All investments of \$1,000,000 or above also require Mayoral approval. Note that this does not incorporate the redemption of funds at maturity.

*(Amended by Council at its Ordinary Meeting held 24 June 2009)*

#### Reporting/Measurement



Council will receive a summarised report on the monthly movement of all Investments, including performance, % exposure of total portfolio, maturity date and changes in market value for each individual investment. This report will also include the nature and location of each investment. A detailed report of Council's Investments will be provided to the Audit and Finance Committee for review every 6 months.

Performance benchmarks will be based on the following table:

Investment Product	Performance Benchmark
Cash	Cash Rate
Enhanced/Direct Investments	UBSWA Bank Bill
Diversified Funds (managed funds)	CPI + 2%

*(Adopted at the 23 April 2008 Council Meeting. Amended at the 24 June 2009 Council Meeting. Amended at the 13 July 2011 Council Meeting.)*

## ATTACHMENT 2 TO ITEM 10.4.1

**2/010 COUNCIL INVESTMENTS****Objectives**

To provide a framework for the investment of Council funds that seeks to maximise the return to Council whilst having due consideration for the risk and security of each investment; and ensures that Council's liquidity requirements are being satisfied.

Primary considerations of this policy are:

- Preservation of capital;
- Liquidity requirements; and
- Return of investment.

**Legislative requirements**

All investments are to comply with the following:

- *Local Government Act 1995* - Section 6.14;
- *The Trustees Act 1962* - Part III Investments;
- *Local Government (Financial Management) Regulations 1996* – Regulations 8, 19, 19C, 28 and 49; and
- Australian Accounting Standards

**Delegation of Authority**

Authority for implementation of the Investment Policy is delegated by Council to the Chief Executive Officer in accordance with the *Local Government Act 1995*.

The Chief Executive Officer may sub-delegate the implementation of the Investment Policy to the Director Corporate Services.

The placement or redemption of any investment requires dual authorisation by the Chief Executive Officer or the Director Corporate Services, plus any one of the following officers:

- Director Engineering Services
- Director Planning and Development
- Director Community Development
- Manager Financial Services

Other senior Finance staff will assist in the day-to-day administration of the investment portfolio.



The Chief Executive Officer must approve sub-delegations in writing and record them in the Sub-delegation Register. Sub-delegated officers are required to acknowledge that they have received a copy of this policy and understand their obligations in this role.

#### **Prudent Person Standard**

All investments will be managed with the care, diligence and skill that a prudent person would exercise. As trustees of public monies, officers are to safeguard the portfolio in accordance with the spirit of this Investment Policy, and not for speculative purposes.

#### **Ethics and Conflicts of Interest**

Officers shall refrain from personal activities that would conflict with the proper execution and management of Council's investment portfolio. The Department of Local Government and Communities Guidelines No.1 'Disclosure of Interests Affecting Impartiality' and No. 21 'Disclosure of Financial Interests in Returns' provide guidance for recognising and disclosing any conflicts of interest.

Any independent advisors are required to disclose any actual or perceived conflicts of interest.

#### **Approved Investments**

Authorised Investments shall be limited to Australian currency denominated:

- Deposits (including Flexi and At Call deposits) with Authorised Deposit Taking Institutions;
- Deposits with Authorised Deposit Taking Institutions (ADIs) as defined in section 5 of the Banking Act 1959 (Commonwealth) with a Standard & Poors (or its equivalent) credit rating of BBB or higher (subject to overall limits) and the Western Australian Treasury Corporation (WATC), for a term not exceeding 12 months;
- Bonds that are guaranteed by the Commonwealth Government or a State or Territory and which have a term not exceeding three years.

#### **Prohibited Investments**

This investment policy prohibits any investments carried out for speculative purposes including:

- Derivative based instruments; and
- Principal only investments or securities that provide potentially nil or negative cash flow; and
- Stand-alone securities issued that have underlying futures, options, forwards contracts and swaps of any kind.

The leveraging of investments (borrowing to invest) is prohibited.

#### **Professional Advice**

The Town may from time to time retain the services of suitably qualified investment professionals to provide assistance in investment strategy formulation, portfolio implementation and monitoring.

Any such advisor must be approved by Council and licensed by the Australian Securities and Investment Commission. The advisor must be an independent person who has no actual or potential conflict of interest in relation to investment products being recommended and is free to choose the most appropriate product within the terms and conditions of this Investment Policy.

Any independent advisor engaged by the Town is required to provide written confirmation that they do not have any actual or potential conflicts of interest in relation to the investments they are recommending or reviewing, including that they are not receiving any commissions or other benefits in relation to the investments being recommended or reviewed.

### Investment Funds

All cash and investments held by the Town are placed in common investments in accordance with *Local Government (Financial Management) Regulations 1996* Regulation 8.

### Risk Management Guidelines

All investments obtained must comply with three key criteria relating to:

- Portfolio Credit Framework: limit overall credit exposure of the portfolio;
- Counterparty Credit Framework: limit exposure to individual counterparties/institutions; and
- Term to Maturity Framework: limits based upon maturity of securities.

#### *Portfolio Credit Framework*

To control the credit quality on the investment portfolio, the following credit framework limits the percentage of the portfolio exposed to any particular credit rating category.

S&P Long Term Rating	S&P Short Term Rating	Direct Investment Maximum %
AAA	A-1+	100%
AA	A-1+	100%
A	A-1	60%
BBB	A-2	20%

If any of the investments within the portfolio are subject to a credit rating downgrade such that the portfolio credit percentages are no longer compliant with the Investment Policy, the investment will be divested as soon as practicable.

#### *Counterparty Credit Framework*

Exposure to an individual counterparty/institution will be restricted by its credit rating so that single entity exposure is limited, as detailed in the table below:

S&P Long Term Rating	S&P Short Term Rating	Direct Investment Maximum %
AAA	A-1+	35%
AA	A-1+	35%
A	A-1	2%
BBB	A-2	10%

If any of the investments within the portfolio are subject to a credit rating downgrade, or maturing investments are redeemed, such that counterparty portfolio percentages are no longer compliant with the Investment Policy, the relevant investments will be divested as soon as practicable.

#### *Term to Maturity Framework*

The investment portfolio is to be invested within the following maturity constraints: Investment Type	Term to Maturity
ADI Deposits	≤ 12 months
State/Commonwealth Government Bonds	≤ 3 years

#### **Reporting and Performance Monitoring**

Council will receive a monthly report on the investment portfolio, listing for each investment the institution, amount, term to maturity, maturity date, amount interest rate, and % of total portfolio represented by the individual investment. A summary of the composition of the investment portfolio by credit rating and institution will be also be included.

A benchmarking report of the Town's investment portfolio will be provided as part of the Quarterly Budget Review.

Performance benchmarks will be based on the following table:

Investment Product	Performance Benchmark
Cash	Cash Rate
Enhanced/Direct Investments	UBSWA Bank Bill
Bonds	CPI + appropriate margin over rolling 3 year periods

Council Adoption Date and Resolution No.	<i>23 April 2008</i>
Date of adoption of amendment and Resolution Number <i>Do not delete previous dates</i>	<i>24 June 2009</i> <i>13 July 2011</i> <i>28 May 2014</i>
Relevant Legislation	<i>Local Government (Financial Management) Regulations 1996</i>

**10.5 Office of the CEO**

Nil

**ITEM 11 LATE ITEMS AS PERMITTED BY PRESIDING MEMBER/  
COMMITTEE****11.1 2013/14 Quarterly Budget Review – March 2014**

Clare Phelan, Director Corporate Services  
File No. FIN-014

**DISCLOSURE OF INTEREST BY OFFICER  
Nil****RECOMMENDATION**

That the Audit & Finance Committee recommend that Council:

1. Receive the 2013/14 Quarterly Budget Review for March 2014 including the monthly financials;
2. Adopt the 2013/14 Quarterly Budget Review – March 2014, and amend the 2013/14 Budget as per the Schedule of Budget Variations resulting in an increase in projected unrestricted cash of \$617,092; and
3. Establish Reserve accounts for:
  - a. Unfinished Works and Committed Works Reserve – the purpose of which is to transfer unspent Municipal funded expenditure on specific projects to enable identification of carryover expenditure into the next financial year. This will also smooth fluctuations in the Municipal unrestricted cash balance from one year to the next as a result of projects spanning multiple financial years; and
  - b. Developer Contributions Reserve – the purpose of which is to hold contributions which arise from conditions applied to a Development Application such as cash in lieu for car parking or public open space.

**AFC201314/042 AUDIT AND FINANCE COMMITTEE DECISION**

**MOVED: CR JACOB**

**SECONDED: MR HRAMBANIS**

That the Audit & Finance Committee receive the 2013/14 Quarterly Budget Review for March 2014 including the monthly financials.

***CARRIED 5/0***

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**EXECUTIVE SUMMARY**

This report presents the March Quarterly Budget Review for the 2013/14 budget (including Monthly Financials for March 2014). A number of budget variations are proposed as part of this review, which recognise an improved unrestricted cash position projected to 30 June 2014.

## DETAILED REPORT

The March Quarterly Budget Review (QBR) for the 2013/14 budget includes a number of significant variations.

In discussing proposed amendments in the commentary below, recommended budget variations are categorised as either *Favourable (F)*; *Unfavourable (U)*; or *Contra (C)*. This status relates to their impact on unrestricted cash. As an example, a project that is fully funded by Grants or Reserves would generally be a Contra entry – that is, it will have a nil impact on unrestricted cash as the expenditure is fully supported by specific source funding. The balance of unrestricted cash is a key indicator of the Town's ability to meet its debts and obligations as and when they fall due, and its financial flexibility in responding to opportunities, such as dollar for dollar grants, as and when required.

The Town continues to maintain sufficient levels of Reserves to fund related projects. The Town's projected unrestricted cash position has improved again from the December QBR projected position.

Major variations arising as part of the March QBR include:

### *Municipal Fund*

- Increase in Rates written off in accordance with Council resolution (Non Cash)
- Efficiency dividend achievements \$476k C
- Consolidation of interest on investments revenue account \$539k C
- Defer Civic Centre upgrade to 2014/15 budget \$4,500k C
- Loan repayments for the Civic Centre loan not yet drawn down \$199k F
- Amend North West Festival budgets to recognise expenditure to be incurred in 2014/15 \$500k C
- Continuation of South East Planning (part of Northern Planning Project) to 2014/15 \$240k C
- Reduction in Town Planning Fee revenue \$450k U
- Reduction in Building Regulatory Fee revenue \$150k U
- Increased Planning legal expenses \$177k U
- Continuation of Scheme Review into 2014/15 \$110k C
- Transfer to Developer Contributions for Public Open Space contributions received in 2012/13 \$158k U
- Continuation of Recreation Master Plans project into 2014/15 \$187k C
- Continuation of South Hedland Skate Park project into 2014/15 \$809k C
- Continuation of Wanangkura Stadium Signage project into 2014/15 \$200k C
- Defer JD Hardie building upgrade, as funding not achieved \$1,188k C
- Projected savings in utilities at JD Hardie \$140k
- Increased expenditure on Reticulation repairs, maintenance and operations as significant works are being undertaken to improve the network \$100k
- Deferral of Port Hedland Cemetery Upgrade pending confirmation of funding \$340k C
- Defer Scotty's Café project to 2014/15 budget \$1,500k C
- Savings in Sports and Parks Grounds Maintenance \$100k F
- Deferral of footpath replacement and extension program, incorporated into 2014/15 \$100k F

- Recognise Hamilton Road upgrade project to partly carry into 2014/15 \$927k C
- Savings in roads and drainage maintenance program - reallocation of resources within maintenance programs, particularly to drainage and verges \$152k F
- Reduction in Service Charges revenue \$225k U
- Transfer CLGF Drainage Upgrade works to 2014/15 \$300k C
- Deferral of Pippingarra road upgrades to future budget years, recognising delays due to land tenure issues \$557k F
- Defer Floodwater Pump Refurbishment project to 2014/15 \$300k C
- Deferral of Catamore Court sales and housing construction to 2014/15 \$2,977k C
- Deferral of land acquisition near J D Hardie to 2014/15 \$150k C
- Proceeds from land sale to Main Roads \$175k F
- Increased profit from Private Works \$140k F
- Reduction in anticipated insurance claim reimbursements \$142k U

#### *Waste Fund*

- Increased revenue from Hazardous Waste and Tyre Disposal Fees \$700k F
- Reduction in anticipated revenue from liquid waste \$1,072k
- Recognition of Cyclone Response income and expenditure estimates \$870k C
- Transfer Stage 1 of Rainman project to 2014/15 budget \$200k C
- Transfer Landfill treatment ponds project to 2014/15 budget \$1,335k C
- Increased external plant hire costs due to waste compliance matters and extended breakdowns of internal plant \$480k U

#### *Airport Fund*

- Provide for fee rebate to Virgin Australia for 2009 incentive program as per Council resolution 2008/09/218 \$126k U
- Reduction in Passenger Services revenue \$200k U
- Decrease in lease fee and associated reimbursements \$50k U
- Upgrade of perimeter fence to be undertaken in 2014/15 \$1,500k F
- Resheeting of runway to fall predominantly in 2014/15 \$3,500k F
- Commencement of services upgrades (water and sewer) \$200k U
- Pavement repairs to be undertaken in 2013/14 \$250k U
- Hire Car redevelopment project to be commenced in 2013/14 \$150k U

Note that any variations in either Waste Fund or Airport Fund should be wholly offset by corresponding Transfers to/from Reserves, such that the impact on unrestricted cash is nil. However, for the purposes of reporting movements within that Fund, variations will generally be shown as Favourable (F) or Unfavourable (U).

A complete listing of proposed budget variations, together with Management comments is included in the attachments to this report.

It is also recommended that two new Reserve Accounts be created which will facilitate the appropriate accounting treatment for restricted cash, such as Developer Contributions, as well.

1. Unfinished Works and Committed Works Reserve – the purpose of which is to transfer unspent Municipal funded expenditure on specific projects to enable identification of carryover expenditure into the next financial year. This will also smooth fluctuations in the Municipal unrestricted cash balance from one year to the next as a result of projects spanning multiple financial years
2. Developer Contributions Reserve – the purpose of which is to hold contributions which arise from conditions applied to a Development Application such as cash in lieu for car parking or public open space.

## FINANCIAL IMPLICATIONS

The variations recommended to the Audit & Finance Committee as part of this budget review will result in an overall improvement of \$643k to projected unrestricted cash at 30 June 2014.

It is pleasing to report that the Town has now achieved 100% of the targeted Efficiency Dividend of \$1.93 million, primarily through savings in corporate overheads such as changes to staffing structures, and reduction in consultancy expenditure.

A complete list of proposed budget variations is included in the attachment to this report.

The Town finished the 2012/13 year with unrestricted cash of \$624k - a substantial variation from the projected budget result of positive \$3,263k. Council's projected year end result for 2013/14 of \$0 movement in unrestricted cash, was reliant on that estimated carry forward surplus, together with an efficiency dividend of \$1,930k. Not achieving actual results reflective of the projected position has placed enormous pressure on the 2013/14 financial year, and has required significant and substantial action on the part of Management to ensure the organisation is in the best possible position for closing out the current financial year. A summary of the budget position is set out below:

Budgeted Movement in Unrestricted Cash	Amount \$'000	Impact
Original Budget	-	Nil
Less: Estimated Carry Forward Surplus at 1 July 2013	- 3,263	
Minuted Council Resolutions	- 160	Deterioration
Carry Forward Works	- 702	Deterioration
Quarterly Budget Reporting – September	951	Improvement
Quarterly Budget Reporting – December	3,782	Improvement
Quarterly Budget Reporting – March	617	Improvement
<b>Estimated Movement to 30 June 2014</b>	<b>1,225</b>	<b>Improvement</b>
Opening Unrestricted Cash 1 July 2013	- 624	Deficit
<b>Estimated Unrestricted Cash at 30 June 2014</b>	<b>601</b>	<b>Surplus</b>

Ignoring movements in Trade Creditors and Trade Debtors, the Town's budget following the March QBR projects an end of year closing balance of \$601k unrestricted cash. However, movements in other current assets and liabilities accounts at end of year report date will influence the end of year unrestricted cash balance.



It is important to note that the Schedule of Budget Variations does not include a provision for claims made by the YMCA in relation to their management of the Town's recreational facilities. This claim seeks a significant increase in financial support from the Town relating to start-up and ongoing running costs of the contracted facilities. This matter will be the subject of a separate report to Council, scheduled for the June Ordinary Council Meeting. However, the favourable results of this QBR place the Town in a better position to manage any such claim.

### STATUTORY AND POLICY IMPLICATIONS

The Town undertakes regular budget reviews as part of its delivery of high quality corporate governance, accountability and compliance. The Town's goals and actions in this regard are set out in the Local Leadership section of the Strategic Community Plan.

Section 33A of the *Local Government (Financial Management) Regulations 1996* requires that Council carry out a mid-year review of its annual budget, with a copy of the review and the associated Council resolution to be provided to the Department of Local Government. The Town currently exceeds the minimum statutory requirements by undertaking budget reviews on a quarterly basis rather than half yearly.

The Town has a current resolution arising out of the adoption of the 2013/14 budget, requiring that only material budget variations be reported through to Council. Materiality being established at the lesser of 10% of the amended Function budget or \$100,000 for each of the categories of Operating Revenue; Operating Expenditure; Non-Operating Revenue; and Non-Operating Expenditure. As part of this review, Officers have continued to present all proposed budget variations, together with Management comment on the variation.

Section 34 of the *Local Government (Financial Management) Regulations 1996* also requires the Town to present a suite of monthly financial reports. Where the month-end coincides with a quarter-end (September, December, March, June), the monthly financials will be incorporated into the Quarterly Budget Review document. Note, however, that the monthly financial reports are presented *exclusive* of proposed budget variations.

The list of accounts paid under delegated authority (Attachment 2), which is a requirement of the Regulations, is presented under confidential cover as payment details may relate to the personal, commercial or financial affairs of an employee, any person or business.

### ATTACHMENTS

1. 2013/14 Quarterly Budget Review March 2014 including Monthly Financials (Under Separate Cover)
2. Summary of Accounts Paid March 2014 (Under Separate Cover)
3. Confidential - Accounts paid under delegated authority March 2014 (Under Separate Cover)

16 May 2014

**ITEM 12 MOTIONS OF WHICH PREVIOUS NOTICE HAS BEEN GIVEN**

Nil

**ITEM 13 CONFIDENTIAL ITEMS**

Nil

**ITEM 14 APPLICATIONS FOR LEAVE OF ABSENCE****AFC201314/043 AUDIT AND FINANCE COMMITTEE DECISION****MOVED: MAYOR HOWLETT****SECONDED: MR HRAMBANIS**

That the Audit & Finance Committee approve the following applications for leave of absence:

- Cr Jacob from 9 August 2014 to 11 August 2014.

***CARRIED 5/0***

**ITEM 15 CLOSURE****15.1 Date of Next Meeting**

The next Audit and Finance Committee Meeting of Council will be held on Wednesday 20 August 2014 at 12:00pm.

**15.2 Closure**

There being no further business, the Deputy Presiding Member declared the meeting closed at 1:02pm.