



TOWN OF PORT HEDLAND

MINUTES ORDINARY COUNCIL MEETING

WEDNESDAY 28 MAY 2014 AT 5:30PM

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

DISCLAIMER

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

Any person or legal entity that acts or fails to act in reliance upon any statement, act or omission occurring in a Council Meeting does so at their own risk. The Town of Port Hedland advises that any person or legal entity should only rely on formal confirmation or notification of Council resolutions.

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

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

ITEM 1	OPENING OF MEETING	6
ITEM 2	RECORDING OF ATTENDANCE AND APOLOGIES	6
2.1	Attendance	6
2.2	Apologies.....	6
2.3	Approved Leave of Absence.....	6
ITEM 3	RESPONSE TO PREVIOUS QUESTIONS TAKEN ON NOTICE	6
3.1	Questions from Public at Ordinary Council Meeting held on Wednesday 30 April 2014	6
3.2	Questions from Elected Members at Ordinary Council Meeting held on Wednesday 30 April 2014.....	6
3.2.1	Councillor Gillingham.....	7
ITEM 4	PUBLIC TIME	7
4.1	Public Question Time.....	7
4.2	Public Statement Time.....	7
ITEM 5	QUESTIONS FROM MEMBERS WITHOUT NOTICE	7
5.1	Councillor Daccache	7
ITEM 6	DECLARATION BY MEMBERS TO HAVE GIVEN DUE CONSIDERATION TO ALL MATTERS CONTAINED IN THE BUSINESS PAPER PRESENTED BEFORE THE MEETING	8
ITEM 7	CONFIRMATION OF MINUTES OF MPREVIOUS MEETING	8
7.1	Confirmation of Minutes of Ordinary Meeting of Council held on Wednesday 30 April 2014	8
ITEM 8	ANNOUNCEMENTS BY PRESIDING MEMBER WITHOUT DISCUSSION	8
ITEM 9	REPORTS BY ELECTED MEMBERS WITHOUT DISCUSSION	11
9.1	Councillor Jacob.....	11
9.2	Councillor Daccache	11
9.3	Councillor Hooper.....	11
9.4	Councillor Hunt.....	11
9.5	Councillor Butson	11
9.6	Councillor Melville	11
ITEM 10	PETITIONS/ DEPUTATIONS/ PRESENTATIONS/ SUBMISSIONS	12
ITEM 11	REPORTS OF OFFICERS	13
11.1	Planning and Development Services	13
11.1.1	Delegated Planning, Building & Environmental Health Approvals and Orders for April 2014	13
11.1.2	Consideration of Public Comments – Major Land Transaction with MAC Services Group Pty Ltd (Pretty Pool Mixed Use Caravan Park)	22

11.1.3	Proposed Memorandum of Understanding – Management of Community/Business Rooms at the Port Haven Facility.....	39
11.2	Engineering Services.....	46
11.2.1	Kingsford Smith Business Park – Progress Report	48
11.2.2	Main Roads Western Australia, Acquisition of Portion of Lot 2443, Great Northern Highway	53
11.2.3	Polar Aviation Lease and Landing Fees.....	57
11.2.4	Award of Request for Tender 14-01 Cleaning of Town of Port Hedland Facilities (Various)	63
11.2.5	Construction of the South Hedland Youth Space and Skate Park Facility – Procurement Process	67
11.2.6	Port Hedland International Airport Electrical Upgrade –Budget Modifications	71
11.3	Community Development	87
11.3.1	Gratwick Aquatic Centre Gym Community Consultation - YMCA	87
11.3.2	Endorsement of Community Facilities Bond Matrixes	101
11.3.3	Tender 14/07 Port Hedland Community Planning (Open Space and Infrastructure) Master Plan (A plan for Community Open Space and Associated Infrastructure through to 2024).....	112
11.4	Corporate Services.....	120
11.4.1	Draft Budget 2014/15 – 2017/18	120
11.5	Office of the CEO	123
11.5.1	2014 WA Local Government Convention and Trade Exhibition and Australian Local Government Association (WA) AGM	123
11.5.2	Elected Member Resignation	127
11.5.3	Audit & Finance Committee Membership	131
ITEM 12	LATE ITEMS AS PERMITTED BY PRESIDING MEMBER/ COUNCIL.....	133
12.1	Port Hedland International Airport Terminal Renovations Contract Variation ...	133
12.2	South Hedland Town Centre Road Modifications	139
12.3	2013/14 Quarterly Budget Review – March 2014	140
12.4	Policy Review – Investment Policy	145
12.5	Port Hedland International Airport – Security Service Provider and Screening Equipment.....	156
ITEM 13	REPORTS OF COMMITTEES	160
ITEM 14	MOTIONS OF WHICH PREVIOUS NOTICE HAS BEEN GIVEN.....	160
ITEM 15	CONFIDENTIAL ITEMS.....	160
15.1	Chief Executive Officer Performance Appraisal	160
ITEM 16	APPLICATIONS FOR LEAVE OF ABSENCE	164
ITEM 17	CLOSURE.....	164
17.1	Date of Next Meeting.....	164

17.2 Closure..... 164

ITEM 1 OPENING OF MEETING

The Mayor declared the meeting open at 5:32pm 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 George Daccache
Councillor David Hooper
Councillor Julie Hunt
Councillor Lorraine Butson
Councillor Troy Melville

Officers

Clare Phelan	Director Corporate Services
Russell Dyer	Director Engineering Services
Eber Butron	Director Planning & Development
Eddie Piper	Acting Director Community Development
Brett Reiss	Program Director Airport Redevelopment
Grace Waugh	Minutes Taker/ Governance Officer

2.2 Apologies

Councillor Penny Taylor

2.3 Approved Leave of Absence

Councillor Jan Gillingham

ITEM 3 RESPONSE TO PREVIOUS QUESTIONS TAKEN ON NOTICE**3.1 Questions from Public at Ordinary Council Meeting held on Wednesday 30 April 2014**

Nil

3.2 Questions from Elected Members at Ordinary Council Meeting held on Wednesday 30 April 2014

3.2.1 Councillor Gillingham

Can an update on the watering of the median strips in the West End be provided?

Director Engineering Services advised that the Town of Port Hedland Depot has audited the landscaping and identified several complicated faults in the irrigation system. Repairs and planting replacement is being scheduled.

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."

Mayor opened Public Question Time at 5:34pm.

4.1 Public Question Time

Nil

Mayor closed Public Question Time at 5:34pm.

Mayor opened Public Statement Time at 5:34pm.

4.2 Public Statement Time

Nil

Mayor closed Public Statement Time at 5:35pm.

ITEM 5 QUESTIONS FROM MEMBERS WITHOUT NOTICE

5.1 Councillor Daccache

Why are the palm trees on Wilson Street dying?

Director Engineering Services advised that there have been problems with the irrigation however this question will be taken on notice.

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 Hunt
Councillor Jacob	Councillor Butson
Councillor Daccache	Councillor Melville
Councillor Hooper	

ITEM 7 CONFIRMATION OF MINUTES OF MPREVIOUS MEETING

7.1 Confirmation of Minutes of Ordinary Meeting of Council held on Wednesday 30 April 2014

201314/320 RECOMMENDATION/ COUNCIL DECISION

MOVED: CR HUNT

SECONDED: CR JACOB

That Council confirm that the Minutes of the Ordinary Meeting of Council held on Wednesday 30 April 2014 are a true and correct record.

CARRIED 7/0

ITEM 8 ANNOUNCEMENTS BY PRESIDING MEMBER WITHOUT DISCUSSION

Mayor Activity Report for the April/May 2014 period to date is as follows:

April 2014

Tuesday, 1st April

- Weekly Chat Spirit Radio (1026am)
- Attended Town of Port Hedland South Hedland CBD Forum
- Weekly TOPH/North West Telegraph Catch Up

Wednesday, 2nd April

- Attended Port Hedland International Airport Tour
- Attended Airport Redevelopment Strategy Working Session
- Attended TOPH Airport Committee Agenda Briefing Session
- Attended TOPH Airport Committee Meeting
- Participated Pilbara JDAP Meeting
- Attended TOPH Elected Member and Executive Meetings
- Attended Pilbara Development Commission Sundowner

Thursday, 3rd April

- Meeting With Port Hedland Chamber of Commerce (PHCCI) CEO & President
- Meeting With Local Resident Mark Foster Re Neighbourhood Watch and Youth Issues
- Attended Meeting Local Law On Standing Orders Review
- Reception Event Arnold Carter & Bill Dziombak

Friday, 4th April

- Visit To Len Taplin Centre Re: Waste Management & Judging Poster Competition

Monday, 7th April

- Weekly CEO, Deputy Mayor and Mayor Catch Up
- Meeting Re: Finbarr Development
- Meeting Re: Port Hedland Spoilbank Marina
- Attended Pilbara Region Council Meeting
- Attended Launch & Speech 2014 North West Festival

Tuesday, 8th April

- Meeting With Sunset Events
- Weekly Chat Spirit Radio (1026am)
- Meeting With Aspen Parks
- Meet & Greet Laura Morris – Editor Of North West Telegraph
- Attended April Australia China Business Council – Pilbara Committee Meeting
- Attended Meeting Tourism WA

Wednesday, 9th April

- Attended TOPH Elected Member & Executive Meetings
- Attended TOPH Community Conversations Event (Results Community Perceptions Survey)
- Farewell Director Community Development

Thursday, 10th April

- Radio Interview ABC NW Radio (603am) Re: Illegal Camping
- Participated In The TOPH Submission As A Part Of The Public Hearings Northern Australian Taskforce
- Meeting Re: Northern Development Summit Planning

Friday, 11th April

- Attended Baler Primary School ANZAC Service
- Meeting Mission Australia (Peta Nordberg and Tim Turner)
- Attended Hedland Women Of Influence Luncheon

Monday, 14th April

- Attended and Speech Hedland Foster Carers Appreciation Dinner Event

Tuesday, 15th April

- Weekly Chat Spirit Radio (1026am)
- Presentation To Australian Defence College
- Weekly TOPH/North West Telegraph Catch Up

Wednesday, 16th April

- Meeting With Tourism WA
- Chair April OCM Public Agenda Briefing Session

Tuesday, 22nd April

- Weekly Chat Spirit Radio (1026am)
- Weekly TOPH/North West Telegraph Catch Up

Friday, 25th April

- Attended & Wreath ANZAC Dawn Service
- Attended Gunfire Breakfast Event At Port Hedland Yacht Club

Monday, 28th April

- Weekly CEO, Deputy Mayor and Mayor Catch Up
- Chair TOPH Multi Agency Taskforce: Children At Risk/Youth On The Streets

Tuesday, 29th April

- Weekly Chat Spirit Radio (1026am)
- Weekly TOPH/North West Telegraph Catch Up
- Attended Rose Nowers Early Learning Centre Board Meeting

Wednesday, 30th April

- Attended South Hedland Business Association Breakfast
- Attended Hedland Senior High School ANZAC Service
- Attended ToxFree Wedgefield Facility Site Tour
- Attended & Speech IBN Retirement Development Soil Turning Event
- Attended TOPH Elected Member & Executive Meetings
- Chair OCM April

May 2014

Thursday, 1st May

- Pre-Record ABC NW Radio (603am) Re: April OCM
- Meeting Re: Foundation Housing CEO Kathleen Gregory & General Manager Kerryn Edwards

Friday, 2nd May

- Volunteered At The Slam At JD Hardie Youth Zone

Monday, 5th May

- Catch Up Meeting CEO PHCCI

Tuesday, 6th May

- Weekly Chat Spirit Radio (1026am)
- Weekly TOPH/North West Telegraph Catch Up

ITEM 9 REPORTS BY ELECTED MEMBERS WITHOUT DISCUSSION**9.1 Councillor Jacob**

Councillor Jacob attended the Regional Airport Development Conference in Brisbane where the Town of Port Hedland Program Director Airport Redevelopment, Brett Reiss, gave a great presentation. The Port Hedland International Airport is among the highest performing airports in Australia and is tracking well in regards to best practice implementation. There have been discussions with Newman and Karratha to investigate inter-regional routes between the airports which will be discussed further through the Pilbara Airport Group. Councillor Jacob has attended several meetings with Virgin and Garuda in relation to international route opportunities and the progress of the airport redevelopment program. Councillor Jacob believes the Port Hedland International Airport master planning, program development and efficiency has come a long way since the Program Director Airport Redevelopment commenced. Councillor Jacob attended the Regional Development Australia Pilbara meeting held in Perth with all levels of government in attendance.

9.2 Councillor Daccache

Councillor Daccache attended the Pilbara Kimberly Joint Forum in Jakarta and will be sending his report through to Elected Members by the end of the week. He also attended the North West Festival launch and the Wallwork Road Bridge opening. Councillor Daccache attended an Australian Citizenship Ceremony on Monday where 17 people became citizens.

9.3 Councillor Hooper

Councillor Hooper attended the North West Festival launch which was a fantastic event. He also attended the Wallwork Road Bridge opening and the Osprey Village launch on the weekend. Councillor Hooper has received great feedback from the community about the Osprey Village.

9.4 Councillor Hunt

Councillor Hunt attended the bi-monthly retirement village board meeting and advised that the underground sewerage has now been completed. The board is now investigating upgrading the toilet and kitchen facilities. Councillor Hunt attended the National Simultaneous Story time 2014 where she read 'Too many Elephants in this House'.

9.5 Councillor Butson

Councillor Butson attended the North West Festival launch.

9.6 Councillor Melville

Councillor Melville attended the North West Festival launch which was a great night.

ITEM 10 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 11 REPORTS OF OFFICERS**11.1 Planning and Development Services****11.1.1 Delegated Planning, Building & Environmental Health Approvals and Orders for April 2014**

Carly Thompson, Executive Assistant, Planning & Development
File No 18/07/0002 & 07/02/0003

DISCLOSURE OF INTEREST BY OFFICER

Nil

201314/321 RECOMMENDATION/ COUNCIL DECISION

MOVED: CR JACOB

SECONDED: CR HUNT

That Council receive the Schedule of Planning and Building approvals, Environmental Health orders issued by Delegated Authority and the listing of current actions for the month of April be received.

CARRIED 7/0

EXECUTIVE SUMMARY

This item relates to the Planning and Building approvals and Environmental Health Orders considered under Delegated Authority for the month of April 2014.

DETAILED REPORT

A listing of Planning, Building and Environmental Health approvals and Orders issued by Council's Planning, Building and Environmental Health Services under Delegated Authority for the month of April 2014 are attached to this report. Further to Council's request a listing of current legal actions is also attached to this report.

FINANCIAL IMPLICATIONS

Nil

STATUTORY AND POLICY IMPLICATIONS

Town of Port Hedland Delegation Register outlines the limitations of delegated authority and requires a list of approvals made under it to be provided to Council. This report is prepared to ensure Council is advised of the details of applications which have been dealt with under delegated authority.

ATTACHMENTS

1. Statistics for Planning, Building and Environmental Health April 2014
08 May 2014

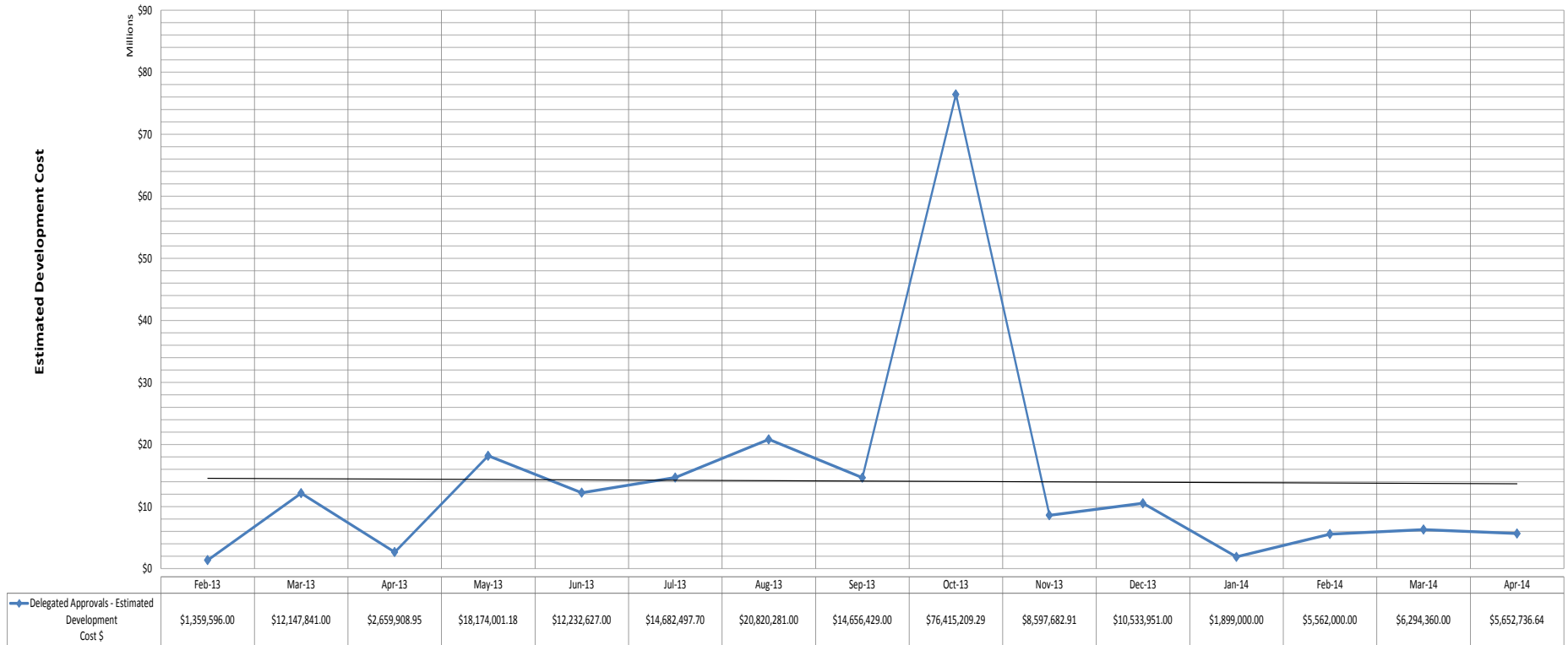
ATTACHMENT 1 TO ITEM 11.1.1

DELEGATED PLANNING APPROVALS FOR APRIL 2014

APPLICATION NO.	DESCRIPTION	LOT	PROPERTY ADDRESS	DATE APPROVED	APPLICANTS NAME	DEVELOPMENT VALUE
2014/91	INDUSTRY LIGHT - SIGNAGE	113	L113 OXIDE WAY WEDGEFIELD 6722	02/04/2014	LEND LEASE INFRASTRUCTURE SERVICES	\$ 750.00
2014/64	INDUSTRY LIGHT - WORKSHOP AND ANCILLARY OFFICE	1023	18 PINNACLES STREET WEDGEFIELD 6724	08/04/2014	DEEP RIVER CONSTRUCTION	\$ 475,000.00
2014/84	TRANSPORT DEPOT - WASHDOWN BAY	308	29 PHOSPHORUS STREET WEDGEFIELD 6721	08/04/2014	T & Z ARCHITECTS	\$ 250,803.00
2014/48	MIXED USE - EXTENSION TO PLACE OF PUBLIC MEETING, ASSEMBLY OR WORSHIP (CHURCH) AND ADDITIONAL RECREATION - PRIVATE	2451	1A PEDLAR STREET SOUTH HEDLAND 6722	09/04/2014	ALWAYS DESIGN PTY LTD	\$ 800,000.00
2014/83	TWO (2) GROUPED DWELLINGS (ONE EXISTING)	499	31 BRODIE CRESCENT SOUTH HEDLAND 6722	10/04/2014	PIVOT WAY PTY LTD	\$ 420,883.64
2014/82	WAREHOUSE AND ANCILLARY OFFICE	102	31 PINNACLES STREET WEDGEFIELD 6722	11/04/2014	DELSTRAT PTY LTD	\$ 400,000.00
2014/51	CHANGE OF USE TO 'MOTOR VEHICLE AND/OR MARINE REPAIR' AND 'MOTOR VEHICLE AND/OR MARINE SALES OR HIRE' AND OFFICE	7	3 LEEHEY STREET WEDGEFIELD 6724	14/04/2014	RPS	\$ -
2014/65	SINGLE HOUSE	2398	41 BRODIE CRESCENT SOUTH HEDLAND 6722	15/04/2014	DCPM HOLDINGS PTY LTD	\$ 675,000.00
2014/100	NON CONFORMING USE - TRANSPORT DEPOT - OFFICE AND INCIDENTAL SHED COVER	1035	8 MURRENA STREET WEDGEFIELD 6724	16/04/2014	LPG PORT HEDLAND PTY LTD	\$ 35,000.00
2014/98	SINGLE HOUSE	5234	LOT 5234 TWELVE MILE CREEK ROAD PIPPINGARRA 6722	24/04/2014	ALWAYS DESIGN PTY LTD	\$ 50,000.00
2014/71	SIX (6) MULTIPLE DWELLINGS	771	52 SUTHERLAND STREET PORT HEDLAND 6721	28/04/2014	WILLCOX ARCHITECTS	\$ 2,200,000.00
2014/103	SINGLE HOUSE	2	UNIT A 26 BAYMAN STREET PORT HEDLAND 6721	29/04/2014	WINFIELD CONSTRUCTIONS PTY LTD	\$ 345,300.00

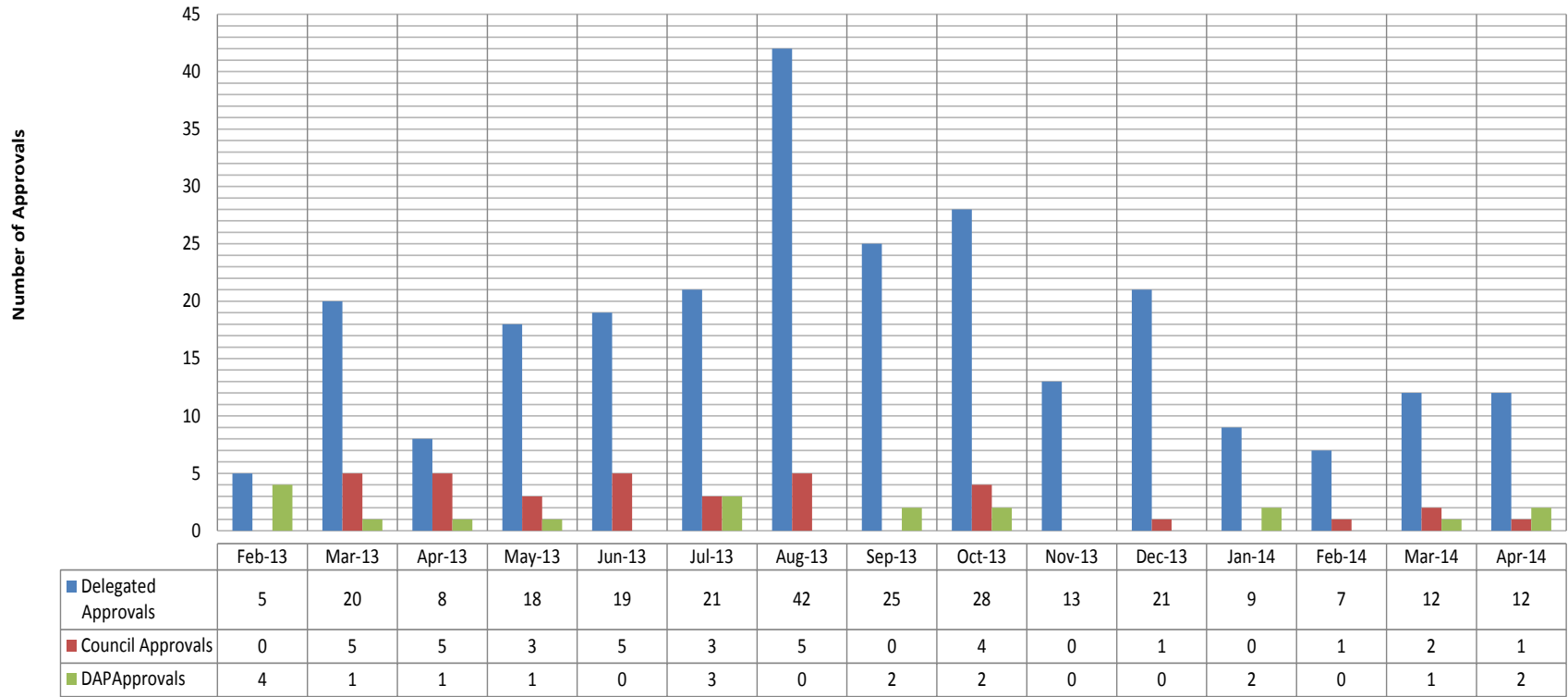
DELEGATED PLANNING APPROVALS FOR APRIL 2014

Summary & Trendline of
Town Planning Delegated Approvals
Estimated Development Costs



COUNCIL, DELEGATED & DAP PLANNING APPROVALS FOR APRIL 2014

Summary & Trendline of
Town Planning Council, Delegated & DAP Approvals



DELEGATED BUILDING APPROVALS FOR APRIL 2014

BUILDING PERMITS								
Permit Number	Decision Date	Property Address	Locality	Applicant	Description of Work	Estimated Construction Value (\$)	Floor area square metres	Building Classification
14-089	11.04.2014	43 BRODIE CRESCENT	SOUTH HEDLAND 6722	Chris Lightbody	Retrospective Carport Store & Patio	\$ 55,000.00	87	10a
14-090	11.04.2014	43 BRODIE CRESCENT	SOUTH HEDLAND 6722	Chris Lightbody	Retrospective Carport Store & Patio	\$ 55,000.00	87	10a
14-086	14.04.2014	LOT 202 PIPPINGARRA ROAD	PIPPINGARRA 6722	Crushing Services International Pty Ltd	Veranda roofs attached to accommodation	\$ 110,945.00	295	10a
14-111	16.04.2014	88 BOTTLEBRUSH CRESCENT	SOUTH HEDLAND 6722	Philip Emrys Wall	Carport & Alfresco	\$ 18,750.00	69	10a
14-116	28.04.2014	6 COUNCILLOR ROAD	BOODARIE 6722	West Steel Sheds WA PTY LTD	Enclosed Shed and Concrete Slab	\$ 151,500.00	324	10a
14-085	10.04.2014	7 CRAIG STREET	PORT HEDLAND 6721	RPS Planning	Retrospective Gazebo (Bali Hut)	\$ 8,000.00	49	10a & 10b
14-087	07.04.2014	100 SUTHERLAND STREET	PORT HEDLAND 6721	Mordam Pty Ltd (Reve Pool & Spas)	Below Ground Swimming Pool	\$ 32,000.00	32	10b
14-072	11.04.2014	L1693 PARKER STREET	SOUTH HEDLAND 6722	Georgious Building Pty Ltd	Additional Retaining Walls	\$ 330,000.00	0	10b
14-110	16.04.2014	Lot 2 GREAT NORTHERN HIGHWAY	PIPPINGARRA 6722	Mark Dyson	1 x Below Ground Swimming Pool	\$ 308,000.00	250	10b
14-113	23.04.2014	32 SPOONBILL CRESCENT	SOUTH HEDLAND 6722	Reve Pools & Spas	Below Ground Swimming Pool	\$ 15,010.00	18	10b
14-060	15.04.2014	Lot 3169 GODRICK PLACE	SOUTH HEDLAND 6722	Jonas Bell - GHD	12x Residential Dwellings And 24 x Carport	\$ 6,874,301.00	2154.58	1a
14-061	17.04.2014	Unit 1, 60A ACACIA WAY	SOUTH HEDLAND 6722	Jonas Bell	16 x Residential Units	\$ 8,890,157.00	2484.093	1a
14-094	11.04.2014	31 BRODIE CRESCENT	SOUTH HEDLAND 6722	Pivot Way Pty Ltd T/A McGrath Homes	New Dwelling with Patio Carport Store	\$ 462,972.00	156	1a, 10a & 10b
14-101	04.04.2014	10 HEDDITCH STREET	SOUTH HEDLAND 6722	Kinetic Health Ltd	Fitout (Medical Centre)	\$ 1,700,000.00	475	5
14-108	11.04.2014	Lot 2524 GREAT NORTHERN HIGHWAY	PORT HEDLAND 6721	Ascention Mining Solutions	Transportable Office	\$ 110,000.00	72	5
14-107	08.04.2014	17 MANGANESE STREET	WEDGEFIELD 6721	Karratha Contracting	Warehouse with Mezzanine level	\$ 3,993,440.00	2630	5 & 7b
14-100	04.04.2014	L1301 PORT AUTHORITY PRECINCT	PORT HEDLAND 6721	MODUS Compliance	Forward Works only comprising footings	\$ 8,200,000.00	2389	5,7b, 8, 10a
14-097	04.04.2014	76 THE ESPLANADE	PORT HEDLAND 6721	Kieran Hunt - Resolve Group	Restaurant Cafe (Dome)	\$ 2,800,000.00	812	6,5,10a & 10b
14-105	09.04.2014	203 GREAT NORTHERN HIGHWAY	BOODARIE 6722	MODUS Compliance	Forward works comprising of footings slab	\$ 15,569,405.00	8916	N/A
Total		19				\$ 49,684,480.00		

TOWN OF PORT HEDLAND CERTIFICATION

Certificate Type	Number Issued
Certificate of Design Compliance	0
Certificate of Construction Compliance	1
Certificate Building Compliance	4
TOTAL	5

STRATA APPLICATIONS FOR APRIL 2014

STRATA APPLICATIONS						
Permit Number	Decision Date	Property Address	Locality	Applicant	Description of Work	Estimated
						Construction
						Value (\$)
14-099	02.04.2014	24 BAYMAN STREET	PORT HEDLAND 6721	MAKJaP Pty Ltd	STRATA of 2 x Residential Units	N/A
14-106	08.04.2014	64 MORGANS STREET	PORT HEDLAND 6721	McMullen Nolan Group	4 x Grouped Dwellings (STRATA)	N/A
14-067	17.04.2014	Unit 1, 60A ACACIA WAY	SOUTH HEDLAND 6722	GHD Pty Ltd	STRATA -16 x Dwellings	N/A
14-098	28.04.2014	31 PEDLAR STREET	SOUTH HEDLAND 6722	Pilbara Design and Build Pty Ltd	Strata - 2 x Grouped Dwelling	N/A
14-104	07.04.2014	4 CLAM COURT	SOUTH HEDLAND 6722	McMullen Nolan Group Pty Ltd	60 Units - STRATA	N/A
Total	5					N/A

OCCUPANCY PERMIT FOR APRIL 2014

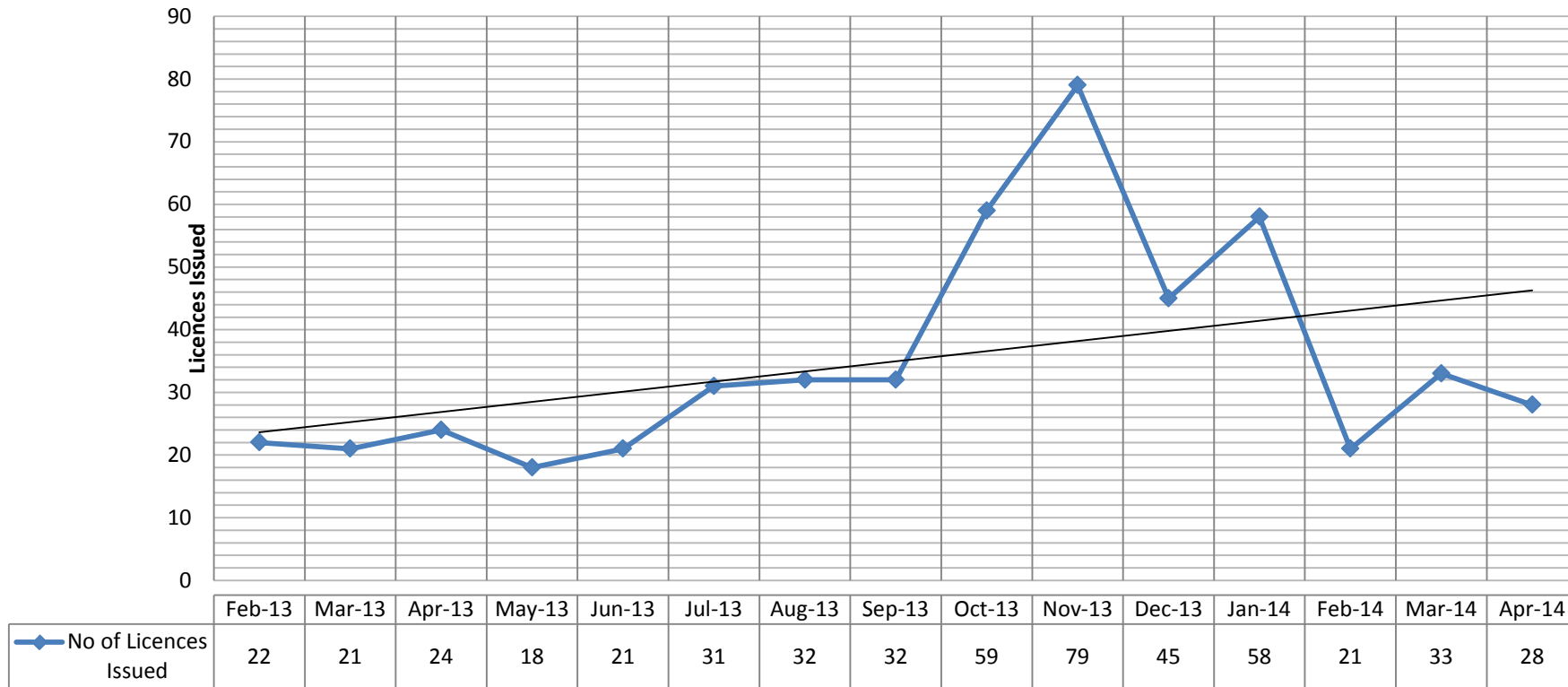
OCCUPANCY PERMIT			
Permit Number	Decision Date	Property Address	Description of Work
13-402	04/04/2014	L45/219 Mining Tenement	Poondano Camp
13-161	08/04/2014	2 McKay Street	21 Apartments (stage 2)
Total	2		

OVERVIEW SUMMARY FOR APRIL 2014

SUMMARY				
No of Permits	Permit Type	Estimated Construction Value	Floor Area in square metres	Average cost per square metre
2	Demolitions	\$75,500	336	\$224.70
3	Dwellings	\$16,227,430	4,795	\$3,384.47
6	Class 10a	\$399,195	911	\$438.19
4	Class 10b	\$685,010	300	\$2,283.37
6	Commercial	\$32,372,845	15,294	\$2,116.70
7	Strata - Occupancy	N/A	N/A	N/A
28		\$49,759,980	21,636	

BUILDING APPROVALS FOR APRIL 2014

Summary & Trendline for Building Licence Approvals



BUILDING APPROVALS FOR APRIL 2014

**Summary & Trendline of
Estimated Construction Value of Building Licences Issued**



CURRENT LEGAL MATTERS FOR APRIL 2014

CURRENT LEGAL MATTERS				
File No.	Address	Issue	Current Status	Officer
118711G	Lot 1675 (1690) Harwell Way, Wedgefield	Non-compliance with planning conditions	Case adjourned until 31/10/2013 to allow for sealing of the properties to occur. - Adjourned until March 2014. - Adjourned until July 2014.	BM
117650G	Lot 2505 # 7 Moorambine Street, Wedgefield	Unauthorised Residential Structures	Handed over to the attorney. - 1st Hearing set for Friday 2nd August 2013. - Adjourned until 30th August 2013. - Adjourned until 18th October 2013. - Sentencing scheduled for 22nd November 2013. - Adjourned until 20th Feb 2014. - Sentencing scheduled for the 9th April 2014. - Adjourned until 9th May 2014.	BM

CURRENT HEALTH ORDERS AS OF APRIL 2014

Current Health Orders under Delegated Authority by Environmental Health Services				
File No.	Address	Issue	Current Status	
803367G	Lot 2052 McGregor St Port Hedland	Metal frame spectator/grand stand seating erected on a trailer chassis.	~ Health order placed on temporary spectator stand ~ No public building application recieved by Town of Port Hedland, as such no approval has been granted for use as a temporary spectator stand ~ Town has notified Turf Club of issue	

11.1.2 Consideration of Public Comments – Major Land Transaction with MAC Services Group Pty Ltd (Pretty Pool Mixed Use Caravan Park)

David J. Westbury, Manager Economic Development and Strategy
File No. 05/05/0023

DISCLOSURE OF INTEREST BY OFFICER

Nil

RECOMMENDATION

That Council:

- 1. Acknowledge the public submissions received from the community and stakeholders regarding the proposed lease and development of a mixed use caravan park on part reserve 29044, Lot 300 on Deposited Plan 53035 for a term of 21 years with the Mac Services Group Pty Ltd and request the Chief Executive Officer, or his delegate, to write to them advising of Councils decision;**
- 2. Resolve not to proceed with the Business Plan to enter into a major land transaction with the Mac Services Group Pty Ltd for the lease and development of a mixed use caravan park on part reserve 29044, Lot 300 on Deposited Plan 53035 for a term of 21 years; and**
- 3. Request the Chief Executive Officer, or his delegate(s), to undertake further investigations over part Reserve 29044 and develop alternative concepts and development proposals to facilitate delivery of a tourist park consistent with the Town and community expectations.**

201314/322 COUNCIL DECISION

MOVED: CR HOOPER

SECONDED: CR JACOB

That Council:

- 1. Acknowledge the public submissions received from the community and stakeholders regarding the proposed lease and development of a mixed use caravan park on part reserve 29044, Lot 300 on Deposited Plan 53035 for a term of 21 years with the Mac Services Group Pty Ltd and request the Chief Executive Officer, or his delegate, to write to them advising of Councils decision;**
- 2. Resolve not to proceed with the Business Plan to enter into a major land transaction with the Mac Services Group Pty Ltd for the lease and development of a mixed use caravan park on part reserve 29044, Lot 300 on Deposited Plan 53035 for a term of 21 years; and**

3. **Request the Chief Executive Officer, or his delegate(s), to undertake further investigations over part Reserve 29044 and develop alternative concepts and development proposals to facilitate delivery of a tourist park and/or retirement/lifestyle village consistent with the Town and community expectations.**

CARRIED 7/0

EXECUTIVE SUMMARY

At the Special Meeting held on 8 May 2013 Elected Members approved the preparation and publication of a business plan in accordance with Section 3.58 and 3.59 of the Local Government Act 1995, outlining the terms of the proposed transaction between for the Mac Services Group Pty Ltd (the Mac) for the lease and development of a mixed use caravan park on reserve 29044, Lot 300 on Deposited Plan 53035 for a term of 21 years. This item collates public comments received as a result of the public advertising of the business plan.

DETAILED REPORT

On 1 January 1991 the Department of Regional Development and Lands vested 6.84 Hectares of land located in Pretty Pool to the Town for the purposes of a "Caravan Park". This provides the Town with the ability to develop or have developed a caravan park to be leased for a period not to exceed 21 years.

At its Ordinary Meeting of 8 August 2012, Council approved a Request for Proposal (RFP) process to seek a commercial arrangement for the lease and development of caravan and short stay accommodation over part Reserve 29044 accessed of Styles Road, Port Hedland. The RFP for the development was based on The Town's objective to have certainty of caravan and tourism facilities for short stay visitors. The RFP encouraged private operators to provide a mixed accommodation facility, where a vibrant and viable village-style development has dedicated caravan sites and facilities within a larger temporary accommodation park.

The Town received two responses to the RFP and resolved on 23 January 2013 to request that both respondents amend their proposals to better reflect the development goals of the Town.

That resolution was predicated on the basis that Council accept that this development would be a holiday park that would provide a mix of accommodation types including an element of motel style rooms.

On 8 May 2013 Council resolved to appoint the MAC Services Group Pty Ltd ("The MAC") as the preferred developer. The proposal entailed the development of 5.5 Hectares on "C" class part reserve 29044, which is vested in the Town of Port Hedland, with the power to lease for up to 21 years for "Caravan Park" purposes. Any lease will require the approval of the Minister for Regional Development and shall not exceed 21 years.

At the Special Meeting held on 8 May 2013 Elected Members also approved the preparation and publication of a business plan in accordance with Section 3.58 and 3.59 of the Local Government Act 1995, outlining the terms of the proposed transaction.

On the 27 November 2013 at the Ordinary Council Meeting, in order to accurately reflect the nature of the proposal on The Town of Port Hedland Council approved amending the purpose of part Reserve 29044 being Lot 300 on Deposited Plan 53035, Lot 5822 on Deposited Plan 189904 Lot 5747 on Deposited Plan 216729, Lot 5771 on Deposited Plan 216778 and Lot 1382 on Deposited Plan 29206 from "Caravan Park" to "Caravan Park, Holiday Accommodation and Tourism". This request was submitted to the State of Western Australia Department of Lands ("State Land Services").

The Business Plan was originally published for 8 weeks with responses due before 2pm on 17 February 2014. This public consultation period was extended to 31 March 2014 with well attended public forums conducted on 28 January 2014 and 15 March 2014.

The Town received a great deal of responses to the business plan indicating that public sentiment is overwhelmingly opposed to the proposal. The following individuals and organisation's formally responded to the business plan:

Name	Support/Object
1. Port Hedland Pony Club	Object
2. Stephanie Buckland (Tourism WA)	Object
3. Mark Donovan (BHP Billiton)	Object
4. Brendon Foley (Lavan Legal)	Object
5. Ken King(Pilbara Development Commission)	Object
6. Paul Reibel (2 Submissions)	Object
7. Lisa Hanrahan (2 Submissions)	Object
8. Scott Roberts	Object
9. Alexis Le Flohic	Object
10. Catherine McClure-Adams	Object
11. William Adams	Object
12. Peter & Ricki Wilden	Object
13. John Briggs	Object
14. Bryan Swan	Object
15. Zabia Chmielewski	Object
16. Camile Mathews	Object
17. Bradly Gray	Object
18. Tony Vujevich	Object
19. Leigh A Italiano	Object
20. Lisa Bowen	Object
21. Nathan Tuia	Object
22. Steven Wright	Object
23. Zarak Binsaaci	Object
24. Zarko Velkoski	Object
25. Ainsley Paul	Object
26. Geraldine Callery	Object
27. Scott Mc Govern	Object
28. Taylor Davidson	Object

29. John Comerford	Object
30. Ian Hartly	Object
31. Peirce Konings	Object
32. Zane Fahey	Object
33. Jesse Simpson	Object
34. Mark Evans	Object
35. Chelsea Neely	Object
36. Kerry Jacoby	Object
37. Ellan Buckanall	Object
38. Tristan Myers	Object
39. Mark Manpin	Object
40. Darcy Melbourne	Object
41. Amelia McKay	Object
42. Richard Whitewell	Supports

Town officers have provided copies of the public submissions as well as responses and attachments to this report. In addition, The Mac Services Group Pty Ltd has been given an opportunity to respond to the public comment and those responses are also provided as an attachment.

During the process the Town's officers have been working with The Mac representatives. It is considered The Mac has shown good will and invested significant time and money during the RFP process. They have now expressed a willingness to take into consideration the public comments and redesign the proposal. It is considered the Town should demonstrate a willingness to review their concept design and development model that better reflects the community's expectations. Review of the concept plan may consider:

- Reviewing the balance of caravan sites, backpackers accommodation and short stay accommodation.
- Reviewing lease terms
- Reviewing development models

Any alternative proposal that may be developed needs to clearly demonstrate a significant difference in its design from the current proposal and would require re-advertising of the business plan and extensive community consultation.

Council has several options in relation to the proposal:

1. Proceed with the Business Plan in its current form. The current proposal has benefits in terms of revenue and economic diversification. It has been amended several times to incorporate elements such as a backpacker's accommodation.
2. Elect to proceed with the Business Plan with minor amendments. Undertaking minor amendments to the scope of the business plan may not trigger the need to prepare and re-advertise a new business plan. Given the nature of the current proposal it is difficult to envisage that any amendments would be of a minor nature and obviate the need to prepare a new business plan.

3. Elect not to proceed with the Business Plan and develop a new disposition strategy. Council could develop a new RFP seeking a developer to build a high amenity tourist oriented caravan park which outlines in more detail what is expected. This approach could include an indicative required layout and be prescriptive. Given that no response was received for this type of Caravan Park from our most recent RFP it is unknown whether a “second try” would be any more successful.
4. Divesting the property for housing. LandCorp has expressed a desire to include the subject land as part of their overall master planning for the area and develop the property as a residential development accordingly. This would entail Council’s consent to relinquish the vesting. An amendment to the Town Planning Scheme would also be required to facilitate residential development.

It is likely that Council could negotiate an outcome with LandCorp that would see a portion of the Reserve developed as a small caravan park strictly for tourists with the remaining balance of land being housing. This would take a significant time as a development outcome is devised, the Planning Scheme amended, and a developer sought by LandCorp via an Expression of Interest.

FINANCIAL IMPLICATIONS

Resolving not to proceed with the business plan will mean the Town will not receive an annual return of at least \$550,000 (excluding GST-Annual CPI increase, utilising the quarterly Perth CPI figure published in the immediate preceding quarter to the annual review date) plus an estimated \$278,587.30 in rates annually over the 21 year lease period. Provisions in the lease would have also required a market review of the land lease amount every (3) years.

STATUTORY AND POLICY IMPLICATIONS

Local Government Act 1995 (WA) Section 3.57 - Tendering for providing goods or services

Local Government Act 1995 (WA) Section 3.58 – Disposing of Property

Local Government Act 1995 (WA) Section 3.59 – Commercial enterprises by local governments

Council’s Strategic Community Plans 2012 - 2022

- 6.1.2 Develop Port Hedland’s tourism industry to broaden the tourist opportunities available
- 6.1.2 Maintain and extended the visual and physical access to the coast and thoroughfares for the general public
- 6.2.1 Diverse Economy Facilitate commercial, industry and town growth
- 6.2.1 Create local employment and investment and diversity the economy
- 6.3.1 Address housing shortage & affordability through using Council held land, providing high quality modular construction, providing incentives and other forms of inducement to deliver housing by 2013

ATTACHMENTS

- 1A. Copy of Stakeholder and adjacent neighbours comments (Under Separate Cover)
- 1B. Extract of Stakeholder and adjacent neighbours comments on Pretty Pool Caravan report-Town of Port Hedland responses (Under Separate Cover)
- 2A. Copy of Community Comments (Under Separate Cover)
- 2B. Extract of Copy of Community Comments –Town of Port Hedland responses
3. The Mac Responses to public submissions
4. Supportive submission

13 May 2014

ATTACHMENT 2B TO ITEM 11.1.2**Attachment# 2B Extract of Community Comments-Town of Port Hedland responses****TWAs are destroying the Town**

This development as proposed was not a TWA. However, TWAs are a necessary part of the resource sector and many times the State mandates these developments via State agreements. The Town is developing a Non-residential workforce accommodation strategy to mitigate the negative effects and maximize the community benefit moving forward.

The proposal is not a Caravan Park

The Business Plan expressly states that the proposed development would contain 18 tents spaces, 36 caravan sites (with recreation and kitchen amenities), 24-backpacker beds accommodated in 6 rooms all of which will be dedicated solely to tourism, plus 9 bungalows and 348 single room accommodations. The 348 single rooms and 9 bungalows would be available to Fly-in Fly (FIFO) workers and business travelers as well as tourists. The accommodation reserved for tourism would be booked via a third party such as the visitors centre to ensure that was available solely for short stay accommodation. Town officers did not seek to mislead the public and apologizes for that perception. Officers were trying to capture the nature of the project which is neither a caravan park nor a non-residential workforce village.

Safety of Community

Town officers have checked with the Port Hedland Police and the police have stated that anecdotally that the TWA and caravan park facilities within the Town are not associated with crime. Many of the residents of these facilities are skilled labour with families. It is unfair to paint these people as somehow predatory or dangerous to the community. The development would have had a code of conduct which expressly set out the rules for the accommodation.

Level of traffic

This would have been addressed during the planning phase of the project.

Why not put a shop in under the FMG units or BHP units as promised

A new restaurant is planned for the BHP building in Pretty Pool.

Why would backpackers or families want to sit and share a family meal in a mess with 348 blokes?

Many local families enjoy the facilities at Port Haven and it is much larger. In addition, the accommodation would not have been discriminatory and some of the residents of the facilities would have been female.

Against the location where the Port Hedland Pony Club is currently situated

Attachment# 2B Extract of Community Comments-Town of Port Hedland responses

The Town certainly recognizes the emotional attachment that people have with animals and at no time was the removal of the stables discussed as part of this project.

The Town has a sufficient supply of camps

The inventory of beds within the town has been or will be significantly reduced by up to 1,738 in the near future. Also, the recently completed Dubois Report points out that "The level of activity within Transient Worker Accommodation Facilities (TWA's) to house fly-in fly-out employees has also declined as construction projects have ended, however with the impending closure of lesser quality facilities and the termination of leases, this segment may well be facing shortages in the medium term". The Town also points out to the general public that a portion of the facility was planned to accommodate temporary workers.

The Chamber of Minerals and Energy of Western Australia states "The workforce required to meet current growth plans for the resource sector in the Pilbara is expected to peak at just over 65,000 in 2014, up from over 51,000 in 2011-an increase of 28.4%. At a local Government area level, total employment is forecast to decline to 2020 in the Shire of Ashburton and Shire of Roebourne as current major construction projects are completed. However, this fall is offset by growth in employment in the Town of Port Hedland and Shire of East Pilbara."

The Mac would detract from current providers of accommodation within the Town

The development would also provide many services such as a backpacker's accommodation which have been unavailable in Town. The addition of more short term accommodation within the community would increase competition which should lower prices making tourism more viable.

Restricted access for emergency services in the event of a fire or other emergency

This is a valid concern, but would apply to all development in Pretty Pool and the surrounding area. Measures could have been taken to address the traffic and noise during the planning phase of the development.

Port Hedland lacks medical staff, oncologists, radiotherapy, GPs etc.

The Town would like to have many more medical facilities and services readily available within the Town so that residents would not have to travel long distances for medical care. Significant amounts of money have been invested in projects such as the GP housing which are aimed at attracting more medical professionals to the Town. Some of the specialists that do come to town stay in accommodation such as Port Haven due to the lack of alternative accommodation.

Attachment# 2B Extract of Community Comments-Town of Port Hedland responses**Concern regarding the sensitive environment in which the development would be located**

Measures would have been taken to protect the natural assets of the area during the planning phase.

Land should be used for residential blocks

The concept of a mixed accommodation village was for the vesting period of 21 years. After that the property could be utilized for residential development and much of the infrastructure such a fill would already be in place making the development of permanent housing less expensive.

Devaluing of current Pretty Pool properties

The value of the properties would not necessarily have been lowered as a result of this proposal.

All single men camps should be built out of town (30KM) not mixed in with families that have children and long term interest in living within town

As stated earlier this was not a single man camp and would have been open to both sexes. In addition, the Town of Port Hedland policy towards these types of facilities is that they should integrate into the community. These facilities are occupied by skilled labour and the residents should not be painted as someone not worthy of living within the community.

Put the money into other areas of Port Hedland such as the boat ramp or state housing in South Hedland

This project is funding by private interested. None the money for the development would have been from the Town. It is worth noting that in many cases these types of facilities pay for improvements by the way of lease fees such as the Town's contribution to the marina or Wanangkura stadium.

ATTACHMENT 3 TO ITEM 11.1.2**The MAC Services Group Response to submissions received by the Town of Port Hedland regarding the advertised business case to develop Lot 300 Pretty Pool****EXECUTIVE SUMMARY**

The MAC respects the concerns raised in the public submissions received by the Town of Port Hedland in response to our development proposal on Lot 300 at Pretty Pool. However it appears that many issues raised appear to arise from a lack of understanding of the proposal and the context in which it has been developed.

In regard to submissions that the whole site to be developed as a caravan park, it should be recognised that the ToPH advertised in an RFP for proponents to develop the whole site as a caravan park and received no responses.

A standalone caravan park dedicated 100% to tourists appears commercially difficult. It is in light of the ToPH's aim to ensure development of cost effective tourism facilities on the site, which the MAC's proposal has been developed and should be considered.

The MAC is not proposing a TWA as defined under Town Planning Scheme 5 (TPS5) on Lot 300. In addition to the caravan sites (100 % dedicated to tourists), the resort style accommodation units will be "multi-use" and will not be restricted to any one sector. The most likely users will include "white collar" FIFO workforce, tourists, general business and persons transitioning to permanent residential accommodation.

Nonetheless, we have sought to address comments and concerns received and are currently revising our proposal. We hope to continue to work with the Town of Port Hedland in delivering a proposal that meets the Town's needs and achieves a successful outcome for all stakeholders. .

1. LAVAN LEGAL SUBMISSION RESPONSE

In regard to the submission received by the Town of Port Hedland from Lavan Legal 31 May 2014 regarding the Town of Port Hedland's advertised Business Case for the development of Lot 300 Pretty Pool, the following comments are made:

- It should be noted that existing clients of Lavan Legal would face commercial competition from the MAC's proposal.
- Competition in the accommodation sector in Port Hedland is healthy for the growth of the Town and for the community and guests using accommodation.
- The MAC is not proposing Transient Workforce Accommodation (TWA) as defined under Town Planning Scheme 5 (TPS5).
- The proposed resort style accommodation units will be "multi-use" and will not be linked to a project or restricted to any one sector.
- The development will provide key community benefits including a local convenience store and restaurant.
- The caravan park portion will be operated and managed by The MAC. The booking administration will be managed by an independent third party to guarantee the caravan

park is only offered to genuine tourists. The Western Australian Indigenous Tourism Operators Council (WAITOC) has agreed to facilitate the appointment of an appropriate booking agent.

- The MAC will comply with all applicable planning and statutory regulations to deliver a quality development.
- Lavan Legal raises concerns about risks and the ability of ToPH to manage the transaction.

We respond as follows:

- The MAC will be the developer and operator of the site and will lease the land from ToPH. As such, The MAC carries the risk and TOPH collects land rental with little risk of strain on resources.
- Included in The MAC's RFP response were details on The MAC's financial capacity and capability.
- The MAC is an experienced developer and has and will continue to assess risks associated with flooding.

2. PILBARA DEVELOPMENT COMMISSION SUBMISSION RESPONSE

In regard to the submission received by the Town of Port Hedland from the Pilbara Development Commission (PDC) 6 April 2014 regarding the Town of Port Hedland's advertised Business Case for the development of Lot 300 Pretty Pool, the following comments are made:

- The MAC's proposal provides an innovative, commercially sustainable solution which includes an affordable caravan park 100% dedicated to tourists.
- The RFP issued by ToPH resulted in two proposals, both of which envisaged accommodation units to cross subsidise and make viable the caravan park component.
- No proposals were received in response to the ToPH RFP for a caravan park across the entire site. It is reasonable to assume this is because a traditional caravan park across the entire site is not commercially viable.
- The site was vested as a caravan park in 1968, prior to the Pilbara Port Cities Growth Plan being drafted.
- As requested by the ToPH the MAC's proposed development includes development of a caravan park. PDC's preference of a residential development will not provide a caravan park.
- The MAC is not proposing Transient Workforce Accommodation (TWA) as defined under Town Planning Scheme 5 (TPS5).
- The proposed resort style accommodation units will be "multi-use" and will not be linked to a project or restricted to any one sector
- The development will also provide key community benefits including a local convenience store and restaurant.
- The MAC's proposed development will increase the diversity, and broaden the affordability range and hierarchy of accommodation options in Pretty Pool.
- The South Hedland Hotel development and the Finbar apartment development are different products to The MAC's proposal and are not in Pretty Pool.
- Competition will result in better quality, competitively-priced short stay accommodation with a greater range of options for consumers.

3. PORT HEDLAND PONY CLUB SUBMISSION RESPONSE

In regard to the submission received by the Town of Port Hedland from the Port Hedland Pony Club (not dated) regarding the Town of Port Hedland's advertised Business Case for the development of Lot 300 Pretty Pool the following comments are made:

- The MAC understands that PHPC, as an immediate neighbour of the site, have an interest in any development of the site.
- We believe the proposed development by TheMAC will not impact the Pony Club land or operations. Access to and along the inlet from PHPC to the beach will not be compromised.
- The MAC has a proven record of working closely with neighbouring land owners and community organisations in the towns in which we operate and would welcome working closely with the PHPC.
- The intersection of Johnson Road and Styles Road is proposed to be upgraded as part of this proposal.
- We have a track record of successfully operating villages around Australia. Our facilities are fully patrolled and all guests are required to abide by a Code of Conduct to ensure no anti-social behaviour.
- The MAC is an experienced developer. We have investigated services (water, power etc) availability and the risk of storm surge on the site.
- The development will provide key community benefits including a local convenience store and restaurant.

4. TOURISM WA SUBMISSION RESPONSE

In regard to the submission received by the Town of Port Hedland from Tourism WA and Brighthouse Consultants on 26 March 2014 regarding the Town of Port Hedland's advertised Business Case for the development of Lot 300 Pretty Pool, the following comments are made:

- The MAC acknowledges the need for appropriately located, well-priced and well-maintained tourism accommodation in Port Hedland. The potential economic, cultural and social benefits to the Town from a positive tourism industry are relevant.
- As requested in the RFP, The MAC has proposed a high quality, sustainable, affordable model that guarantees 100% tourist accommodation.
- As requested in the RFP, the booking of the caravan park sites will be managed by an independent 3rd party tourist organisation.
- The Town of Port Hedland sought proponents through an RFP to provide a standalone caravan park but received no response. It is assumed no response was received due to the high cost of construction and operation versus the low, irregular returns from a caravan park
- We are not aware of Tourism WA providing any facilitation when RFP submissions were being sought by the Town of Port Hedland.
- The MAC is not proposing Transient Workforce Accommodation (TWA) as defined under Town Planning Scheme 5 (TPS5).
- The development will not be linked to a specific project and will be open to anyone who wishes to stay there.

- The development will provide key community benefits including a local convenience store and restaurant.
- Tourism WA's opposition to our proposal is difficult to comprehend given:
 - Our proposal provides a sustainable, long term solution by providing a quality caravan park 100% dedicated to tourists.
 - We are not aware of any other caravan park that dedicates any portion of the caravan park 100% to tourists.
 - All proposed accommodation units are open to all users including tourists.
 - The amenities that will be available to tourist guests will exceed those possible on a site restricted to caravans only.
 - The MAC has invited interaction with Tourism WA but was declined. We remain open to engagement with Tourism WA and look forward to meeting at any time.

BRIGHTHOUSE CONSULTANTS - TOURISM WA SUBMISSION RESPONSE

- The calculations used to estimate revenue from the proposed facility in the Executive Summary are incorrect - they do not add up as shown in the report.
- The true value of a property is determined by a competitive process. The RFP was a competitive process and has resulted in the proposed rental. Brighthouse's flawed calculations and opinion of the market rental are therefore not relevant.
- The MAC is not proposing a TWA as defined under Town Planning Scheme 5 (TPS5). The proposed resort style accommodation units will be "multi-use" and will not be linked to a project or restricted to any one sector.
- Brighthouse have failed to recognise that there were no respondents to the Town of Port Hedland's RFP for a proponent to develop a standalone caravan park.
- Brighthouse also failed to recognise The MAC's proposal is a commercially viable and sustainable model with multiple benefits to the tourism industry and community that go beyond what a standalone caravan park could deliver over 21 years.
- Tourist caravan parks in the Pilbara are difficult to sustain commercially unless subsidised. The MAC's proposal provides a high quality, sustainable caravan park which is not dependent on funding from State or Local Government. This is particularly relevant given the current constraints on State and Local Government budgets and frees up funding that could be allocated to other tourist caravan parks.
- The MAC will work closely with ToPH to ensure that the process aligns with all legislative requirements including the Local Government Act and the Caravan Park and Camping Grounds Act as applicable.

5. VARIOUS EMAILS FROM MEMBERS OF THE PUBLIC RESPONSE

In regard to the submissions received by the Town of Port Hedland from members of the public between 26 December 2014 and 14 March 2014 regarding the Town of Port Hedland's advertised Business Case for the development of Lot 300 Pretty Pool, the following comments are made:

- The MAC acknowledges the residents of Pretty Pool and immediate neighbours have an interest in any development of the site.

- Some of the comments demonstrate a strong anti-FIFO sentiment.
- The proposed development is not a TWA or a “camp” as defined under Town Planning Scheme 5 (TPS5). In addition to the caravan sites (100 % dedicated to tourists), the resort style accommodation units will be “multi-use” and will not be restricted to any one sector or project.
- Concerns regarding anti-social behaviour do not, in our experience, materialise. We have a track record of successfully operating villages around Australia. Our facilities are fully patrolled and all guests are required to abide by a Code of Conduct to ensure no anti-social behaviour
- A well-managed, high standard, multi-use development providing accommodation to multiple types of users (including tourists) will add to the hierarchy of accommodation options in Pretty Pool and will provide key community benefits like a local convenience store and restaurant.

6. BHP BILLITON RESPONSE

In regard to the submission received by the Town of Port Hedland from BHP Billiton 31 March 2014 regarding the Town of Port Hedland’s advertised Business Case for the development of Lot 300 Pretty Pool, the following comments are made:

- The MAC is not proposing a TWA as defined under Town Planning Scheme 5 (TPS5). In addition to the caravan sites (100 % dedicated to tourists), the resort style accommodation units will be “multi-use” and will not be restricted to any one sector.
- The MAC is opposed to any attempts to impose restrictions on the users of the accommodation units and agrees that any attempt to do so would be unnecessarily problematic.
- The MAC agrees with BHP Billiton it is important that industry has the ability to provide a range of accommodation options to assist workforces.
- The MAC has provided comment to the ToPH’s proposed NRWA Strategy in a separate submission.

ATTACHMENT 4 TO ITEM 11.1.2

Submission to the TOPH by Richard Whitwell - Caravan Tourist Park for Pretty Pool

During the debate involving the pretty people and the incursion of the southerners, I came across a series of comments about the alleged impact on Port and South Hedland communities.

1. In my recollection there was no wow factor welcoming the investment in new accommodation for short stay people coming into the town. The capital structure appears to be directed at an affordable level for visitors which is just where the need has been demonstrated. At this time during a slowdown in construction activity it is the appropriate time to welcome such investment. The impact of an increase in construction activity in the mining industry at a later date on accommodation availability and prices will be curtailed to some degree by this investment. Therefore it will be important for the TOPH to set tight timelines for commencement and completion, so the accommodation will be there before any surge in accommodation demand. That is, to use such an opportunity to create a supply buffer in accommodation.
2. It has been said that "A decision by council to approve a development cannot be based on their financial situation,"

Well yes, but we have a Council which is struggling like others to keep its head above water, you must be able to demonstrate that such an investment is going to crowd out an alternative use of the site. That is, there was another investment at ready to made at pretty pool which would give Council and the community a greater benefit which is at least as commercially viable for the TOPH.

I understand that expressions of interest were called for the development of the Pretty Pool site but there were no serious alternatives offered to the TOPH for consideration. Well the investor and the TOPH have now done extensive inquiries and the investment has passed all the administrative hurdles for the development of the land. After a thorough analysis of the investment the TOPH appears to have the view that the investment will have a positive outcome for rate payers and businesses in this town. The striving for a wider revenue base is not to be subject of a cursory dismissal by parties with opposing agendas, as we are dealing with serious a serious matter that the Council has focused on Llas a vibrant opportunity for the town.

3. Another proposition has been put by the opponents of the investment to the effect that "the approval can and only be considered if there is no direct impact to local businesses and the demand for this style of accommodation is there (Project specific)."

Well not really, as if there is no direct impact on business then there would be a dearth of competitive accommodation supply in the town which has resulted in extra-ordinary rents for a small town. It is the reverse we should encourage where we have competition in the business sector in the town.

The second part of the quote talks about a lack of demand for this style of accommodation. When we are talking about style they are many styles and many ways of accommodating people within the town. Surely we should be encouraging diversity of accommodation to meet the needs of the population. Overzealous planning is not the way to improve variety in the supply of accommodation in the town. That is, overregulation tends to extract the sole out of a community.

4. We also have an assertion that "... the location of a TWA in one of Port Hedland's pristine areas is also somewhat alarming."

Pretty Pool is not a pristine area as there has been substantial building of accommodation on both sides of the estuary. There are single, two and multi-story buildings many which are used for accommodation of fly-in fly out workers. We already have a mixed caravan park opposite the site of the proposed investment across the water at Cook Point. Do we say what is good for Cook Point is not good for Pretty Pool? Both sides are used for recreation including horse-riding and the users appear to enjoy the use of the sandy beach and seem to co-exist in some way? So why are the southerners being denied short stay accommodation at the Pretty Pool site, and the benefits of the use of the foreshore to make their stay more enjoyable?

5. It has been put, that the use of the investment site in switching between short-stay vacationers, the fly-in fly-out workforce and workers who need longer stay times is an impediment to the growth of local business.

This point really goes to the crux of the objection but unfortunately the most difficult in any development of accommodation to make any rules about. The issue comes back to the substitutability of land use. Where you have people on the move they will go to where they perceive is the best deal for them. It does not matter what label is put on the accommodation for example;

- A penthouse can be used to accommodate a group of workers with their own self-contained room and some common areas.
- A house is rented out to a group or a core person who then rents out rooms, a practice which could be characterised as a boarding house.
- Purpose built accommodation for workers for a particular employer of employees, or leased for the same purpose.
- Wedgefield the businesses rely on on-site housing for their workers subject to discretionary application of the local use rules.
- Hotels and motels where people chose to live or are placed there by their employers.
- There is a large quantity of means tested public accommodation also supplied for NGOs.
- Caravan parks which are solely catering for workers in the town and replacing the caravan sites with dongas.
- Out of town camps of various description and including those of aboriginal communities.
- Caravan parks for mixed use.

This is an incomplete list but what it does demonstrate is the potential and known actual substitutability of different types of dwellings for each other as a source of shelter for the people living in this area. Currently we have mixed use faculties all over town, and some provision is even made for essential workers as defined but also flexible in their use. History has shown us that mixed use facilities in this town are the only way that is flexible to meet the needs as they arise. The un-mixing of the investment proposal before the TOPH could lead to further investment disasters around the town. These developments have appeared where the needs of the town for basic accommodation were confused with an unsustainable tourist and upmarket accommodation product.

Provided all the environmental, building and land use approvals are met the TOPH should not interfere with an investment proposal which appears to have past the required regulative tests.

6. The opposition has three further objections, that is, the development of facilities for fly-in fly-out workers is undermining the development of the local economy, in particular the rewards for developers, an unfair tax concession has been given to the mining companies which encourages the use of fly-in fly-out workers, and that the TOPH has a conflict of

interest benefitting from the revenue stream and being the body making the decision to approve the investment in accommodation.

What is behind this objection is the interests of other developers who may have missed out on the development of the land into up-market housing. The difficult with this proposition is that one developer is simply replacing another with a different product to that envisaged in the current investment proposal. There was the opportunity for others to put forward their projects when the TOPH originally floated the idea of how the area could be developed. May be the complainants lost but that's beyond the information available to me.

The next issue is whether the fly-in fly-out demand is being driven by federal government tax concessional treatment of companies employing these workers. Well yes to some degree but not something you can manage it the micro-council level.

The issue of accusing the TOPH having a conflict of interest in its requirement to raise revenue through service charges and fulfilling their responsibilities are a decision maker in the approval process for the development of the mix accommodation and tourist facility. The investment proposal has been right through the government approval process and yes the TOPH does have a say in the final implementation as a representative body of the electors of the town. They are a public body constituted by law to make decisions about rates and other service charges and the use of the money and resources under their control. There are also avenues for appealing council decisions and whether these have been taken or propose to be taken I do not know. However, prima facie the TOPH has the required power to act in the interests of the community within the practical constraints imposed on it primarily through the Local Government Act.

7. Another more perturbing issue comes out of the opponents' comments that fly-in fly-out workers should not be integrated in the Pretty Pool community.

Apart from the obvious issues with such a view, the TOPH has had a community integration group working on the integration of fly-in fly-out workers into the community. The spatial separation of the camps has been an issue that has arisen as a factor which in some cases inhibits the mixing with the residential community.

However, there are notable exceptions where the camps or motels are close to the facilities used by the local residents. The proximity base resulted in a greater use of community facilities with fees associated with the use going to the TOPH and the employers also making separate contributions to the maintenance of the facilities. Mixed facilities do work.

Final Comments

There seemed to be an attack on the TOPH for a likely decision to support the rejection of an investment in accommodation and tourist facilities which has finished its technical approval stage. If the TOPH was to follow such a track it would jeopardise a significant revenue stream and possibly leave itself open to an administrative legal challenge and act as a deterrent to future investment in the town at a critical stage in its development cycle.

Serious consideration needs to be given by the TOPH in dealing with the decision on the investment by the private company on the development of the caravan and tourist site.

Richard Whitwell

16/2/2014

11.1.3 Proposed Memorandum of Understanding – Management of Community/Business Rooms at the Port Haven Facility

David J. Westbury, Manager of Economic Development and Strategy
File No. 08/02/0013

DISCLOSURE OF INTEREST BY OFFICER

Nil

201314/323 RECOMMENDATION/ COUNCIL DECISION

MOVED: CR JACOB

SECONDED: CR HOOPER

That Council:

1. **Request the Chief Executive Officer, or his delegate(s), to enter into a Memorandum of Understanding (MOU) with the Port Hedland Chamber of Commerce Inc (PHCCI) for a period of three years for the management of the community/business rooms at the Port Haven facility including key performance indicators; and**
2. **Request the PHCCI pay all expenses associated with negotiations including legal expenses.**

CARRIED 7/0

EXECUTIVE SUMMARY

The Port Hedland Chamber of Commerce has requested Council enter into an MOU relating to the management of community/business rooms at the Port Haven facility.

DETAILED REPORT

At its Ordinary Meeting held 10 December 2008, Council resolved to proceed with the development of the Port Haven facility at the Port Hedland International Airport in accordance with the Business Plan that had been prepared and advertised regarding the proposal.

A key component of the Business Plan from a Town/community perspective was the provision of free and heavily subsidized rooms by the lessee (the Compass Group). As a component of the lease between the parties, the Compass Group must provide the Town of Port Hedland with access to:

- 5 fully serviced rooms at no cost
- 20 fully serviced rooms at a cost of \$50/night
- 55 fully serviced rooms at a cost of \$95/night

The purpose of the rooms is to make more affordable accommodation available for essential service workers and small business operators within the Town.

In October 2009, preliminary discussions were held on how best to manage the community rooms. Town officers at the time were of the opinion that while negotiating access to the rooms for the community was a good outcome, management of accommodation for small business/community use was not a core business of the Town and a task that could/should be done by another group.

At the Ordinary Council Meeting held on 28 October 2009 Council resolved to:

- i) *Advise the Compass Group that:*
 - a) *It would be willing to accept 50 rooms for \$50/night at the Port Haven facility in lieu of the current arrangement that has been agreed to within the lease agreement between the Town and Compass (i.e. five (5) rooms for free, 20 rooms for \$50/ night and 55 rooms for \$95/night); and*
 - b) *Failing agreement of point a) above, the Town will retain access to the rooms as agreed to in the lease negotiations;*
- ii) *Continues to negotiate a management agreement with the Port Hedland Chamber of Commerce and Industry regarding the management of the Council's community/business rooms at the Port Haven facility on its behalf; and*
- iii) *Receives a report detailing the proposed management agreement once it has been developed by the parties.*

Discussions were subsequently held with the PHCCI regarding the potential for them to manage the rooms on the Town's behalf. These discussions were initiated because at the time PHCCI has far closer ties with local small businesses than the Town. The PHCCI wrote to the Town indicating that it was interested in managing the rooms on the Town's behalf and has done so informally since this time. The PHCCI receive \$11 per booking (includes GST) which has been added to the room costs.

With the recent election of a new President, the PHCCI has formally requested via a letter to the CEO that the Town formalize this arrangement for a term of two years. This will allow the PHCCI to have a sound financial base and continue services to the community. The amount of revenue to the PHCCI derived from the Port Haven rooms fluctuates from year to year based upon occupancy. The most recent financial receipts and proportional expenditures allocations for the financial year 1 July 2012-30 June 2013 are provided in the table below:

Port Haven Profit and Loss-1/7/2012 to 30/6/2013	
Income	\$188,947.38
Expenses	
Electricity 75%	\$6,332.48
Internet Usage 75%	\$1,295.01
Postage 75%	\$1,476.06
Phone 75%	\$2,671.95
Computer Exp 75%	\$3,266.87

Wages and Super 100% (Nash)	\$65,325.30
Stationary 50%	\$2,261.86
Cleaning 25%	\$310.69
Total Expenditure	\$82,940.22
Profit/Loss	\$106,007.17

The management of accommodation for small business/community use is not a core business of the Town. The rooms are provided to the Town at the subsidized rates. Given the purpose of obtaining the rooms was to provide more affordable accommodation for essential service workers and small business operators. The Town needs to be satisfied the management option it chooses will achieve this.

The Town has several options in relation to the management of the rooms. These include:

Option 1- The Town Managing the Rooms: This alternative would entail the hiring of administration staff and staff booking the rooms within Port Haven. This option could bring additional funds into the town, however the income will fluctuate. This is not currently a core function of the town and would require staffing resources to manage appropriately.

Option 2- Calling for EOI's/Tenders: The Town can seek external EOI's tenders to manage the rooms on Council's behalf. This may elicit alternative proposals that could potentially be more advantageous than the agreement with the PHCCI.

Option 3- Establishment of a MOU between the Town and the PHCCI: The PHCCI has several years of experience successfully operating this program and the program's intent is to provide affordable accommodation for businesses. The program has been operating successfully since over the years of implementation. The PHCCI is the local organization that is recognized as having the greatest level of interaction with local small businesses and has recently begun the process of merging local business organizations.

The MOU will also provide the Town with an opportunity to establish key performance indicators to assess the success of the program. The KPI's may revolve around the success of implementing small business initiatives within the town as well as exploring business opportunities regionally, nationally and potentially globally.

FINANCIAL IMPLICATIONS

The financial implications to the Town are dependent on the option chosen by Council.

Option 1: The income from the rooms fluctuates based upon occupancy. However, based upon \$11 per room per night it could be as much as \$321,200 annually (80 rooms x \$11 fee per room per night x 365 nights a year). The administration costs of managing the rooms would have to be budgeted and could be substantial.

Option 2: Financial implications are impossible to determine until the EOI/Tender process is finalised.

Option 3: This is the current arrangement and the Town will require the PHCCI to pay all expenses associated with the MOU.

STATUTORY AND POLICY IMPLICATIONS

- Local Government Act 1995

Town officers sought advice from the State of Western Australia Department of Local Government and Communities as to whether or not this proposed agreement was a tender or a disposition and which relevant regulations apply. The Department stated that “This is not a tender situation where the Town purchases ‘services’ under s3.57 of the Act, but appears to be a disposition of property under s3.58 where the Town has ‘disposed’ of its interest in the property to the PHCCI with the PHCCI then managing the property. If it is a disposition, then Function and General Regulation 30(2)(b) is likely to make this an exempt disposition to which s 3.58 does not apply.” Town Officers consider General Regulation 30(2) (b) applies. This exempts dispositions of land if objects of which are of a charitable, benevolent, religious, cultural, educational, recreational, sporting or other like nature; and the members of which are not entitled or permitted to receive any pecuniary profit from the body’s transactions.

Council’s Strategic Community Plans 2012-2022

- 6.2.1 Diverse Economy- Work closely with businesses to achieve sustainable economic growth and a broad economic base

ATTACHMENTS

1. Letter from PHCCI to the CEO regarding the request to enter into a MOU with the Town for the management of the community rooms at Port Haven

14 May 2014

ATTACHMENT 1 TO ITEM 11.1.3



Mr. Mal Osborne
CEO
Town of Port Hedland
PO Box 41
Port Hedland WA 6721

Port Haven Accommodation and our Future Business Relationships.

Dear Mal,

Thank you for taking the time out of your busy schedule to discuss the above with Michelle and myself, as requested we have attached income and expenditure incurred, and a brief overview of the services that we are providing to small business in Port Hedland.

Financial Overview:

As requested I have attached these audited figures.

- 1) Copy of financial receipts and proportional expenditure allocations for the financial year 1st July 2012- 30 June 2013. These are audited figures.

- 2) Over the past 12 months we assisted approximately 270 small business and contractors to obtain accommodation requirements that were essential in the progression of the proposed town growth.

- 3) Allocation of income was utilised in various programmes, including Business of the Year Awards, Business after Hours Promotion, Business Breakfasts, Women's Networking, and Community Projects.

As we both agreed it is not the past that we are concerned about, but the future. We are in the process of completely re-inventing the chamber so that its main focus will be serving the small to medium sized businesses to not only sustain their business, but assist in there. To do that the Chamber must re-align itself with not only the South Hedland Business Association, but also the Wedgefield Business Association.

5 Wedge Street | PO Box 95 | Port Hedland WA 6721
Tel: 08 9173 1737 | Fax: 08 9173 1022 | email:
officemanager@phcci.com.au

I have taken the liberty of listing a number of our key objectives for the next 12 months.

1. As stated above re-uniting of the business families in the Greater Port Hedland area

This I believe is paramount, so that there is one voice that represents all businesses. As you are aware this has already started, with a great relationship between all associations, an example of this is the monthly Business Breakfasts which was initially a South Hedland Business Association initiative. The combined efforts have been well recognised by the greater business community with numbers increasing each month.

2. Introduction of a strategized Business Plan,

We have adopted a plan, one which is easily monitored, with each initiative attached to a sub-committee formed within the Chamber and their progress is monitored at each Chamber meeting. This I believe is the first time that the Chamber produced such a document (A copy is attached for your review). This initiative will also see the complete review of our membership policy where we adapt a model similar to what the Karratha Chamber of Commerce operate on in that we seek major sponsors such as the TOPH and not rely solely on our existing membership financial base.

3. Identify initiatives by Federal/State and Local authorities and ones that the Chamber feels that would benefit local Business.

Some of the more major examples are listed below.

-Submission Joint Select Committee on Northern Australia-The Development of Northern Australia.

Please find a copy of the above attached for your reference.

-The Pilbara Workforce Development Plan.

I am now on the board of the above committee and a copy of the overview is attached for your review.

-The Australia China Business Council-Pilbara.

As the TOPH is also on this committee you can understand how important it is for us to foster relationships with our biggest trading partner and in doing so I see benefits to the business community in Port Hedland.

-BHP-Port Hedland Community Consultative Group,

I have been invited as President of the Chamber to attend these meetings. I again believe it is imperative that the Chamber be represented here as the voice of local business, as BHP is an important member of our family here in Port Hedland as they are extremely influential both financially and ethically in a number of key areas in Port Hedland. Prior to me attending these meetings an E-Mail is sent to all members for any concerns they may have so I may discuss with the BHP team.



4. Port Hedland Business Incubator.

As you may well be aware the Chamber is in discussions with both the PDC and the State Government in regards to this very important business initiative. Basically it will be for the promotion and development of small/home and micro businesses business within Port Hedland. This will also include the relocation of the Chamber into this incubator as well. An artist's impression is included for your reference. We have begun our basic business plan for this and we hope to have the final submission to the PDC in the coming months.

Our relationship with the TOPH.

As you so rightly advised us that considering the support that the TOPH provides to the Chamber there is little in the way of acknowledgement. I am here to state that this will cease and we will in all of our correspondence/web page and Business after Hours functions acknowledge all of our major sponsors such as the TOPH. I also believe we must continue these monthly meetings with both yourself and Kelly so that we continue to foster what I believe is a growing strong relationship, please note I will be advising our member base of these meetings and requesting them to E-Mail their concerns to me so we may discuss.

Port Haven-Accommodation

We do consider that our services provided to small business, which is not restricted to office hours, has enabled many projects to come to fruition due to the availability of this service. We have at great expense trained our staff in the provision of this service and this has developed a strong cooperative relationship with the Port Haven administrators which assist in finalising the client's accommodation requirements.

Mal as you can see the Chamber is really moving forward and we would love to continue to work with the TOPH and really drive business ahead in the town, but if we want realise these objectives we must have a sound financial base and therefore we are requesting the TOPH to allow us to continue the existing reservations service with Port Haven for a further 2 years.

We trust that council give favourable consideration to our request that an agreement can be finalised for us to continue our services for the betterment of all.

If you require any further information please contact the under signed.

Regards

A handwritten signature in black ink, appearing to read "Andrew Ziems", is written over a horizontal line.

Andrew Ziems
President

Port Hedland Chamber of Commerce

- 3 -

5 Wedge Street | PO Box 95 | Port Hedland WA 6721
Tel: 08 9173 1737 | Fax: 08 9173 1022 | email: phchamber@bigpond.com

11.2 Engineering Services

5:50pm Councillor Hunt declared a financial interest in item 11.2.1 'Kingsford Smith Business Park – Progress Report' as she has BHP Billiton shares over the statutory threshold.

Councillor Daccache declared a financial interest in item 11.2.1 'Kingsford Smith Business Park – Progress Report' as he has BHP Billiton shares over the statutory threshold.

Councillor Melville declared a financial interest in item 11.2.1 'Kingsford Smith Business Park – Progress Report' as he is a BHP Billiton employee.

5:50pm Councillors Hunt, Daccache and Melville left the room.

Mayor advised that a request for a reduced quorum and reduced number of offices to four to make an absolute majority decision for this item has been approved by the Department of Local Government and Communities.



Government of **Western Australia**
Department of **Local Government and Communities**

Our Ref: PH1-7#05 E1416273

Mr Mal Osborne
Chief Executive Officer
Town of Port Hedland
PO Box 41
PORT HEDLAND WA 6721

Dear Mr Osborne

REQUEST FOR REDUCED QUORUM AND REDUCED ABSOLUTE MAJORITY

I wish to advise that, in accordance with authority delegated by the Minister for Local Government, the A/Executive Director Sector Regulation and Support has approved the Town of Port Hedland's application to reduce the number of members required for a quorum to four (4) and to reduce the number of offices of member to four (4) to make an absolute majority decision at its Ordinary Meeting of Council on 28 May 2014 subject to the following condition:

- The reduction in quorum and absolute majority is valid to allow Council to deliberate on item "11.2.1 Kingsford Business Park – Progress Report" only at its Ordinary Meeting of Council on 28 May 2014.

Should you require further information, please contact me on 6552 1513 or via email vern.mckay@dlgc.wa.gov.au.

Yours sincerely

Vern McKay
A/DIRECTOR LOCAL GOVERNMENT REGULATION AND SUPPORT

28 May 2014

11.2.1 Kingsford Smith Business Park – Progress Report

Sara Bryan, Manager Investment & Business Development
Jenella Voitkevich, Manager Infrastructure Development
File No 01/04/0001

DISCLOSURE OF INTEREST BY OFFICER

Nil

201314/324 RECOMMENDATION/ COUNCIL DECISION

MOVED: CR HOOPER

SECONDED: CR BUTSON

That Council:

1. **Note the progress report for the development of the Kingsford Smith Business Park;**
2. **Approve the construction of Lot 412 subdivision, including:**
 - a) **Acknowledgment of the Town's contribution to Stage 1 of the subdivision works with the offset of the \$190,992.75 (+GST) supervision fee invoiced to BHP Billiton, with the allocation of a new expenditure GL in 2013/14;**
 - b) **Allocation of expenditure of \$525,992.75 (+GST) in 2014/15;**
3. **Note that a further report will be presented to Council following the advertisement of a Request for Proposals to engage a suitably qualified real estate agent or marketing company to manage the disposal process for the sales and/or lease of the remaining Industrial Lots.**

CARRIED BY ABSOLUTE MAJORITY AS 4/0 (MINISTERIAL APPROVAL FOR REDUCTION OF QUORUM AND AN ABSOLUTE MAJORITY)

EXECUTIVE SUMMARY

This report provides a summary of the progress of the development, specifically the following key topics:

- Subdivision Construction
- Disposal Strategy
- Subdivision of Lot 412

Council is requested to approve strategies associated with the key topics.

DETAILED REPORT

In March 2012 Council supported a Private Treaty with BHP Billiton (BHPB) to undertake a 39 lot subdivision of Airport land now formally named the Kingsford Smith Business Park. Upon completion of the subdivision, all of the lots (excluding Lot 34) would remain in the ownership of the Town and subject to sale or lease. BHPB is currently constructing the subdivision.

The Town is presently marketing the Kingsford Smith Business Park to investors as the premier business address in Port Hedland.

The money received from the Private Treaty and sale / leasing of the Kingsford Smith Business Park will be spent on two major projects which will transform the economic landscape of the Town; the development of the Spoilbank Marina (joint venture between the Town of Port Hedland and the Western Australian State Government) and the redevelopment of the Port Hedland International Airport.

In August 2013 an application to subdivide Lot 412 (Bunnings Lot) was approved. This creates a 1.5436ha lot for Bunnings, 3 smaller parcels for separate sale and a new road to access the lots.

Subdivision Construction Milestone Update:

The following table provides a summary of construction milestones identified in the BHBP Agreement:

Milestone Description	Due Date	Status/Comment
BHPB to provide Bank Guarantee for project.	21 July 2012	Complete. BG reviewed on assessment of outstanding items.
Subdivision WAPC approval obtained.	21 Dec 2012	Completed 8 May 2012.
BHPB to submit subdivision design drawings.	8 July 2012	Completed.
Completion of contamination report.	19 Sept 2012	Completed 3 October 2012.
BHPB to award construction contract.	8 Jan 2013	Completed January 2013.
Completion of subdivision works.	8 July 2014	Partial Practical Completion of the subdivision has been awarded on 14 March 2014. Outstanding items included service connections and the construction of the intersection with Great Northern Highway. Further information is provided below under separate headings. It is expected that service connections will not be completed by the Milestone due date, potentially impacting on WAPC clearance and issuing of Titles.
Request for WAPC clearance and issue of Titles.	8 Oct 2014	Subject to completion of service connections or alternate arrangement with Horizon Power and Water Corporation.

Construction of Road Intersection with Great Northern Highway:

The construction of the road intersection that will connect the Kingsford Smith Business Park to Great Northern Highway was delayed due to concerns regarding the impact of additional stormwater draining into the system that was already at capacity. Several solutions were explored, with the outcome being the construction of a drainage swale from the new intersection towards the Broome turn-off. This swale is currently being constructed by Main Roads WA. BHPB has now commenced construction of the intersection, with completion due prior to the milestone date of 8 July 2014.

Provision of Services – Power and Water:

Part of the subdivision construction requirements and WAPC clearance conditions is the provision of services to each lot. Since commencement of the project BHPB has been liaising with Horizon Power and Water Corporation for the construction of these services. Significant upgrades are required for water and power supply to reach this location, especially considering that it's relatively isolated between Port and South Hedland. At the time of achieving Practical Completion all internal services were constructed, however the connection of these services to the main supply had not yet been implemented. This is largely due to the processes and resource availability of the relevant service providers. The indicative date for the connection of power is September 2014 and water is February 2015.

The Town's officers and BHPB are exploring opportunities with Water Corporation and Horizon Power to expedite these works or make other arrangements that may allow WAPC clearance to proceed. This will facilitate the early release of Titles prior to the lots being fully serviced. Property owners will then be permitted to commence development using temporary facilities until permanent services are completed.

Subdivision of Lot 412 and Associated Construction:

In August 2013 an application to subdivide Lot 412 (Bunnings Lot) was approved. This creates a 1.5436ha lot for Bunnings, 3 smaller parcels for separate sale and a new road to access the lots.

BHBP has estimated the construction cost at \$1,521,000. BHPB has offered to subsidise a portion of these costs by undertaking works using the current contractors. The scope of works would result in a trafficable road to the 3 Lots, however the Town would need to undertake further works including road pavement, service connections and crossovers, to facilitate WAPC clearance. It is estimated that the contribution from the Town under this arrangement is approximately \$716,000. A condition of the offer is the set-off of the subdivision supervision fees of \$190,992.75. This has been included in calculating the Town's contribution and budget allocation proposal.

Disposal Strategy for remaining Lots

Over the last twelve months, the Town's Economic Development team has actively worked on achieving sales and lease arrangements for a number of the lots created within the subdivision.

Lot No	Purchaser/Lessee
401	Roger Higgins
402	Jupps Carpets
403	Des Maloney
404	Des Maloney
405	Gus Princi (Tradesman Homes)
412 (portion of)	Bunnings Properties Pty Ltd
412 (portion of)	Pilbara Boats and Bikes
436 (portion of)	Stayover by Ausco Pty Ltd

It is now proposed that a formal request for proposals process will be undertaken in order to engage a suitably qualified real estate agent or marketing company to manage the disposal process of the remaining industrial and commercial Lots.

The remaining portion of Lot 436, and Lots 437, 438 and 439 (intended for the use of Non Residential Workforce Accommodation developments) will not form part of this process and will continue to be managed by the Town in accordance with the Non Residential Workforce Strategy.

The criteria for the request for proposals will include, but not be limited to the following:

- Preference for management by one local, one national/international representative;
- Preference for an Auction process, but willing to accept alternative proposals with demonstrated justifications;
- Demonstrated experience in a similar field;
- Clear fee structures (including estimate of marketing budget).

The RFP will be advertised for submissions for a period of 6 weeks, following the receipt of submissions, a further report will be presented to Council to consider a way forward.

FINANCIAL IMPLICATIONS

Subdivision of Lot 412 and Associated Construction:

The construction and servicing of the subdivision of Lot 412 is separate to the current agreement with BHPB and has not been allocated an expenditure budget. To satisfy the current BHPB Agreement conditions and the Town's procurement policy it's proposed that the construction will occur in two consecutive stages. The following table outlines cost estimates and Councils contribution.

Stage Description	Cost Estimate	TOPH Contribution
1 – BHPB construct three Lots, inclusive of trafficable road (unsealed), during the current subdivision construction program.	\$996,000	\$190,992.75 (2013/14)
2 – TOPH construct road pavement, services and crossovers, via normal procurement arrangements.	\$525,000	\$525,000 (2014/15)
Total:	\$1,521,000	\$715,992.75

The budget for Lot 412 subdivision construction costs will be sourced from the sale of Lots within the Kingsford Smith Business Park. This cost has not been considered as part of the Airport Redevelopment Program, however neither has the additional revenue expected from the 3 created Lots. It is expected that the value of the sale of the 3 Lots will exceed the subdivision construction costs, therefore approval of this expenditure will not have a negative impact on the budget.

The supervision fee of \$190,992.75 is already a consideration in GL 1204333. It is recommended to create a new account for the subdivision expenditure (\$715,992.75 total) and arrange an internal journal to cover the supervision fee in GL 1204333. The expenditure will be allocated over 2013/14 and 2014/15 to ensure adequate cashflow in relation to the revenue received from the sale/lease of Lots. This will ensure a minimal impact on the municipal budget.

STATUTORY AND POLICY IMPLICATIONS

The Local Government Act (1995), section 6.8 'Expenditure from municipal fund not included in annual budget' applies to this report.

The section 6.2.1 Diverse Economy of Council's Strategic Community Plan 2012 - 2022 is considered relevant to this project.

ATTACHMENTS

Nil.

9 May 2014

5:58pm Councillors Hunt, Daccache and Melville re-entered the room and resumed their chairs. Mayor advised of Council's decision.

11.2.2 Main Roads Western Australia, Acquisition of Portion of Lot 2443, Great Northern Highway

Sara Bryan, Manager Investment and Business Development
File No 800280G

DISCLOSURE OF INTEREST BY OFFICER

Nil

201314/325 RECOMMENDATION/ COUNCIL DECISION

MOVED: CR JACOB

SECONDED: CR HUNT

That Council accept the negotiated compensation payment from the Commissioner of Main Roads, a body corporate pursuant to the provisions of the Main Roads Act 1930 as amended, of Waterloo Crescent in Western Australia of \$175,000 to be allocated to municipal funds for the acquisition of a 3.6499 hectare portion of Lot 2443 on Deposited Plan 212197 and being part of the land in Certificate of Title Volume 2212 Folio 731.

CARRIED 7/0

EXECUTIVE SUMMARY

In accordance with the provisions of *Land Administration Act 1997 (Parts 9 and 10)*, Main Roads Western Australia (MRWA) have acquired a 3.6499 hectare portion of Lot 2443, Great Northern Highway from the Town of Port Hedland (Town) in order to facilitate the construction of the Great Northern Highway Realignment project (GNHR).

This item seeks Council approval for the negotiated compensation payment of \$175,000 to be directed into municipal funds.

DETAILED REPORT

In June 2012, MRWA made contact with the Town to initiate discussions relating to the proposed acquisition of a portion of Lot 2443, Great Northern Highway for use as road reserve in order to facilitate the construction of the Great Northern Highway Bypass.

Subsequent to this initial request, Officers liaised extensively with MRWA to ascertain the specific requirements for this portion of land, and any potential impacts to come from the acquisition, with a primary focus on the operations at the Port Hedland International Airport.

On clearance of the technical aspects of the proposal, Officers began the process of formalising the acquisition.

In accordance with the *Lands Administration Act 1997*, MRWA, as a State Agency are authorised to take land for the purpose of Public Work, specifically, in this instance, Land Required for Road Purposes.

Compulsory acquisition/Negotiated acquisition

In dealing with the compulsory acquisition process, the Town, as the landowner has two options. The first being to accept a process of compulsory acquisition, whereby the land is valued by the Valuer General, and an offer of compensation made to that sum; or, to enter into a negotiated compensation process, whereby both parties obtain valuation reports for the subject land in order to negotiate the compensation amount.

In July 2013, Officers sought the preparation of a valuation report for the subject land from Australian Property Consultants. This report indicated a sale value, noting highest and best use, of \$330,000.

Parallel to this process, MRWA engaged Landgate to prepare a report for the same and on 30 July 2013, made a compensation payment offer of \$74,000.

This offer was declined due to the substantial difference in the valuation findings.

In order to seek resolution to this matter, it was agreed that the valuers acting for each party would coordinate a meeting to exchange valuation reports and to discuss the material difference in findings in further detail.

This meeting of valuers was held in late August 2013, and the valuers were unable to come to an agreement on the value of the land.

In September 2013, MRWA sought a second valuation for the purposes of negotiation and on 31 October 2013 made a second offer for the amount of \$175,000.

This offer was accepted between the parties and Officers are now in receipt of a contract of sale to accept the compensation payment and formalise the land transaction.

FINANCIAL IMPLICATIONS

In seeking a market valuation report for this transaction, an amount of \$3000 was spent from GL 1210259 within the 2012/13 budget period.

Should Council resolve to approve the acceptance of the negotiated compensation payment, there will be a positive impact to the municipal budget of \$175,000 within the 2013/14 budget period attributed to GL 1304354.

STATUTORY AND POLICY IMPLICATIONS*Lands Administration Act 1997**Part 9 – Compulsory acquisition of interests in land*

In accordance with Part 9 of the *Lands Administration Act 1997*, MRWA as a State Agency, are authorised to take land required in the performance of public work. In this instance, being the construction of the Great Northern Highway Bypass.

Part 10 - Compensation

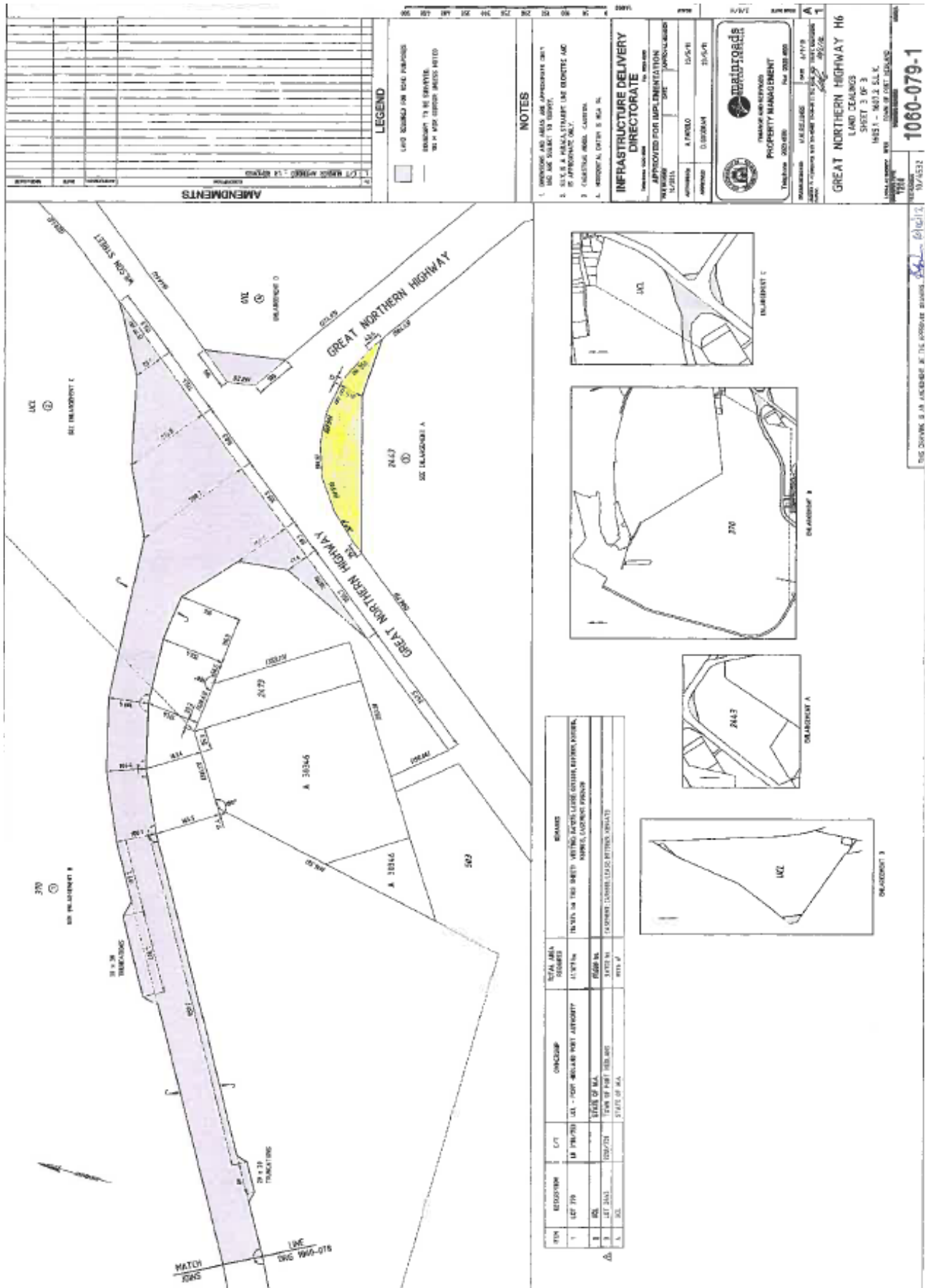
In accordance with Part 10 of the *Lands Administration Act 1997*, every person having interests in the land which is taken under Part 9 is entitled to compensation for those interests from the acquiring authority.

ATTACHMENTS

1. Plan of subject land

7 May 2014

ATTACHMENT 1 TO ITEM 11.2.2



11.2.3 Polar Aviation Lease and Landing Fees

Sara Bryan, Manager Investment and Business Development
File No. 05/05/0045

DISCLOSURE OF INTEREST BY OFFICER

Nil

201314/326 RECOMMENDATION/ COUNCIL DECISION

MOVED: CR HUNT

SECONDED: CR HOOPER

That Council:

1. **Refuse Polar Aviation's request to reduce the annual lease fee for the occupation of the Northern Hangar and Office site at the Port Hedland International Airport; and**
2. **Approve a discount of 30% for Polar Aviation's 2014/15 annual landing fee charges on the condition that the fees are paid in advance in full for the 2014/15 budget period.**

CARRIED BY ABSOLUTE MAJORITY 7/0

EXECUTIVE SUMMARY

Polar Aviation Pty Ltd (Polar Aviation) have requested a reduction in annual lease fees for their occupation of the Northern hangar and office site at Port Hedland International Airport (PHIA).

This item seeks Council approval to maintain their annual lease fees and alternatively offer a reduction in their landing fees.

DETAILED REPORT

Polar Aviation are a locally based aviation business specialising in air charter, air freight services, scenic tours and flight training. They operate a fleet of eight small aircraft out of their hangar at the PHIA, one of which is used solely for flight training.

At its Ordinary Meeting held Wednesday 26 September 2012, Council resolved the following (part resolution):

"That Council:

2. *Agree to dispose of part of Lot 11 on deposited plan 114237 at the Port Hedland International Airport by way of lease on the following terms and conditions;*
 - a. *Vacant land area of 1195m²;*
 - b. *Commencement date of 1 October 2012;*
 - c. *Annual base rental of \$35,850 exc GST*

- d. *Annual increase to the base rental by the Consumer Price Index, Perth as published by the Australian Bureau of Statistics;*
- e. *Market Valuation every 3 years;*
- f. *Term of 15 years, with a 15 year option;*
- g. *For the permitted purpose of Aircraft Hangar and Office Facilities.”*

In late 2013, the Managing Director of Polar Aviation approached officers to discuss a review of the commercial terms of their operations at the PHIA. Their initial request was for the lease fee for their occupation of the Northern hangar site to be reduced to \$30,000 per annum.

In further discussions with the Polar Aviation, they also indicated their desire to discuss the potential for the landing fees for their aircraft operations to be reviewed.

Lease fees

The formalisation of the currently agreed lease terms between the Town of Port Hedland (Town) and Polar Aviation has been subject to an enormous amount of work to rectify issues of the past. The process completed in September 2012 eventuating in the lease terms noted above was result of robust negotiations and provided a beneficial outcome to both parties. The process which was followed was fair and reasonable and completed in line with the Local Government Act and in consultation with qualified valuation consultants.

In assessing Polar Aviation's proposal for a reduction in lease fees officers committed to requesting a new valuation to ascertain whether there had been any movement in the market price for the leased land.

A valuation report was provided by Australian Property Consultants which confirmed that the value of the land had not changed.

Polar Aviation were advised of this outcome and that officers would not support a reduction in annual lease fees as it was a commercial agreement for the occupation of a prime airport lease site.

The risk in considering this request could have detrimental impacts on the commercial viability of any future expansions of general aviation activity and tenancy arrangements at the PHIA. In addition it would set an unwarranted precedent for commercial terms to be reconsidered when they had been agreed to by all parties.

Landing Fees

As noted above, Polar Aviation operates a fleet of eight small aircraft at the PHIA, one of which is used solely for flight training. Polar Aviation have requested a review of the landing charges associated with their aircraft operations which are linked to their tenancy at the airport.

Landing fees are traditionally charged as a fee per tonne (or 1000kgs) of Maximum Take Off Weight (MTOW) of the particular aircraft. At its meeting held 26 March 2014, Council resolved to endorse 2014/15 Airport Fees, seeing the landing charge at \$23.90 ex gst per tonne.

In comparison with other Pilbara airports, the Town has a different approach to fee setting, which sees a large differential for small aircraft operators. While the Town has a flat fee per tonne MTOW, the Shire of Roebourne at Karratha Airport, and the Shire of East Pilbara at Newman Airport formulate landing fees with a scaled approach with reduced fees depending on size of the aircraft.

Shire of Roebourne	
Above 15000kgs	\$ 39.60
Between 5701kg -14,999kgs	\$ 22.00
Below 5700kgs	\$ 5.50

Shire of East Pilbara	
Above 10000kgs	\$18.77
Between 5000kgs – 10000kgs	\$12.85
Below 5000kgs	\$ 9.99

Broome and Darwin airports have the same approach to the Town in setting their published landing charges. Both of these aerodromes also hold international status and are comparable to PHIA.

Broome International Airport	Darwin International Airport
\$ 23.89	\$ 24.97

While Darwin and Broome have published landing fees which are comparable to the Town's, on consultation with these airports, it was determined that Darwin manage a number of commercial pricing agreements for their general aviation operators who also have tenure arrangements for hangar space, which can see considerable discounts to these published figures. These discounts are applied for any fees paid in advance.

Broome Airport advised that they offer a 50% discount for landing fees paid on the day.

Consideration of these additional terms of trade at like aerodromes provides rationale and justification for the consideration of a pricing arrangement with Polar Aviation for their landing fees at the PHIA.

Approach to recommendation

In considering alternative approaches to the charging of landing fees to Polar Aviation, a table has been prepared to show the comparative charges at peer airports utilising Polar Aviation's landing data over a twelve month period (March 2013 to February 2014). Please refer to the table shown in attachment 1.

The table shows that the mean annual charge for Polar Aviation's landing activity at these five airports is \$24,721.20.

PHIA landing fees are currently charged in arrears due to the process of data collection from Avdata and issue of monthly invoices. It is proposed that entering into a formal agreement for landing charges to be paid in advance would reduce administration charges incurred in the monthly management of the accounts.

Proposal for resolution

It is proposed that the following options be considered in order to resolve this matter:

Advance payment term	Discount	Annual fee (ex GST)
12 months	30%	\$25,200
6 months	20%	\$28,800
3 months	10%	\$32,400

The conditions of the above terms being offered would be on the grounds that the payments were to be made in full, in advance. Any delayed payments would revert the payable amounts back to the rates as adopted within the fees and charges.

Polar Aviation have indicated that they would be prepared to make annual payments in advance in order to guarantee these terms.

Council can consider reviewing these terms on an annual basis, utilising a fixed percentage increase or in accordance with the Consumer Price Index.

As this is a new process for the Town, it is proposed that an initial agreement term of twelve months be entered into, with a mechanism for a review of the landing data for the following twelve month period to inform any future fee setting arrangement. This will enable the Town to monitor the aircraft activity and provide both parties with an opportunity to review their position, noting any material changes to Polar Aviation's activity at the PHIA.

It is not anticipated that the consideration of this matter will result in any other arrangements of this nature for general aviation flights, landing into the PHIA. Polar Aviation is the only general aviation operator with regular flight activity and tenure arrangements at the PHIA who would benefit from a fixed arrangement at this time. This is consistent with the philosophy that is adopted at Darwin International Airport.

This item has been researched and prepared in consultation with the PHIA operations and redevelopment teams and was presented to Councillors and the executive team at a concept forum held Wednesday 30 April 2014.

FINANCIAL IMPLICATIONS

Should Council resolve to proceed with the officer's recommendation 1 of this item, there will be no impact to the ongoing revenue account associated with this annual lease fee.

Should Council resolve to proceed with officer's recommendation 2 of this item, Polar Aviation will receive an equivalent 30% discount based on the last 12 months of landing fees for their use of the PHIA. This will have a negative impact of approximately \$7000 to the landing fees revenue account within the 2014/15 budget period. This account has an estimated revenue budget of \$4.5M for the same, therefore this discount is not seen to have a material effect on the overall financial position of the airport accounts.

In investigating the current market value for the site, an amount of \$1800 was expended from GL 1210259 – Valuation Expenses.

STATUTORY AND POLICY IMPLICATIONS

Regulation 26 – Discounts for early payment etc., information about required of the Local Government (Financial Management) Regulations 1996 applies to this item.

26. Discounts for early payment etc., information about required

- (1) The annual budget is to include for each discount or other incentive proposed to be granted for early payment of any money and in respect of each waiver or concession proposed in relation to any money —*
 - (a) in respect of a discount —*
 - (i) the amount of the discount, or the percentage discount, to be allowed; and*
 - (ii) the circumstances in which the discount will be granted;*
 - ...*
 - (c) in relation to a waiver or concession —*
 - (i) a brief description of the waiver or concession; and*
 - (ii) a statement of the circumstances in which it will be granted; and*
 - (iii) details of the persons or class of persons to whom it is available; and*
 - (iv) the objects of, and reasons for, the waiver or concession.*

ATTACHMENTS

1. Comparative landing charge fees

7 May 2014

ATTACHMENT 1 TO ITEM 11.2.3

Aircraft Reg.	Aircraft Type	MTOW (tonne)	charge per landing	actual flights per weight class	actual spend per weight class	shire of roebourne equivalent	shire of east pilbara equivalent	broome equivalent	broome (payments made in advance)	broome equivalent	darwin equivalent	\$
VH-EEA	CESSNA 172R	1.088	\$ 21.13	180	FREE	\$ 5.98	\$ 10.87	\$ 23.89	\$ 11.95	\$ 4,300.65	\$ 24.97	\$ 22.95
VH-YOT	CESSNA U206G	1.632	\$ 31.89	9	\$ 285.21	\$ 8.98	\$ 16.30	\$ 35.84	\$ 17.92	\$ 322.55	\$ 37.45	\$ 337.09
VH-BIV	CESSNA 210N	1.723	\$ 33.46	3	\$ 100.37	\$ 9.48	\$ 17.21	\$ 37.84	\$ 18.92	\$ 113.51	\$ 39.54	\$ 118.63
VH-ILD	BEECH E55	2.404	\$ 46.68	14	\$ 653.54	\$ 13.22	\$ 24.02	\$ 52.79	\$ 26.40	\$ 739.09	\$ 55.17	\$ 772.41
VH-BLW	BEECH 58	2.449	\$ 47.56			\$ 13.47	\$ 24.47	\$ 53.78	\$ 26.89	\$ 5,055.32	\$ 56.20	\$ 5,283.23
VH-NSM	RAYTHEON 58	2.449	\$ 47.56	94	\$ 4,470.18	\$ 13.47	\$ 24.47	\$ 53.78	\$ 26.89	\$ -	\$ 56.20	\$ -
VH-YSS	BEECH 58	2.494	\$ 48.43	74	\$ 3,583.74	\$ 13.72	\$ 24.92	\$ 54.77	\$ 27.38	\$ 4,052.85	\$ 57.24	\$ 4,235.56
VH-CFL	CESSNA 208B	3.969	\$ 77.07			\$ 21.83	\$ 39.65	\$ 87.16	\$ 43.58	\$ 26,060.61	\$ 91.09	\$ 27,235.48
VH-NWT	CESSNA 208B	3.969	\$ 77.07	299	\$ 23,044.16	\$ 21.83	\$ 39.65	\$ 87.16	\$ 43.58	\$ -	\$ 91.09	\$ -
			\$ 49.87	673	\$ 32,137.21	\$ 10,179.65	\$ 18,489.95	\$ 40,644.58	\$ 20,322.29	\$ 42,476.92		

Mean annual charge \$ 24,721.20

11.2.4 Award of Request for Tender 14-01 Cleaning of Town of Port Hedland Facilities (Various)

Jenella Voitkevich, Manager Infrastructure Development
File No. 05/09/0033

DISCLOSURE OF INTEREST BY OFFICER

A member of the assessment panel has a family member employed by one of the unsuccessful tenderers. This has not impacted on the impartiality of the assessment.

201314/327 RECOMMENDATION/ COUNCIL DECISION

MOVED: CR JACOB

SECONDED: CR HUNT

That Council award Request for Tender 14-01 Cleaning of Town of Port Hedland Facilities (Various) to Los Tres Cleaning Services Pty Ltd for the lump sum annual price of \$299,250.00 (excluding GST) for the period 9 June 2014 to 8 June 2017.

CARRIED 7/0

EXECUTIVE SUMMARY

The purpose of this report is to provide a summary of the assessment of submissions received for Request for Tender (RFT) 14-01 Cleaning of Town of Port Hedland Facilities (Various) and to award a three (3) year contract.

DETAILED REPORT

The Town's contract for cleaning services with Unicorn Cleaning and Garden Services expired on 3 April 2014. A periodic agreement is in place to provide services until a new contract is awarded. The scope of work is for the cleaning of, including supply of chemicals and consumables, various facilities including the Civic Centre, Matt Dann Cultural Centre, Depot, Waste Management Facility, Port and South Hedland Libraries, JD Hardie Youth Zone, Marquee Park Splash & Play and all public ablutions. Specifications for the new contract have been prepared in consultation with the relevant building operational teams.

RFT 14-01 was released on 1 March 2014. An optional tender briefing and site inspection was held on 10 March 2014 and was attended by 4 of the 12 companies that had expressed an interest in the contract. RFT 14-01 submission deadline was 26 March 2014, with four (4) submissions received from:

- Unicorn Cleaning and Garden Services Pty Ltd
- Pilbara Cleaning and Garden Services
- Papa Cleaning
- Los Tres Cleaning Services Pty Ltd

All submissions were deemed compliant and assessed against the advertised evaluation criteria (price, relevant experience, resources and demonstrated understanding) by the tender assessment panel.

Confidential attachment one shows the price schedules submitted by each tenderer and includes a comparison against the current contract rates.

The following table provides a summary of the assessment results.

Tenderer / Assessment Criteria	Price (40%)	Relevant Experience (20%)	Resources (20%)	Demonstrated Understanding (20%)	Total Score (100%)
Unicorn Cleaning and Garden Services Pty Ltd	28.22	13.50	8.50	10.00	60.22
Pilbara Cleaning and Garden Services	26.46	10.50	8.00	5.00	49.96
Papa Cleaning	15.11	12.50	12.00	11.00	50.61
Los Tres Cleaning Services Pty Ltd	40.00	16.50	15.00	15.00	86.50

Price

All submissions were assessed after applying the Regional Price Preference Policy applicable to goods and services. This provides a price reduction of 10% of the applicable value up to a maximum of \$50,000 based on evidence provided in the tender submission. All companies are locally based therefore the maximum reduction for assessment applied.

Relevant Experience

All companies demonstrated an acceptable level of experience, although Pilbara Cleaning and Garden Services did not provide information specifically relevant to the contract extent or value. Los Tres Cleaning Services demonstrated a high level of experience in similar work for large Port Hedland companies. They specifically addressed areas equivalent to the contract scope of works providing information on how they overcame issues in previous contracts.

Los Tres Cleaning Services have previously been awarded a cleaning contract with the Town, however this was before a change in ownership in 2010. Excellent written references were also provided.

Resources

Unicorn and Pilbara Cleaning provided minimal information regarding staff and equipment resources, although Unicorn did provide a staff list and advised of 3-15 years experience in the industry. Both Papa Cleaning and Los Tres Cleaning provided a good level of information on resources, including Police clearances and Working with Children checks.

Los Tres Cleaning has back-up equipment and staff available locally and can address issues as they arise due to their proximity.

Demonstrated Understanding

Los Tres Cleaning were the only company who submitted a tender proposal and also attended the tender briefing and site inspection, however Unicorn Cleaning are already familiar with the sites as they deliver the current contract.

Los Tres Cleaning clearly demonstrated that they had read and understood the contract requirements. The organization has good management systems and addressed supervision of staff and security of the buildings. As a clarification, they have confirmed the amount of hours allowed for cleaning of each facility so the Town can ensure that the service offered is equivalent or higher than the current arrangements.

Unicorn Cleaning and Papa Cleaning provided adequate although minimal information to demonstrate an understanding of the contract. Pilbara Cleaning only addressed this briefly and specifically stated that they would not comply with the Town Disability Access and Inclusion Plan requirements.

Summary

Los Tres Cleaning Services has received the highest assessment score as their submitted proposal offers the best value for money, demonstrates a high level of experience and resources and they clearly understand the contract requirements. Therefore it is recommended to award the contract to Los Tres Cleaning Services.

FINANCIAL IMPLICATIONS

The 2013/14 budget has an allocation for cleaning for each of the facilities within the RFT 14-01 scope of works through individual GL accounts. Additional costs are now being incurred for the regular cleaning of Gratwick Hall since the transition to office accommodation. The budget for this has been adjusted in the Quarterly Budget Review in March, noting that cleaning costs at the Airport (separate contract) have decreased since staff vacated the building.

Confidential attachment one shows the price schedules submitted by each tenderer and includes a comparison against the current contract rates (adjusted over time to suit the current requirements). The recommendation to award RFT 14-01 will result in a saving of approximately 33% to the current contract rates. These values will be updated in the draft budget document for 2014/15.

STATUTORY AND POLICY IMPLICATIONS

The Local Government Act (1995) section 3.57 and the Local Government (Functions and General) Regulations 1996 part 4, division 2 provide statutory requirements for the release, assessment and award of tenders. RFT 14-01 was conducted in accordance with these regulations, the Town's Procurement Policy 2/007, Tender Policy 2/011 and Regional Price Preference Policy 2/016.

Sections of this report pertaining to price submissions from tenderers have been deemed confidential in accordance with the Local Government Act (1995) section 5.23 part 2(e)(iii).

The cleaning of Town facilities is broadly addressed in the 2012-2022 Strategic Community Plan in section 6.4 Local Leadership: Deliver responsible management of infrastructure, assets, resources and technology.

ATTACHMENTS

1. (Confidential): Price submission schedules for RFT 14-01 Cleaning of Town of Port Hedland Facilities (Various) (Under Separate Cover)

9 May 2014

6.01pm Councillor Hunt declared a financial interest in item 11.2.5 'construction of the South Hedland Youth Space and Skate park Facility – Procurement Process' as she has BHP Billiton shares over the statutory threshold.

Councillor Daccache declared a financial interest in item 11.2.5 'construction of the South Hedland Youth Space and Skate park Facility – Procurement Process' as he has BHP Billiton shares over the statutory threshold.

Councillor Melville declared a financial interest in item 11.2.5 'construction of the South Hedland Youth Space and Skate park Facility – Procurement Process' as he is a BHP Billiton employee.

6.01pm Councillors Hunt, Daccache and Melville left the room.

11.2.5 Construction of the South Hedland Youth Space and Skate Park Facility – Procurement Process

Jenella Voitkevich, Manager Infrastructure Development
File No. 26/13/0026

DISCLOSURE OF INTEREST BY OFFICER

Nil

RECOMMENDATION

That Council:

- 1. Withdraw the preferred contractor status of Convic Skate Parks for the Construction of the South Hedland Youth Space & Skate Park Facility; and**
- 2. Delegate authority to the Chief Executive Officer, or his nominated officer(s), to recommence the procurement process for the Construction of the South Hedland Youth Space & Skate Park Facility.**

LAPSED FOR WANT OF A QUORUM

EXECUTIVE SUMMARY

Council Decision 201314/142 at the Ordinary Council Meeting (OCM) on 23 October 2013, nominated Convic Skate Parks as the preferred contractor for the construction of the South Hedland Youth Space and Skate Park Facility. The preferred contractor status was conditional on securing additional funding and negotiating the construction costs in conjunction with a value management exercise.

The tender validity period to award a construction contract expired prior to securing additional funding from BHP Billiton. The Town must now commence a new procurement process for the construction contract.

DETAILED REPORT

The South Hedland Youth Space and Skate Park project has been in development since July 2011 and has included comprehensive community engagement, master planning, detailed design and numerous reports to Council.

Request for Tender 13/26 for the construction of the facility was advertised in September 2013. The outcome of the tender process was presented to Council at the OCM on 23 October 2013 with the following decision (201314/142):

That Council:

- 1. Nominates Convic Skate Parks as the preferred contractor for Tender 13/26 Construction of the South Hedland Youth Space & Skatepark Facility;*
- 2. Requests the Chief Executive Officer, or his delegate(s), to pursue additional funding for the project;*
- 3. Requests the Chief Executive Officer, or his delegate(s), to negotiate construction costs with Convic Skate Parks in consideration of value management options offered, ensuring that stakeholder expectations and key deliverables are met, in accordance with the approved project design and budget inclusive of any additional; funding secured as per part 2: and*
- 4. Delegates authority to the Chief Executive Officer to award Tender 13/26 Construction of the South Hedland Youth Space & Skate Park Facility to Convic Skate Parks on finalization of construction costs and project funding.*

Officers proceeded to clarify and negotiate the construction costs with Convic, ensuring that the project would still achieve the original design intent. The negotiations were held in consultation with representatives from the Town's Community and Infrastructure Development units, Convic Skate Parks management and the designers Enlocus. Simultaneously, officers submitted applications to source funding for the shortfall in the project budget.

The potential value management items considered included:

- Deletion of shade shelters (install footings only for future shade installation)
- Modification of shade shelter design to reduce costs
- Reduction of feature lighting
- Reduction of feature paving (replace with concrete)
- Provision of accommodation by the Town (assuming savings could be achieved)
- Removal of feature fencing between SHAC and the youth space
- Deletion of CCTV
- Reduction in height and overall scale of walls and other components
- Reduction of coloured concrete (replace with grey concrete)
- Replace feature railings with standard product
- Construct seating walls in lieu of separate furniture installation

- Remove landscaping (to be installed in future)
- Review of all subcontractor rates
- No consideration of optional items such as second shade shelter and WIFI

The majority of these items were not approved due to the impact on the integrity of the design and the relatively minimal savings achieved. In some cases firm cost estimates could not be provided due to the uncertainty in construction timeframes.

Convic Skate Parks also proposed an alternative design that could be constructed within the current budget, however it was a dramatic reduction in size and would not meet stakeholder expectations.

Tender 13/26 included a condition that the price submission must remain valid for a 90 day period from the tender closing date. Prior to the expiry of this period an extension to the end of February 2014 was approved by mutual agreement. After this date Convic advised that they could no longer guarantee the validity of their price submission, inclusive of negotiated outcomes, on the basis of contractor availability and general escalations. Unfortunately additional funding was not secured during this period therefore a construction contract with Convic Skate Parks could not be formalized.

In May 2014 the Town received confirmation from BHP Billiton that they would fund the shortfall in the project budget, thus allowing the project to proceed. Due to the elapsed tender period officers must commence a new procurement process. This will involve obtaining quotes through the WALGA preferred supplier panel for Landscape Infrastructure (contract C019) which includes a component specifically for skate parks. If this is unsuccessful a new tender process will commence. In both circumstances Convic Skate Parks will be given the opportunity to provide a submission.

FINANCIAL IMPLICATIONS

Confirmed funding for the project is provided in table 1 below.

Table 1:

Income	Amount	Status
BHBHP Billiton Iron Ore	(\$70,000)	Expended – Masterplan and Concept Design
	(\$156,977)	Expended – Detailed design and preparation of contract documentation
	\$773,023	Balance, confirmed for construction
	\$1,382,289	Additional funding approved May 2014
Landcorp	\$350,000	Confirmed for construction
FMG	\$500,000	Confirmed for construction
Lotterywest	\$650,000	Confirmed for construction
TOTAL	\$3,655,312	

The reassessed construction cost estimate is provided in table 2 below.

Table 2:

Description	Amount (ex GST)
Construction estimate	\$3,350,000
Client Project Delivery Costs – contract administration, project management and sponsor recognition	\$35,000
Designer fees (Enlocus)	\$6,500
Contingency	\$263,812
Total project estimate	\$3,655,312
Optional Items - outside current estimate but to be considered in tender response (2 nd shade shelter & WI FI)	\$390,000

STATUTORY AND POLICY IMPLICATIONS

The Local Government Act (1995) section 3.57 and the Local Government (Functions and General) Regulations 1996 part 4, division 2 provide statutory requirements for the release, assessment and award of tenders. Tender 13/26 was conducted in accordance with these regulations, the Town's Procurement Policy 2/007, Tender Policy 2/011 and Regional Price Preference Policy 2/016. Future procurement processes will comply with the same policies.

The South Hedland Youth Space & Skate Park Facility project addresses several elements of Town's Strategic Community Plan 2012 - 2022. The predominant strategies and underlying goals are:

- 6.1.1 Unified 'Increase in the number of physical, cultural and social facilities in Port Hedland'
- 6.1.2 Vibrant 'Provide access to recreational, cultural, entertainment facilities and opportunities'
- 6.3.2 Community Facilities 'Provide safe and accessible community facilities, libraries, services and public open spaces that connect people and neighbours'.

ATTACHMENTS

Nil.

12 May 2014

6:02pm Councillors Daccache, Hunt and Melville re-entered the room and resumed their chairs. Mayor advised that the recommendation could not be considered as there was a lack of quorum.

11.2.6 Port Hedland International Airport Electrical Upgrade – Budget Modifications

Ian McKay, Manager Airport
File No. 30/12/0008

DISCLOSURE OF INTEREST BY OFFICER

Nil

201314/328 RECOMMENDATION/ COUNCIL DECISION

MOVED: CR JACOB

SECONDED: CR HUNT

That Council:

- 1. Endorse the proposed Port Hedland International Airport electrical upgrade program (as per attachment 1);**
- 2. Approve amendment to 2013/14 budget by transfer of \$124,016 from Airport Reserve to electrical upgrades (GL1210473) to complete Stage 2 works;**
- 3. Approve inclusion of \$5,539,000 in 2014/15 budget to complete Stage 3 and other associated works;**
- 4. Note that the Chief Executive Officer has commenced discussions with the Pilbara Development Commission to seek external grant funding to assist with infrastructure works at the Port Hedland International Airport including electricity, water and sewerage programs; and**
- 5. Subject to the inclusion of Stage 3 works in the 2014/15 budget, note TEC Services to be awarded the electrical upgrade Stage 3 works as per Tender 13/14 Aerodrome Specific Electrical Contracting Services.**

CARRIED BY ABSOLUTE MAJORITY 7/0

EXECUTIVE SUMMARY

The Port Hedland International Airport requires a significant upgrade to its electrical network and infrastructure in order to meet future demand – including terminal expansion, freight and logistics zone and network capacity for AirServices Australia new air traffic control services tower.

The electrical upgrade program first commenced in 2008 and is proposed to be completed in stages. Stage 1 was completed in 2008. Stage 2 works commenced in 2013 and subsequent onsite investigations determined that the scope of works required alteration. These works have been halted pending Council consideration of the upgrade program. Stage 3 works are outlined in this report. Future stages are yet to be fully scoped.

This item seeks Council approval to amend the allocated 2013/14 budget for the electrical upgrade works. It also seeks commitment for \$5,539,000 for the 2014/15 budget to complete Stage 3 works with a contingency for other associated works.

DETAILED REPORT

The Port Hedland International Airport requires a significant upgrade to its electrical network and infrastructure in order to meet future demand – including terminal expansion, freight and logistics zone and the immediate requirement to provide suitable electrical capacity for Air Services Australia in the construction of their proposed new Control Tower and Fire Station.

The draft Port Hedland International Airport redevelopment strategy outlines that essential infrastructure services, such as electricity, water and wastewater, need to be significantly upgraded. Budget estimates for these upgrades have been included in the proposed \$100 million capital works program. It should be noted that the Town has commenced discussions with the Pilbara Development Commission about co-funding these upgrades given the economic benefits that would be realized to the areas surrounding the airport precinct.

Existing electrical network and infrastructure

The airport has a 1 million volt-amperes (MVA) low voltage electrical distribution system. To accommodate future growth and demand it is anticipated that the airport will require a 4.5MVA high voltage electrical distribution system.

Onsite investigations conducted by awarded-contractor TEC Services have revealed that the airport's existing switchboard is non-compliant and requires a significant upgrade. It was also discovered that the airport's two generators (which supply backup power to the airport when the main power fails) were either out of commission or unable to supply sufficient power to the terminal in the event of loss of mains power.

AirServices Australia are re-establishing an air traffic control tower and fire and rescue services to Port Hedland International Airport however the airport's existing infrastructure is not sufficient to meet this demand. As per correspondence from AirServices in March 2014, AirServices have committed to fund the infrastructure and cabling from the airport's main substation. Even with this cabling there is insufficient electrical capacity within the airport's existing infrastructure to meet their requirements. Therefore the Town must upgrade its existing substations and associated infrastructure to provide this capacity.

Electrical upgrade program – Stage 1 and 2

Stage one of the electrical upgrade program was completed in 2008. These works included the provision of new distribution boards, testing of existing boards and cables and replacement of the terminal building main switchboard and associated cabling.

Stage two of the upgrade program was released for tender. At its 22 May 2013 Ordinary Council Meeting, Council awarded Tender 13/03 Port Hedland International Airport electrical upgrade works to TEC Services and updated the 2012/13 budget accordingly (decision 201213/393):

- ...
2. *Award Tender 13/03 Port Hedland International Airport Electrical Upgrade Works to Total Electrical Communication Services Pty Ltd (for the amount of \$1,867,681.93 including GST) as per their tender submission.*
- ...
4. *Authorise expenditure of \$432,664.00 which was not included in the annual budget for Main Runway 14/32 lighting upgrades be allocated to Non-Operating Account Number 1210473 Electrical Upgrades. (Refer to table below)*

GL Account Number	Account Description	2012 – 2013 Original Budget	Amendment	2012 – 2013 Revised Budget
1210463	Reseal – Runway	7,000,000	(4,500,000)	2,500,000
1210454	Main Apron Extension	350,000	4,500,000	4,850,000
1210473	Electrical Upgrades	2,500,000	432,664	2,932,664

The tender was to upgrade the low voltage distribution ring main including installation of new distribution pillars and associated mains cabling.

Stage 2 – revised scope of works

Following the award of the contract and during TEC Services' onsite investigations it was determined that the original scope of works would not meet expected future demands for the airport.

Based on the need to significantly upgrade the previously mentioned infrastructure and equipment and noting the proposed redevelopment program for the airport precinct, TEC Services halted works and revised the electrical upgrade program.

The original program of works included an upgrade to the low-voltage distribution network (LV network) and the electrical ring main within the terminal precinct. Work commenced to upgrade the LV network however it was then halted while the revised program was developed.

- The revised program of works has been designed by TEC Services with Concept Consultants Australia. Key works to complete the LV network upgrades (Stage 2) include:
 - Commissioning of area distribution boards including radial supplies
 - installing LV reticulation
 - Disconnecting and removing redundant equipment and cable
 - Carrying out civil design and construction works
 - Installing LV earthing systems and testing facilities to AS/NZS 3000:2007 and Supply Authority requirements
 - Changing over existing supplies to new LV reticulation

Stage 3 – proposed scope of works

The proposed scope of works includes upgrade to substations, airside lighting and high-voltage infrastructure upgrade as detailed below:

- Establishment of new high-voltage distribution network to deliver:
 - Power to the new freight and logistics subdivision
 - Power to the new passenger terminal
 - Power to new Northern Apron expansion
 - Capacity to provide power to new AirServices Australia fire station and air traffic control tower
 - Capacity to receive solar power from the Beausol pilot site
- Installation of two new generators
- Installation of three additional sub-stations allowing separate meters
- Upgrade of Horizon Power's connection to the airport precinct allowing additional power provision
- Installation of airside lighting control unit

Appointment of specialised electrical contractors

The Town has established a specialized panel of electrical contractors. At the 5 February 2014 Airport Committee Meeting and subsequent 26 February 2014 Ordinary Council Meeting, Council awarded Tender 13/14 Aerodrome Specific Electrical Contracting Services to both TEC Services and Goodline for a period of three years (decision 201314/264):

“That the Airport Committee award Tender 13/14 Aerodrome Specific Electrical Contracting Services to both Total Electrical Communication Services and Ribshire Pty Ltd trading as Goodline for the period three (3) years from 5 February 2014 to 5 February 2017 according to the schedule of rates provided in their Tender submission 13/14 Aerodrome Specific Electrical Contracting Services.”

It is recommended that TEC Services are engaged to finalise stage 2 and implement stage 3 works under Tender 13/14.

Electricity tariff arrangements

The proposed program of works includes the installation of separate low-voltage meters at each tenancy. This will also include a two-way meter on the substation that receives solar power from the BeauSol/First Solar pilot site.

These meters will facilitate accurate reporting of each tenant's electricity use. It is proposed that the Town reads these meters and on-charges electricity use to tenants directly. It is understood that the Town will be able to recover a base rate plus an administration component.

FINANCIAL IMPLICATIONS

The electrical upgrades 2013/14 budget (GL 1210473) was \$2,461,211. As at 30 April 2014 \$1,714,107 has been spent with \$747,103 remaining.

The below table indicates required budget for the upgrade program:

Project component	Cost (ex gst)
<i>Stage 2</i>	
Low-voltage network upgrade (to complete original scope of works)	\$871,119
<i>Stage 3</i>	
LV customer metering upgrade (Stage 3)	\$250,000
Airside lighting upgrade(Stage 3)	\$600,000
Airport Substation 1 LV (Stage 3)	\$2,264,929
HV infrastructure upgrade 5MVA (Stage 3)	\$1,111,755
Horizon Power Head works 1.5MVA (Stage 3)	\$310,000
Total	\$5,407,803

Account GL 1210473	Budget
2013/14 allocation	\$2,461,211
Expenditure to date	\$1,714,107
Budget required to complete stage 2	\$871,119
Shortfall	(\$124,016)
Required funds for 2013/14	\$124,016
Required funds for 2014/15 to complete Stage 3	\$4,536,684

Therefore it is recommended that:

- An additional \$124,016 is allocated to 2013/14 budget to complete Stage 2 works
- \$5,539,000 is allocated in the 2014/15 budget to complete Stage 3 and provide a contingency for other associated works

The Chief Executive Officer has written to the Pilbara Development Commission seeking funding for key infrastructure at the PHIA including electrical, water and sewerage infrastructure. A formal business case has not been presented to the Pilbara Development Commission at this stage.

STATUTORY AND POLICY IMPLICATIONS

Council absolute majority decision

As per section 6.8(1) of the *Local Government Act* the Town can incur expenditure for an additional purpose if it is authorized in advance by resolution.

Continuous electrical supply

It is imperative that there is an uninterrupted supply of electricity to the airport. In the execution of upgrade works the airport must continue to operate on a 'day to day basis' without exception.

The Civil Aviation Safety Authority Regulation *MOS 139 – 9.1.5 Primary Source of Electricity Supply* states that an aerodrome lighting system must be an electrically connected installation with primary sources of electric power supplied by the local electricity supply authority.

ATTACHMENTS

1. Port Hedland International Airport Electrical Upgrade Program

10 May 2014

ATTACHMENT 1 TO ITEM 11.2.6

Port Hedland International Airport electrical upgrade program – current status

Prepared for Town of Port Hedland

By Tec Services and Concept Consultants Australia



6 May 2014



Rev	DATE	DESCRIPTION OF ISSUE	BY
B	06-05-2014	ISSUED FOR APPROVAL	DNB
A	31-03-2014	ISSUE FOR CLIENT REVIEW	JWC

INDEX

1.0	EXECUTIVE SUMMARY.....	3
2.0	BACKGROUND	3
3.0	PROJECT INFORMATION	3
3.1	GENERAL.....	3
3.2	DOCUMENTATION	3
3.2.1	SPECIFICATIONS	3
3.2.2	DRAWINGS (TO SUPPLEMENT ITEMS A AND B)	4
3.3	REPORTS AND SCHEDULES	4
3.4	SUBMISSIONS AND CURRENT WORK DESCRIPTIONS/REVISIONS	4
4.0	AIRPORT ELECTRICAL SERVICES - STAGING & CONSIDERATIONS	4
4.1	INTRODUCTION	4
4.2	STAGE 2 – COMPLETED WORKS	5
4.3	STAGE 2 – WORKS IMMEDIATELY REQUIRED	5
4.4	STAGE 3 – PROPOSED WORKS.....	6
4.5	STAGE 4 – WORKS REQUIRED IN SHORT TO MEDIUM TERM	8
4.6	STAGE 5 – WORKS MEDIUM TO LONG TERM	8
5.0	PROJECT PACKAGING & FUNDING.....	8
5.1	GENERAL.....	8
5.2	PACKAGING	8
5.2.1	PRIORITY.....	9
5.2.2	ASSISTANCE & INPUT	9
5.3	FUNDING ALLOCATION.....	9
6.0	CONCLUSION	9

1.0 EXECUTIVE SUMMARY

The Port Hedland International Airport requires a significant increase to its electrical network in order to meet future demand. The existing infrastructure is currently 1MVA low voltage and based on planning assumptions and demand analysis the future requirements will need to be 5MVA high voltage. The current electrical infrastructure is 30 years old, does not meet with the current AS standards and will not suit future power usage requirements on site.

TEC Services were engaged by the Town of Port Hedland to undertake electrical upgrade works. These works were halted when it was identified that the scope of works would not meet the airport's future requirements.

This document outlines the current status of work and proposed future works to meet the airport's demands, including the immediate requirement to provide suitable electrical capacity for Air Services Australia in the construction of their proposed new Control Tower and Fire Station.

Key works include:

- completion of low voltage network upgrades (stage 2)
- upgrade of main switchboard (stage 2)
- installation of three new substations (stage 3)
- upgrade to customer meters (stage 3)
- upgrade to airside lighting (stage 3)
- upgrade to high voltage infrastructure (stage 3)

The estimated budget for these works is \$5,407,803 (ex gst).

2.0 BACKGROUND

TEC Services were engaged by the Town of Port Hedland to undertake stage 2 electrical upgrade works at Port Hedland International Airport following a tender process. The tender was to upgrade the low voltage distribution ring main including installation of new distribution pillars and associated mains cabling.

After undertaking part of the works, it was determined that the original scope of works would not meet the airport's future demand requirements. Works were ceased while a revised scope was determined and revised electrical engineering documentation was developed.

This document outlines proposed new scope of works in order to effectively meet the airport's electricity requirements.

3.0 PROJECT INFORMATION

3.1 General

Concept Consultants Australia prepared the following documentation to enable the supply, installation and testing of the electrical services as outlined in the Document Control Schedule DS-1.

3.2 Documentation

3.2.1 Specifications

(A) Equipment

- Diesel Generators.
- Site Main Switchboard (LV) with modular switchroom enclosure.

- High Voltage equipment.
- High/Low voltage step down transformers.
- High Voltage package substation.

(B) Installation

- Substation #1.
- Substation #2.
- Substation #4.
- Control Tower and Fire Station high and low voltage power supplies.

3.2.2 Drawings (To supplement items A and B)

- Five (5) off Single Line Diagrams.
- Three (3) off Site HV and LV Reticulation and Earthing.
- One (1) off Site Plan.
- Two (2) off Area Distribution.(LV).
- Four (4) off Substations 1-4.
- Two (2) off Switchroom Substation # 1
- Four (4) off Support Drawings and Details.

3.3 Reports and Schedules

- Overview of Electrical Services Project Staging and Associated Work Scopes. (Issued by Electrical Services Project Manager 24-09-2013).
- Document Schedule # DS-1 Rev B.

3.4 Submissions and Current Work Descriptions/Revisions

"TBA"

4.0 AIRPORT ELECTRICAL SERVICES - STAGING & CONSIDERATIONS

4.1 Introduction

Upgrades to the airport's electrical and communications services have commenced. It is critical that these works, and any future programs, will integrate with future requirements for the entire airport precinct.

All works both current and projected will require considerable cross co-ordination between stages and the elements within the stages in order to meet TOPH expectations.

It should be noted that all works and services shall take due consideration and implement the following requirement:

Port Hedland Airport - Electrical Services Status Report

"In the execution of works at either the Airport or Support Facilities that the Airport must continue to operate on a 'day to day basis' without exception"

4.2 Stage 2 – completed works

The following works have been implemented at the Site through recently awarded contracts.

(A) Electrical Upgrade of Low Voltage (LV) Distribution

- a. Design and Install Area Distribution Boards (ADB1, 2, 3, 5, 8 & 10) including radial supplies (part Completed).
- b. Supply all plant, labour and material for the complete installation of LV reticulation, including pits, conduits.
- c. Supply all labour, material and equipment for the relocation of existing residential supplies to new ADB10.
- d. Supply all labour, material and equipment for the relocation of existing AVIS & BUDGET supplies to ADB10.
- e. Supply all labour, material and equipment for the relocation of existing supplies originating at Pillar 2 to new ADB1.
- f. Supply all labour, material and equipment for the relocation of all existing supplies originating at Pillar 4 to new ADB5.
- g. Supply all labour, material and equipment for the relocation of all existing supplies originating at Pillar 7 to new ADB8.
- h. Disconnection and removal of redundant equipment and cable.
- i. Civil design and construction works including bunding, plinths, foundations and footings.
- j. Low Voltage earthing systems including cabling, pits, electrodes, connections and testing facilities to AS/NZS 3000:2007 and Supply Authority requirements.
- k. Shutdown and changeover existing supplies to new LV reticulation.
- l. Supply GPS survey location of installed cable and equipment.
- m. Make good all surfaces damaged during installation of the works.
- n. Testing and commissioning of the LV ADB and overall systems including provision of signed and witnessed test results for all works including system earthing.
- o. As Constructed drawings and provision of indexed and tabulated operating and maintenance manuals Scope of Works included new Distribution Pillars and associated mains cabling throughout.

Note: 1. these works have been reviewed the contract halted and a complete new design applied in order to suit TOPH considerations and pending Site upgrades incorporating the proposed expansion of the Terminal and the inclusion of Substation #1.

4.3 Stage 2 – works immediately required

- a) Install, test and commission Area Distribution Boards (ADB1, 2, 3, 5, 8 & 10) including radial supplies (Part Completed).

Port Hedland Airport - Electrical Services Status Report

- b) Install all plant, labour and material for the complete installation of LV reticulation, including pits, conduits.
- c) Install all labour, material and equipment for the relocation of existing residential supplies to new ADB10.
- d) Install all labour, material and equipment for the relocation of existing AVIS & BUDGET supplies to ADB10.
- e) Install all labour, material and equipment for the relocation of existing supplies originating at Pillar 2 to new ADB1.
- f) Install all labour, material and equipment for the relocation of all existing supplies originating at Pillar 4 to new ADB5.
- g) Install all labour, material and equipment for the relocation of all existing supplies originating at Pillar 7 to new ADB8.
- h) Disconnection and removal of redundant equipment and cable.
- i) Civil design and construction works including bunding, plinths, foundations and footings.
- j) Low Voltage earthing systems including cabling, pits, electrodes, connections and testing facilities to AS/NZS 3000:2007 and Supply Authority requirements.
- k) Shutdown and changeover existing supplies to new LV reticulation.
- l) Testing and commissioning of the LV ADB and overall systems including provision of signed and witnessed test results for all works including system earthing.
- m) As Constructed drawings and provision of indexed and tabulated operating and maintenance manuals
Scope of Works included new Distribution Pillars and associated mains cabling throughout

4.4 Stage 3 – proposed works

The Airport electrical power supply has to be upgraded to include for the immediate requirements of Air Services Australia New Control Tower and Fire Station. The works required as a minimum will be:

(A) Airport Substation 1 LV (Stage 2a)

- a. Fully fitted containerised switch room to house SMSB, including fire protection, HVAC, general light and power.
- b. Supply, install and commission of 2 x 750kVA emergency generators.
- c. Supply, install and commission of fuel storage tank.
- d. Interconnecting HV & LV cabling between Airport Substation HV transformer, SMSB and generator complete with conduits and pits.
- e. High and Low voltage earthing systems including cabling, pits, electrodes, connections and testing facilities to AS/NZS 3000:2007 and Supply Authority requirements.
- f. Supply GPS survey location of installed cable and equipment.
- g. Preparation and consolidation ground works for the substation layout.
- h. Civil design and construction works including bunding, plinths, foundations, footings and fencing.
- i. De-commission of existing HV – LV equipment.

Port Hedland Airport - Electrical Services Status Report

- j. Make good all surfaces damaged during installation of the works.
- k. Testing and commissioning of the substation and overall systems including provision of signed and witnessed test results for all works including system earthing.
- l. As Constructed drawings and provision of indexed and tabulated operating and maintenance manuals.
- m. Maintaining of power supplies to the Airport Facility is to be the number one priority and under no circumstances shall power supplies be isolated without the prior formal approval from TOPH. If absolutely necessary i.e. changeover of existing site supply to the new substation a minimum of fourteen (14) days notice shall be given.

(B) LV customer metering upgrade

- a. Replace existing metering system with new TOPH tariff meter system to allow customer billing by council at approved rates.

(C) Airside lighting upgrade

- a. Supply and installation of new airside lighting control room

(D) HV infrastructure upgrade 5MVA

- a. Customer owned High Voltage (22kV) combined air circuit breaker, CT metering switch room. (HP metering Substation)
- b. 2000kVA Airport Substation 1 (complete) as per specification.
- c. Customer owned High Voltage (22kV) combined air circuit breaker, fused switches switchgear complete with provision for future switch units and connections. (Substation 1)
- d. 2 x Step Down Transformer: 22kV/415V 1000kVA Onan Dyn 1 type. (Substation 1)
- e. Supply all plant, labour and material for the installation of 22kV switchgear, HV cable and earthing.
- f. Supply, install and commission of customer owned High Voltage (22kV) combined switch, fused switches switchgear complete with provision for future switch units and connections. (Substation 2)
- g. 1 x Step Down Transformer: 22kV/415V 1000kVA Onan Dyn 1 type. (Substation2)
- h. Interconnecting HV cabling between Airport Horizon Power Metering Substation HV switchgear and Airport Substation 1 with conduits and pits.
- i. Interconnecting HV cabling between Airport Substation 1 HV switchgear and Airport Substation 2 with conduits and pits.
- j. High Voltage earthing systems including cabling, pits, electrodes, connections and testing facilities to AS/NZS 3000:2007 and Supply Authority requirements.
- k. Supply GPS survey location of installed cable and equipment. Route to be confirmed when cadastral boundaries of proposed sub-division finalised.
- l. Preparation and consolidation ground works for the substation layout.
- m. Civil design and construction works including plinths, foundations and footings.
- n. Make good all surfaces damaged during installation of the works.
- o. Testing and commissioning of the substation switchgear and overall systems including provision of signed and witnessed test results for all works including system earthing.

Port Hedland Airport - Electrical Services Status Report

- p. As Constructed drawings and provision of indexed and tabulated operating and maintenance manuals.
- q. Maintaining of power supplies to the Airport Facility is to be the number one priority and under no circumstances shall power supplies be isolated without the prior formal approval from TOPH. If absolutely necessary i.e. changeover of existing site supply to the new substation a minimum of fourteen (14) days notice shall be given.

(E) Horizon Power Head works 1.5MVA (Stage 3)

- a. Re-arrange existing incoming Horizon Power high voltage power supply route from Great Northern Highway to supply 1.5mva into a new HV Switch room that is to be provided by TOPH adjacent/near the new Substation #1 Airport boundary.

4.5 Stage 4 – works required in short to medium term

Works that will require electrical infrastructure, additions, upgrades in the range of a 2-5 year time frame and will require spare capability/capacity in the design of the immediate works. The timing and priority of these works will be TOPH driven.

- (A) Expansion of airport passenger terminal – 2017
- (B) Wastewater pump station or new waste water treatment plant – 2015
- (C) Freight and logistics LV infrastructure – 2015
- (D) Interconnection into Solar Power Station located on or adjacent TOPH land – 2015
- (E) Emergency high voltage “tie” cable connection in the advent of a Civil Disaster/Emergency – 2017

4.6 Stage 5 – works medium to long term

Works that will require electrical infrastructure additions and upgrades in the range of a 4-10 year time frame but will require spare capability/capacity in the short to medium design works the timing and priority of these works will be TOPH driven.

- (A) Complete HV ring main infrastructure – 2016
- (B) Royal Flying Doctor Services precinct development – 2016
- (C) Northern apron sub division – 2015
- (D) New Freight Hub (Domestic and International) – 2015

5.0 PROJECT PACKAGING & FUNDING**5.1 General**

Stage 2 works have been tendered and re-designed to suit TOPH requirements.

Stage 3 works have been scoped and costed. Stage 4-5 works are yet to be costed.

5.2 Packaging

On review and scrutiny of Section 4.0 the following allocation of projects complete with funding cover for each is essential if current and immediate Airport services are to be maintained and fit to purpose for upgrades that are required in the short to medium term.

5.2.1 Priority

Following are Projects as nominated in stage 3 that are required to commence as soon as possible in order for TOPH to meet and satisfy both commercial and statutory obligations for the Airport.

- (A) Establishment of Substation #1.
- (B) Establishment of Substation #2.
- (C) New incoming Horizon Power Site high voltage power connection to Substation # 1.
- (D) Supply and install new Diesel Generators.
- (E) Airside lighting Control Room
- (F) Apron Lighting extension

5.2.2 Assistance & Input

The Projects as nominated above will require TOPH input with regard to approval to proceed, funding and discussions with Horizon Power with regard to allocation of land and Building Approvals for the installation of Substation #1.

The Projects as listed in Stage 4 and 5 may be nominated as follow on from the Priority Projects, but it is not to be interpreted as definitive nor is it intended that they cannot be commenced/completed in parallel with the Priority listings.

However it is important to note that without the completion of the Priority Projects first, none of the Projects in Stage 4 and 5 can be delivered.

5.3 FUNDING ALLOCATION

Stage	Current and Immediate Works Required	Costing (ex gst)
2	Electrical Upgrade of Low Voltage (LV) Distribution.(Stage 2a) redesign	\$871,119
3	LV customer metering upgrade (Stage 3)	\$250,000
3	Airside lighting upgrade(Stage 3)	\$600,000
3	Airport Substation 1 LV (Stage 3)	\$2,264,929
3	HV infrastructure upgrade 5MVA (Stage 3)	\$1,111,755
3	Horizon Power Head works 1.5MVA (Stage 3)	\$310,000
	Total	\$5,407,803

6.0 CONCLUSION

The following conclusions can be drawn from the above and associated documentation and presented as follows.

- (A) The existing electrical services have to be expanded and revised (Stage 2 works) to enable essential Stage 3 Projects to be installed and completed.

Port Hedland Airport - Electrical Services Status Rep

- (B) Priority work Stage 3 have to be installed immediately either in part or preferably all , as a matter of urgency given both the state and capacity of the existing services to include for the new Control Tower and Fire Station power supplies.
- (C) Stage 4 and 5 projects cannot be facilitated electrically if Stage 3 projects are not installed and completed.
- (D) The diesel generators have to be replaced with new and increased capacity units.
- (E) The Site power supply has to be upgraded from a low to a high voltage connection in order to satisfy the increased electrical demand both in the immediate, medium and long term time lines.

11.3 Community Development**11.3.1 Gratwick Aquatic Centre Gym Community Consultation - YMCA**

Graeme Hall, Manager Recreation Services and Facilities
File No. 26/18/0001

DISCLOSURE OF INTEREST BY OFFICER

Nil

201314/329 RECOMMENDATION/ COUNCIL DECISION

MOVED: CR HUNT

SECONDED: CR HOOPER

That Council:

- 1. Receive the Gratwick Aquatic Centre - Community Consultation Analysis and Recommendations (May 2014), prepared by the YMCA (Attachment 1); and**
- 2. Request that the YMCA prepare a project plan and detailed cost proposal to upgrade the Gratwick Aquatic Centre gym for future consideration.**

CARRIED 7/0

EXECUTIVE SUMMARY

The YMCA recently undertook a community consultation survey regarding the future of the Gratwick Aquatic Centre gym. This report requests that Council note the Community Consultation Analysis and Recommendations report, prepared by the YMCA (Attachment 1).

The report also highlights the current condition of the existing Gratwick Aquatic Centre gym equipment and gym space. It requests that Council notes the need to upgrade the facility and gym equipment.

DETAILED REPORT

Following the extensive redevelopment of the South Hedland Aquatic Centre, the Gratwick Aquatic Centre is now the Town's seasonal pool and closes to the public for the winter months (April – September). The South Hedland Aquatic Centre is now heated and open to the public all year round.

During the winter months, the Gratwick Aquatic Centre gym will remain open to the public for 60 hours per week. Hours of operation being:

- Monday to Friday:
 - 5.00am – 9.00am
 - 4.30pm – 9.00pm
- Saturday and Sunday:

- 10.00am – 6.00pm.

These hours may be subject to change due to essential budget considerations.

At the Ordinary Council Meeting 25 September 2014, it was endorsed (in part) that Council:

“Note that the users and the broader community will be consulted by the YMCA regarding the potential future operations of the gym facility at the Gratwick Aquatic Centre, with a subsequent report to Council based on access requirements and needs of consulted Port Hedland residents.”

Following this recommendation, the YMCA undertook a consultation survey that sought feedback from Port Hedland Leisure members and the broader Port Hedland community over a number of weeks. Responses were sought using the following forums:

- Online Survey – a link to the survey was emailed to the 1,500 Port Hedland Leisure members
- In Centre – hard copies of the survey were available at Wanangkura Stadium, Gratwick Aquatic Centre and South Hedland Aquatic Centre for completion
- Shopping Centre – hard copies were available for completion at stalls at the Port Hedland and South Hedland shopping centres.

A total of 250 responses to the survey were received. Key results included:

- 59.6% of respondents were female
- 67% of respondents were aged between 21 – 39 years old
- 78 of the Platinum members that responded prefer to use Gratwick Aquatic Centre as their fitness centre of choice
- People surveyed exercised 4 – 5 times per week

Tables one and two below provide an overview of the key findings.

Table 1 - Times of Usage

What time of day do you prefer to be active?		
Answer Options	Response Percent	Response Count
Early morning – before 8am	49.6%	116
Late morning	17.9%	42
Midday	10.3%	24
Afternoon	35.5%	83
Evening	47.4%	111
Late Evening	19.2%	45

Table 2 – Preferred Exercise Options

What would be most important for you to have available at Gratwick Aquatic Centre?		
Answer Options	Response Percent	Response Count
Free Weights Room	45.4%	104
Group Fitness Studio e.g. Pilates, Spin	37.1%	85
Cardiovascular Equipment (e.g. treadmills, rowers, bikes, cross trainers)	48.5%	111
Cross-fit or functional training equipment (e.g. kettle bells, suspension training systems)	34.5%	79
Keep the exercise equipment and make no changes	24%	55
Please list other equipment		18

A detailed analysis of the survey findings is available in Attachment 1.

The YMCA have reported a number of short and long term recommendations associated with the continued operation of the gym at Gratwick Aquatic Centre. Recommendations include:

Short term (6 – 12 months)

- Gym remains open during the winter months
- Consider running more group fitness classes (other than aqua aerobics) at Gratwick Aquatic Centre during the morning and evening periods.

Long term (12+ months)

- Upgrade of gym equipment at Gratwick Aquatic Centre
- Develop a low service member wellbeing program
- Consider female only gym sessions.

The YMCA has also made a number of recommendations in the report for consideration by Council, including:

- Renovation of the gym space including new carpet, painting and ceiling tiles
- Removal of the existing storage area in the gym to create a larger gym floor space
- Conversion of the Gratwick Aquatic Centre gym to a 24 hour operation (similar to Wanangkura Stadium).

The recommendations can be viewed in full in Attachment 1.

The gym equipment at the Gratwick Aquatic Centre was purchased in 2007/2008 and is now approaching the end of its useable life. The existing gym equipment at Gratwick Aquatic Centre is of a much lower standard and quality than that available for use at Wanangkura Stadium.

The survey results clearly demonstrate community desire for a gym facility in Port Hedland. It is anticipated that the upgrade of the gym equipment and gym space at Gratwick Aquatic Centre would result in increased membership numbers and therefore increased revenue.

FINANCIAL IMPLICATIONS

The recommendations made in the report have no immediate financial impact on the Town of Port Hedland. While the YMCA would be keen to see financial support from the Town, this project has not been identified within any strategic planning documents.

The report requests conversion of the Gratwick Aquatic Centre gym to a 24 hour operation. A capital/new item request has been submitted by the YMCA for Town to make the necessary changes to the facility to enable greater community access. A cost estimate of \$30,000 excluding GST has been prepared by the YMCA.

The exact cost to upgrade the gym equipment and gym space at Gratwick Aquatic Centre is unknown. It is estimated that for a gym of this size, the fit out would cost approximately \$100,000 excluding GST. A more detailed plan has been requested of the YMCA for this project.

The likelihood of grant funding being secured for a gym upgrade project is considered unlikely as there is a general perception that these facilities are highly commercial.

STATUTORY AND POLICY IMPLICATIONS

Section 6.1.1 'Unified Community' applies to this item as the process was designed to keep community members informed about and involved in the provision of Town services and facilities.

ATTACHMENTS

1. Gratwick Aquatic Centre – Community Consultation Analysis and Recommendations (May 2014)
2. Letter from YMCA – Gratwick Fitness Centre Survey Results

6 May 2014



GRATWICK AQUATIC CENTRE

COMMUNITY CONSULTATION ANALYSIS & RECOMMENDATIONS:

GRATWICK FITNESS FACILITY

May 2014



EXECUTIVE SUMMARY

This report contains the findings of the YMCA's recent consultation process that sought feedback from Town of Port Hedland residents and patrons of the Port Hedland leisure facilities regarding the best future use of the fitness centre at the Gratwick aquatic centre.

As the Gratwick aquatic centre is now a seasonal swimming pool facility and following the extensive redevelopment and emergence of the South Hedland aquatic centre and the Wanangkura Stadium the winter usage of the Gratwick facilities requires consideration to best determine its future direction and positioning in relation to the Town's other leisure services.

A brief description of the survey methodology and characteristics of survey respondents is provided within this report whilst a complete listing of survey responses is provided as appendix A.

The Gratwick aquatic centre is now closed for the winter months and will reopen its aquatic facilities on 15 September 2014. The upcoming winter months will see the YMCA provide up to 60 hours of service within the centre's fitness facility that will ensure continuity of service over the coming months.

It is anticipated that the results and recommendations will be considered by the Town and help steer dialogue as to the best future usage of this facility that will achieve both cost effective usage and alignment with community expectations.

SURVEY METHODOLOGY

Data for this review was collected by the YMCA using a mix of online and in person survey's. Respondents were asked a range of general questions to help understand the key demographic of those providing feedback before responding to more detailed questions associated with exercise preference and preferences for future use of the Gratwick fitness centre.

Online Survey

Survey Monkey was used to develop, advertise and analyse the survey responses. A link to the survey was emailed to all Town of Port Hedland leisure facility members. This was distributed to approximately 1,500 people members.

In Centre

Hard copies of the survey were available for completion at each of the Town's leisure facility sites. This data was then entered onto survey monkey to ensure complete analysis of responses.

Shopping Centre

Consultation was undertaken at both the Port Hedland and South Hedland shopping centre's using hard copy surveys. This data was then entered onto survey monkey to ensure complete analysis of responses.



RESPONDENT CHARACTERISTICS

The 250 respondents of the survey were initially asked a range of general questions relating to gender, age and membership type/facility preference. Following is a summary of the key characteristics of respondents:

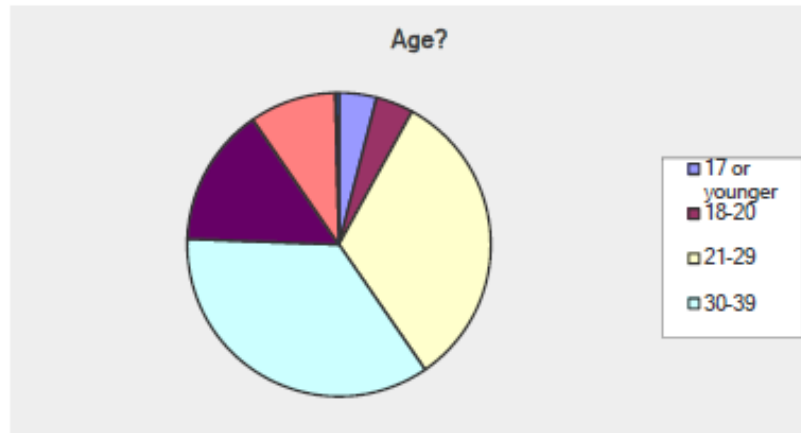
Gender

What is your gender?		
Answer Options	Response Percent	Response Count
Female	59.6%	149
Male	40.4%	101



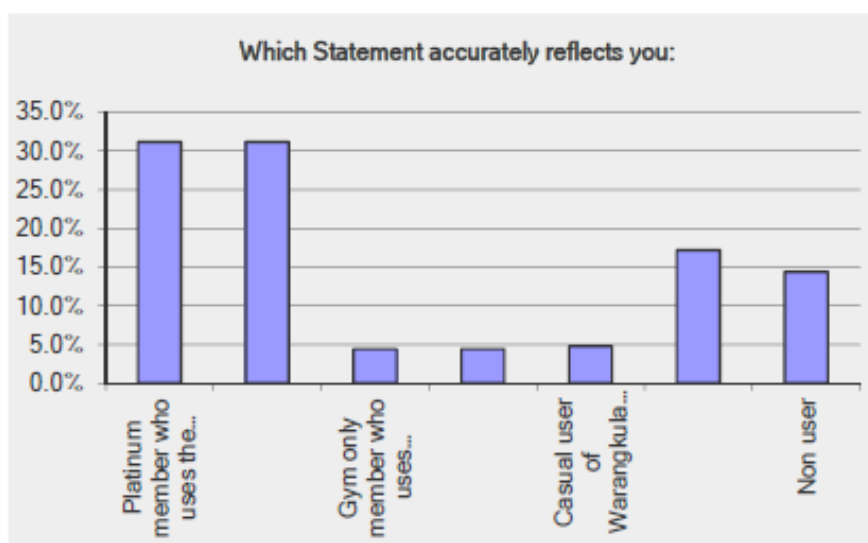
Age

Age?		
Answer Options	Response Percent	Response Count
17 or younger	4.0%	10
18-20	4.0%	10
21-29	32.4%	81
30-39	35.2%	88
40-49	14.8%	37
50-59	9.2%	23
60+	0.4%	1



Membership Type / Facility Preference

Which Statement accurately reflects you:		
Answer Options	Response Percent	Response Count
Platinum member who uses the Wanangkura gym as a preference	31.2%	78
Platinum member who uses the Gratwick gym as a preference	31.2%	78
Gym only member who uses Wanangkura gym as preference	4.4%	11
Gym only member who uses Gratwick gym as preference	4.4%	11
Casual user of Warangkula Stadium gym	4.8%	12
Casual user Gratwick gym	17.2%	43
Non user	14.4%	36
Other (please specify)		11





KEY FINDINGS

Respondents were asked to respond to a series of questions associated with their preferences associated with the following:

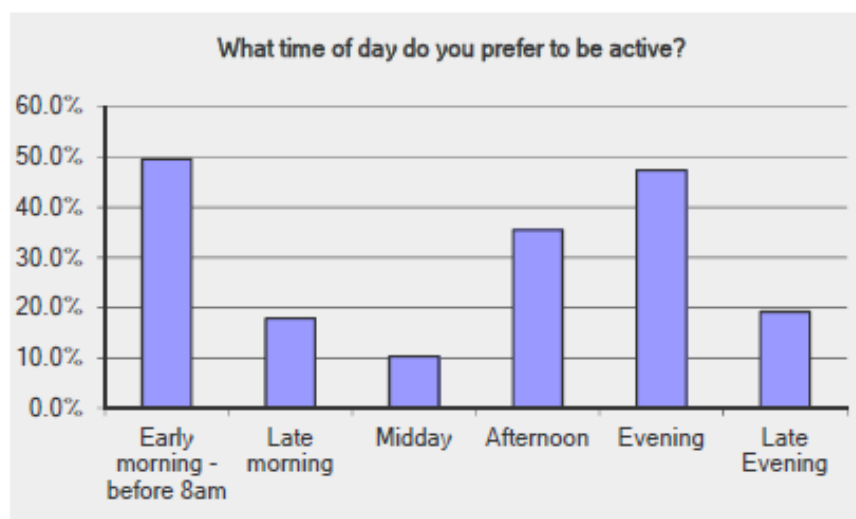
- Time of day
- Exercise type
- Preferred facilities

Detailed results associated with each of the above items are provided below. Other findings associated with the survey include:

- 59.6% of responses were female – this may influence the preferred equipment type and program preferences.
- 67% of those that responded were aged between 21-39 years of age.
- 78 of the Platinum members that responded preferred to use Gratwick as their fitness centre of choice – indicating that this membership base may support further development of the facility.
- People surveyed exercised 4-5 times per week which is high, especially for a community in isolation.
- The majority of surveyed people exercise for their overall health.

Exercise Times:

What time of day do you prefer to be active?		
Answer Options	Response Percent	Response Count
Early morning - before 8am	49.6%	116
Late morning	17.9%	42
Midday	10.3%	24
Afternoon	35.5%	83
Evening	47.4%	111
Late Evening	19.2%	45



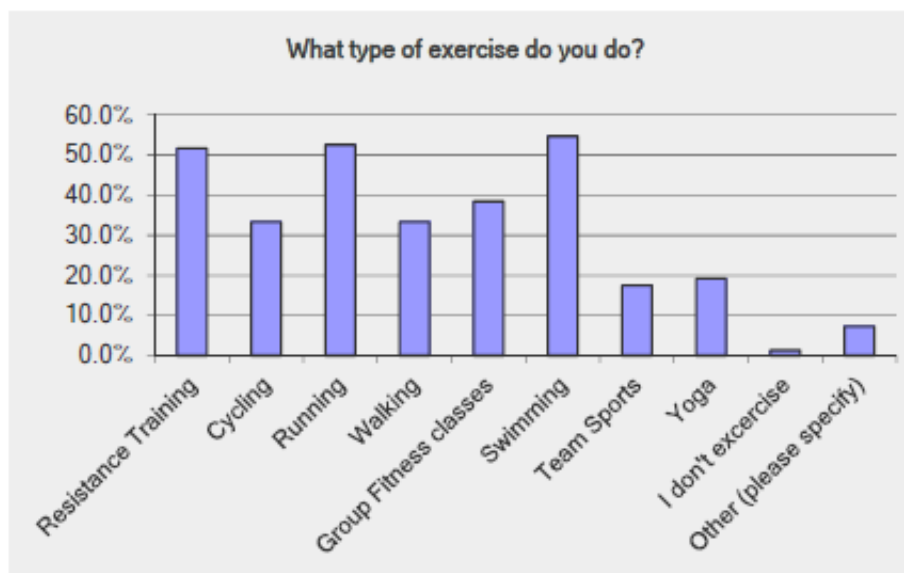


Summary: Early morning and evening operating hours were the preferred times with 49.6% of respondents advising they preferred using the facility before 8am whilst 35.5% of respondents preferred afternoon.

Interestingly, 66.6% of respondents also indicated that they preferred exercising in the evening – late evening.

Exercise Types

What type of exercise do you do?		
Answer Options	Response Percent	Response Count
Resistance Training	51.7%	121
Cycling	33.3%	78
Running	52.6%	123
Walking	33.3%	78
Group Fitness classes	38.5%	90
Swimming	54.7%	128
Team Sports	17.5%	41
Yoga	19.2%	45
I don't exercise	1.3%	3
Other (please specify)	7.3%	17

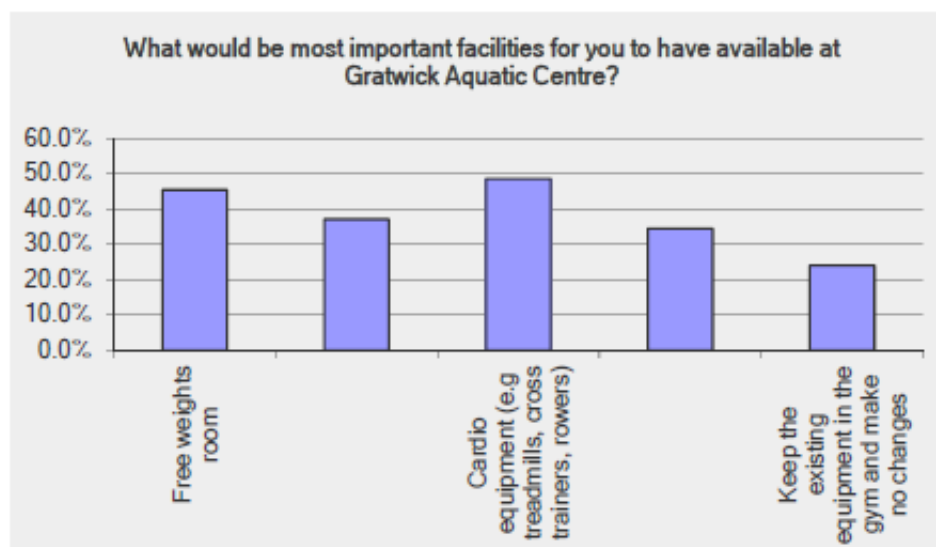


Summary: Resistance training, running (using a treadmill) and swimming were the key exercise preferences for respondents.



Preferred facilities

What would be most important facilities for you to have available at Gratwick Aquatic Centre?		
Answer Options	Response Percent	Response Count
Free weights room	45.4%	104
Group Fitness Studio e.g. Pilates or Spin/RPM/Cycle	37.1%	85
Cardio equipment (e.g treadmills, cross trainers, rowers)	48.5%	111
Cross-fit or functional training equipment (e.g kettle bells, suspension training systems)	34.5%	79
Keep the existing equipment in the gym and make no changes	24.0%	55
Please list other equipment		18



Summary: The current range of equipment in place at the centre proved to be in line with that requested by respondents with cardio equipment and free weights being considered the most desired equipment.



RECOMMENDATIONS

Based on the survey results and in consultation with the Town's Recreation and Leisure services department the YMCA has developed the following recommendations associated with the short term (6 – 12 months) and longer term (12 months +).

The following recommendations aim to ensure:

- Continued growth in participation at the Gratwick fitness centre.
- Programming that is in line with community desire.
- Development of programs and facilities that will provide a competitive financial return with the aim to at least break even across the range of fitness activities.

Short Term (6-12 months):

Recommendation: The fitness centre should remain open during the off peak season providing access for members during the early morning and evening.

This service will cater for the current member and community demand and can be achieved within the current budget model.

Recommendation: That group fitness classes (other than aqua aerobics) be considered for provision at the Gratwick fitness centre that would provide early morning and evening programming options.

This additional programming should be considered within the current budget process.

Long Term (12 months +):

Recommendation: Maintaining a fitness centre at the Gratwick facility will require an equipment replacement/upgrade within the next 12 – 18 months. Core items of equipment that would be required include:

- Cardiovascular equipment
- Free weights
- Cross training equipment

It is anticipated that investment in this facility will accommodate an increased membership expectation and associated increases in revenue for the Gratwick facility.

To support the equipment upgrade improvements in service should be made including provision of scheduled free weight sessions and availability of gym floor staff to assist with program development.



Recommendation: A low service member wellbeing program should be developed and incorporated into any equipment upgrade. Such a system is anticipated to improve member experience, increase member retention and will set the Port Hedland leisure service at the forefront of member interaction.

It is recommended that this model should be further developed and presented to the Town as an element of future planning for the facility.

Recommendation: Consideration of female only gym sessions to further develop the member profile and participation levels at the Gratwick facility.

CONSIDERATIONS ASSOCIATED WITH RECOMMENDATIONS

In order to satisfy the needs and expectations of the survey respondents and to enable the Town to provide a service that is in line with that provided through metropolitan areas the following considerations should be made when developing a future plan for the Gratwick facility:

Consideration: The fitness facility will require renovation to support any improvement in equipment and programming.

Whilst this area has been maintained the fitness area requires renovation. This should include:

- Repaint walls
- New carpet
- New ceiling tiles

Consideration: It is suggested that a minor increase in fitness space could be achieved through the renovation of the existing storage spaces within the facility.

This additional renovation will increase the number of items of equipment that could be available for members and will therefore increase the number of patrons that could use the facility at any one time.

Consideration: It is highly recommended that the Gratwick fitness facility be converted to a 24/7 operation. This access upgrade could be achieved within a relatively short period of time and would significantly improve the range of services available to the Town's residents living in Port Hedland.

This alteration is anticipated to relieve some of the pressure currently experienced in peak hours at the Wanangkura Stadium and may result in increased patronage and memberships across the facilities.

ATTACHMENT 2 TO ITEM 11.3.1



5 May 2014

Graeme Hall
Manager Recreation Services and Facilities
Town of Port Hedland
PO Box 41
Port Hedland WA 6721

RE: GRATWICK FITNESS CENTRE SURVEY RESULTS

Dear Graeme

As you are aware the YMCA recently completed its community consultation process in relation to the future usage requirements for the fitness centre based at the Gratwick aquatic centre.

This community consultation was conducted over an extended period and sought feedback from the broader community to assist both the Town of Port Hedland and the YMCA to determine optimum usage of this space to compliment the entire range of Port Hedland leisure health and fitness programs and facilities.

In total, the consultation attracted 250 responses from a mix of online and 'in centre' surveys. Please find following the YMCA's final analysis and recommendations associated with the survey and full details of the survey responses for your reference and future use.

Should you have any further questions in relation to this survey and the YMCA's recommendations please do not hesitate to contact the YMCA Leisure Facilities Area Manager, Daniel Murphy.

Yours Sincerely,

A handwritten signature in black ink, appearing to read 'Travis Doye', with a stylized flourish at the end.

Travis Doye
Recreation Operations Manager
YMCA Perth

11.3.2 Endorsement of Community Facilities Bond Matrixes

Graeme Hall, Manager Recreation Services and Facilities
Lorna Secrett, Manager Community Development
File No. 26/08/0005

DISCLOSURE OF INTEREST BY OFFICER

Nil

RECOMMENDATION

That Council:

1. Receive the attached bond matrixes prepared for each of the following Town of Port Hedland facilities:
 - JD Hardie Youth Zone
 - Matt Dann Cultural Centre
 - Recreation Reserves and Parks – under 1000 people
 - Recreation Reserves and Parks – 1000 people and over
 - Wanangkura Stadium.
2. Consider retaining the bond fees and charges at the same rate in the 2014/2015 budget as those included in the 2013/2014 budget, as part of the fees and charges public comment process.

201314/330 AMENDED RECOMMENDATION/ COUNCIL DECISION

MOVED: CR DACCACHE

SECONDED: CR HOOPER

That Council:

1. Receive the attached bond matrixes prepared for each of the following Town of Port Hedland facilities:
 - JD Hardie Youth Zone
 - Matt Dann Cultural Centre
 - Recreation Reserves and Parks – under 1000 people
 - Recreation Reserves and Parks – 1000 people and over
 - Wanangkura Stadium.
2. Consider retaining the bond fees and charges at the same rate in the 2014/2015 budget as those included in the 2013/2014 budget, as part of the fees and charges public comment process.
3. Request the Chief Executive Officer, or his delegate(s), to advertise the proposed bond matrixes for public comment and report any outcomes to Elected Members.

CARRIED 7/0

EXECUTIVE SUMMARY

This report requests that Council endorse the bond matrix prepared for each of the following Town of Port Hedland facilities:

- JD Hardie Youth Zone
- Matt Dann Cultural Centre
- Recreation Reserves and Park – under 1,000 people
- Recreation Reserves and Parks – 1,000 people and over
- Wanangkura Stadium.

DETAILED REPORT

The Community Development Directorate has been working to develop a bond matrix for each of its key facilities. The bond matrix will ensure a consistent approach in assigning the bonds for bookings at the following facilities:

- JD Hardie Youth Zone (Attachment 1)
- Matt Dann Cultural Centre (Attachment 2)
- Recreation Reserves and Park – under 1,000 people (Attachment 3)
- Recreation Reserves and Parks – 1,000 people and over (Attachment 4)
- Wanangkura Stadium (Attachment 5).

The incremental bond structure has been included in the Town's budget for the last two years. The development of a matrix for each facility provides clarity to the application of a bond for each user group. The new bond matrixes support the charging of bonds under this new fee structure. The bond matrix fee structure is calculated on the level of risk associated with each individual booking.

Bond levels and incremental amounts set out in the bond matrixes are based on key factors including alcohol use, risk of damage and security issues, as identified by officers during the analysis of the booking. Low risk events attract a minimum bond of \$100 and high risk events up to \$10,000. While the upper limit appears high, it reflects the significant investment in assets and infrastructure made by the Town, and the corresponding high cost of repair and replacement.

The bond structure for the JD Hardie Youth Zone (Attachment 1) has been developed considering the primary use of the facility, and that alcohol is not a predominant factor during bookings and events. In the event of a higher risk booking being held at the JD Hardie Youth Zone (i.e. alcohol consumption) approval of the Chief Executive Officer will be sought. In these instances, officers retain the option of implementing a bond higher than \$1,000.

The remaining facilities do not have the same restrictions with regard to bond requirements due to the nature of their usage. The bond matrix for all of the reserves, Wanangkura Stadium and Matt Dann all align with the usage of the facilities.

The Town of Port Hedland has benchmarked the new bond matrix structure against a number of other Local Government Authorities across Western Australia including:

- Shire of Roebourne
- City of Melville
- City of Wanneroo
- City of Stirling
- City of Mandurah
- City of Swan.

To ensure the bond matrix system is fair and equitable, officers have applied the matrix to a number of previous bookings. This process resulted in some revisions to bond matrix thus ensuring they meet operational and community requirements.

Application of the Bond Matrix

At the time of enquiry, potential hirers are provided with a quote containing hire fees and bond amount based on initial information provided to officers.

All bonds are paid prior to the commencement of the booking and are kept in a Town of Port Hedland Trust Account. The Town of Port Hedland only retains bond charges if there is damage or additional cleaning required at the Town's facilities as a result of the booking.

All remaining bond charges are then returned to the hiring individual or group at the completion of the booking period.

FINANCIAL IMPLICATIONS

As part of the 2013/2014 Town of Port Hedland Budget, Council endorsed the following fees and charges for bonds:

Bond – All Events / All Facilities (unless stated otherwise)

- Level 1 – 100.00
- Level 2 – 500.00
- Level 3 – 1,000.00
- Level 4 – 2,000.00
- Level 5 – 3,000.00
- Level 6 – 4,000.00
- Level 7 – 5,000.00
- Level 8 – 6,000.00
- Level 9 – 7,000.00
- Level 10 – 8,000.00
- Level 11 – 9,000.00
- Level 12 – 10,000.00

The bond fees and charges presented to Council for endorsement as part of the 2014/2015 budget have been increased with Consumer Price Index, which was not the intention. As part of this report it is recommended that the 2014/2015 bond fees and charges remain at the same rate as those included in the 2013/2014 budget.

STATUTORY AND POLICY IMPLICATIONS

Town of Port Hedland policies:

- Recreation Reserves and Facilities – Seasonal Hire.
- Recreation Reserves and Parks – Casual Hire and Events.
- Consumption of Alcohol at Town of Port Hedland Owned and Managed Property.

ATTACHMENTS

1. JD Hardie Youth Zone
2. Matt Dann Cultural Centre
3. Recreation Reserves and Park – under 1,000 people
4. Recreation Reserves and Parks – 1,000 people and over
5. Wanangkura Stadium.

7 May 2014

ATTACHMENT 1 TO ITEM 11.3.2



Bond Assessment Matrix 'A', JD Hardie Youth Zone Bookings

Strictly no alcohol is to be consumed or kept at the JD Hardie Youth Zone at any time.

	Very Low Risk	Low Risk	Medium Risk	High Risk	Very High Risk
<p><u>Activity type-</u> Non for profit / Meetings/ Conferences / Arts & Crafts / – Very Low Young Person Birthdays / Weddings (no alcohol)/ Dance – Medium Sport / Equipment Use - High Afterhours hire /Exclusive user/ Overnight hire– Very High</p>	0	1	3	5	7
<p><u>Risk Record of hirer based on documented evidence-</u> Yes – High-Very High No – Low Never hired before – Medium</p>	0	1	3	5	7
<p><u>Duration of activity-</u> <6 hours – Very Low <12Hrs – Low 12-24Hrs – Medium 14-48Hrs - High >48Hrs – Very High</p>	0	1	3	5	7
<p><u>Security attendance-</u> No Security <25 – Very Low, <50 – Low, 50 – 100 – Medium, 100 – 200 – High, Over 200 – Very High Security Attending <100 – Low, 100–300 Medium, 301-500 – High, >501- Very High</p>	0	1	3	5	7

Bond Payment Schedule

Score	Risk	Bond
0-5 points	Very Low	\$100.00
4 – 12 points	Low	\$500.00
13 – 20 points	Medium	\$1000.00
21 – 24 points	High	\$2000.00
24 + points	Very High	\$3000.00
26+ points	Extreme	Do not hire (discuss options with hirer)

ATTACHMENT 2 TO ITEM 11.3.2



Matt Dann Cultural Centre

	LOW RISK	MEDIUM RISK	HIGH RISK	VERY HIGH RISK
TYPE OF ACTIVITY? Meetings/ Conferences / Workshops – Low Film screening / simulcast – Medium Live theatre / Live Dance - High Live Bands / Live Comedy – Very High	1	3	5	7
IS ALCOHOL BEING CONSUMED? No – Low Yes (Catering supplied) – Medium Yes (Bar and Kiosk) - High Yes (Hire Supplying) - Very High	1	3	5	7
VENUE HIRE OF MORE THAN ONE DAY? 3+ Days Hire = Very High 2+ Days Hire = High 1+ Days Hire = Medium 1 Day Hire = Low	1	3	5	7
SECURITY AND ATTENDANCE? No Security <50 – Low, 50 – 100 – Medium, 100 – 200 – High, Over 200 – Very High Security Attending <100 – Low, 100–300 Medium, 301-500 – High, >501- Very High	1	3	5	7

*No Bond is charged when venue booking is under 4 hours, expected attendance is under 100 patrons and if NO alcohol is being consumed.

Bond Payment Schedule

SCORE	RISK	BOND
Events over 4 hours under 100 patrons	Very Low	\$100.00 (excluding events)
4 – 12 points	Low	\$100.00
13 – 20 points	Medium	\$500.00
21 – 24 points	High	\$1000.00
24 + points	Very High	\$2000.00
26+ points	Extreme	Do not hire (discuss options with hirer)

ATTACHMENT 3 TO ITEM 11.3.2



Recreation Reserves and Parks (under 1,000 patrons)

	VERY LOW RISK	LOW RISK	MEDIUM RISK	HIGH RISK	VERY HIGH RISK
TYPE OF ACTIVITY? Meetings / Conferences / Church / Arts & Crafts / Children's birthdays = Very Low General Birthdays / Weddings / Markets / Outdoor Movies = Medium 30 th Birthdays / General Work functions / Sporting Fixtures = High 18 th /21 st Birthday / New Year's / Christmas Parties / Bucks Parties / Fireworks = Very High	0	1	3	5	7
IS ALCOHOL BEING CONSUMED? No = Very Low Yes (Caterer supplying) = Medium Yes (Hirer supplying) = High Yes (BYO) = Very High	0	1	3	5	7
RISK RECORD OF HIRER BASED ON DOCUMENTED EVIDENCE? Yes = High / Very High No = Low Never hired before = Medium	0	1	3	5	7
SECURITY AND ATTENDANCE? No Security <50 = Low, 51-200 = Medium, 201-500 = High, >500 = Very High Security Attending <100 = Very low, 101-300 = Low, 301-500 = Medium, 501-750 = High, >750 = Very High	0	1	3	5	7
INFRASTRUCTURE/VEHICLES ON RESERVE? No = Very Low Small Vehicles / Tents etc. = Medium Staging / Large Marquees / Toilets etc. = High Trucks / Large Amusement Rides etc. = Very High	0	1	3	5	7

Bond Payment Schedule

SCORE	RISK	BOND
1 - 5 points	Very Low	\$0.00
5 - 15 points	Low	\$500.00
16 - 25 points	Medium	\$1000.00
26 - 27 points	High	\$1500.00
28 - 29 points	Very High	\$2000.00
30+ points	Extreme	Do not hire (discuss options with hirer)

ATTACHMENT 4 TO ITEM 11.3.2



Recreation Reserves and Parks (1,000 Patrons and Over)

	LOW RISK	MEDIUM RISK	HIGH RISK	VERY HIGH RISK
DURATION OF ACTIVITY? <24Hrs = Low 24-48Hrs = Medium 48-96Hrs = High >96Hrs = Very High	1	3	5	7
IS ALCOHOL BEING CONSUMED? No = Low Yes (Caterer supplying) = Medium Yes (Hirer supplying) = High Yes (BYO) = Very High	1	3	5	7
RISK RECORD OF HIRER BASED ON DOCUMENTED EVIDENCE? Yes = High / Very High No = Low Never hired before = Medium	1	3	5	7
SECURITY AND ATTENDANCE? No Security > 1000 = Very High Security Attending 1000-2000 = Medium, 2000-4000 = High, > 4000 = Very High	1	3	5	7
INFRASTRUCTURE/VEHICLES ON RESERVE? No = Low Small Vehicles / Tents etc = Medium Staging / Large Marquees etc = High Trucks / Large Amusement Rides / Fireworks etc = Very High	1	3	5	7

Bond Payment Schedule

SCORE	RISK	BOND
5 – 10 points	Very Low	\$1000.00
11 – 17 points	Low	\$3000.00
18 – 22 points	Medium	\$4000.00
23 - 26 points	High	\$6000.00
27 - 30 points	Very High	\$10000.00
31+ points	Extreme	Do not hire (discuss options with hirer)

ATTACHMENT 5 TO ITEM 11.3.2



Wanangkura Stadium

	Very Low Risk	Low Risk	Medium Risk	High Risk	Very High Risk
<p>Activity type- Non for profit / Meetings/ Conferences under 100/ Children's Birthdays / – Very Low Weddings (no alcohol)/Sporting tournaments under 100 spectators or outside courts only/ Dances, quizzes, social gatherings no alcohol/ Meetings 100 to 300 – Medium Sports tournaments 100 to 200 spectators inside court/ large meetings over 400 attendees inside court – High Afterhours hire / social gatherings with Alcohol/ sporting events over 200 spectators inside/ sporting events over 200 spectators outside/– Very High</p>	0	1	3	5	7
<p>Risk Record of hirer based on documented evidence- Yes – High-Very High No – Low Never hired before – Medium</p>	0	1	3	5	7
<p>Duration of activity- no alcohol <6 hours – Very Low <12Hrs – Low 12-24Hrs – Medium 14-48Hrs - High >48Hrs – Very High</p> <p>Duration of activity- With alcohol inside – over 3 hrs with alcohol food must be provided – No BYO - bookings must have RSA approved serving staff <2 hours – Low <3Hrs – Low +1 3 to 4Hrs – Medium 4 to 6 Hrs - High > 6Hrs – Very High</p>	0	1	3	5	7

<p><u>Security attendance- no alcohol</u> No Security <25 – Very Low, <50 – Low, 50 – 100 – Medium, 100 – 200 – High, Over 200 – Very High Security Attending <100 – Low, 100–300 Medium, 301-500 – High, >501- Very High</p> <p><u>Security attendance- with alcohol:</u></p> <ul style="list-style-type: none"> • <u>Under 25 no security required</u> • <u>50 to 74 one security required</u> • <u>75 to 149 2 security required + 1 security for every 100 people over 100</u> <p>No Security – <25 – Very Low Security Attending < 25 – Very Low <100 – Low, 100–150 Medium, 150-250 – High, >250- Very High</p>	0	1	3	5	7
<p><u>Infrastructure/Equipment set up</u> No equipment on stadium floor – very low Small stage and seating on stadium floor – Low Large stage on stadium floor - Medium Large stage and event rigging on stadium floor – Very High</p>	0	1	3	5	7

Bond Payment Schedule

Score	Risk	Bond
0-4 points	Very Low	\$0.00
4 – 6 points	Low	\$500
7 – 12 points	Low	\$1,000
13 – 20 points	Medium	\$3,000
21 – 24 points	High	\$5,000
24 + points	Very High	\$10,000
26+ points	Extreme	Do not hire (discuss options with hirer)

11.3.3 Tender 14/07 Port Hedland Community Planning (Open Space and Infrastructure) Master Plan (A plan for Community Open Space and Associated Infrastructure through to 2024)

Graeme Hall, Manager Recreation Facilities and Services
File No. 26/13/0028

DISCLOSURE OF INTEREST BY OFFICER

Manager Recreation Services and Facilities, Graeme Hall, is a former employee of Creating Communities Australia.

201314/331 RECOMMENDATION/ COUNCIL DECISION

MOVED: CR JACOB

SECONDED: CR HUNT

That Council award Tender 14/07 Port Hedland Community Planning (Open Space and Infrastructure) Master Plan (A plan for community open space and associated infrastructure through to 2024) to @ Leisure Planners (trading as @ Leisure) for the lump sum price of \$216,752.00 (Ex GST).

CARRIED 7/0

EXECUTIVE SUMMARY

The purpose of this report is to award Tender 14/07, Port Hedland Community Planning (Open Space and Infrastructure) Master Plan (A plan for community open space and associated infrastructure through to 2024). Given the complex nature of the project, the Town conducted a pre-tender meeting for all prospective tenderers in Perth. A shortlist of prospective tenderers were interviewed in order to ensure the best possible outcome from the tender process.

Council is requested to award Tender 14/07 Port Hedland Community Planning (Open Space and Infrastructure) Master Plan (A plan for community open space and associated infrastructure through to 2024) to @ Leisure Planners (trading as @ Leisure)

DETAILED REPORT

The growth of Port Hedland is recognised in a number of documents including the Council-endorsed Pilbara Port City's Growth Plan, Town of Port Hedland Strategic Community Plan (2012-2022), and Active Open Space Strategy. A number of subsidiary projects are to be completed as a result of this planning to provide the next layer of detail to these strategic documents.

With the support of BHP Billiton Iron Ore, the Town of Port Hedland seeks to complete a community master planning process that:

- Delivers a Community Infrastructure Plan for the Town of Port Hedland
- Provides four community master plans for the following project precincts/sites:

- i. Marie Marland Reserve, South Hedland
- ii. East Port Hedland (including McGregor Street Reserve)
- iii. Western Edge, South Hedland
- iv. Osprey Development/ Eastern Gateway, South Hedland.

The community master plans will provide the Town, user groups, land developers and potential funding bodies with a clear vision as to how open space will be delivered to meet future community growth. The master plans will include extensive consultation, preparation of high level spatial planning concepts, preparation of concept designs and delivery of indicative costings.

In order to achieve the outcomes desired by the Town, an extensive public tender process has been followed to appoint an appropriate consultant team.

The process has followed the following time frame:

- Advertised in the West Australian Saturday 29 March 2014
- Compulsory pre-tender briefing in Perth Monday 7 April 2014
- Tenders closed Monday 14 April 2014
- Interviews for shortlisted consultants 22 and 23 April 2014
- Council consideration at Ordinary Council Meeting May 2014.

The compulsory pre-tender meeting provided a clear overview of the project and outline of the selection process to be followed by the Town. The meeting was well received by those in attendance (20 representatives).

The tender closed at 3.00pm on Monday 14 April 2014 with six proposals received from the following lead organisations:

- Umwelt
- Ecoscape
- @ Leisure
- Creating Communities Australia
- CCS Strategic
- MAK Planning and Design

Because of the size and complexity of the project, all tenders received were submitted by a lead agency and included a number of sub-contractors. For the sake of this assessment report, only the lead agency will be identified. All submissions received were compliant and therefore able to be assessed.

An internal shortlisting process identified four agencies as being the best options for the Town to consider further. The internal shortlisting team included:

- Manager Business Development – Sara Bryan
- Manger Planning and Development - Leonard Long
- Recreation Coordinator – Nicole Davis
- Manager Recreation Services - Graeme Hall.

The selection criteria, as outlined in the tender documentation, were as follows:

A) Relevant Experience

Describe your experience in completing /supplying similar Requirements:

- Provide details of similar work
- Provide scope of the Tenderer's involvement including details of outcomes
- Provide details of issues that arose during the project and how these were managed
- Demonstrate sound judgment and discretion
- Demonstrate competency and proven track record of achieving outcomes.

B) Key Personnel skills and experience

Tenderers should provide as minimum information of proposed personnel to be allocated to this project, such as:

- Their role in the performance of the Contract
- Curriculum vitae
- Membership to any professional or business association
- Qualifications, with particular emphasis on experience of personnel in projects of a similar requirement
- Any additional information.

C) Tenderer's Resources

Tenderers should demonstrate their ability to supply and sustain the necessary:

- Plant, equipment and materials
- Any contingency measures or back up of resources including personnel (where applicable).

D) Demonstrated Understanding / Methodology

Tenderers should detail the process they intend to use to achieve the Requirements of the Specification. Areas that you may wish to cover include:

- A project schedule/timeline (where applicable)
- The process for the delivery of the goods/services
- Training processes (if required)
- A demonstrated understanding of the scope of work
- Detailed breakdown of each individual stage/phase to be used to achieve outcomes described in section 3.3 Scope of Work.

E) Local Industry Development

Tenderers should address the following:

- Volume of workforce from Port Hedland/Pilbara
- Volume of goods from Port Hedland/Pilbara
- Training and skills development for Port Hedland
- Benefits to the Town of Port Hedland.

The shortlisting process was conducted against with the nominated selection criteria. Table 1 below identifies the panel's rating of submissions provided by the prospective tenderers

Table 1 - Shortlisting Assessment

Selection Criteria	Umwelt	Ecoscape	@ Leisure	CCS Strategic	Creating Communities Australia	MAK Planning & Design
Relevant Experience (30%)	5	8	10	10	7	10
Key personnel skills and Experience (25%)	5	5	9	9	9	9
Tenderers Recourses (10%)	8	8	8	8	8	8
Demonstrated Understanding Methodology (25%)	7	5	7	8	8	9
Local Industry Development (10%)	0	0	0	0	7	0
Total	5.3	5.7	7.8	8.05	7.85	8.3

As a result of the shortlisting process, the following tenderers were invited to participate in an interview process. The interviews were conducted in Perth on Tuesday 22 April 2014 and Wednesday 23 April 2014. The four tenderers invited for interview were:

- @ Leisure
- Creating Communities Australia
- CCS Strategic
- MAK Planning and Design.

Invitations were forwarded to each of the shortlisted tenderers on Wednesday 16 April 2014. This allowed a reasonable timeframe for each tenderer to prepare.

The interviews were conducted at the Department of Sport and Recreation in Leederville, Perth. The Department was supportive of the Town, providing meeting rooms and information technology support to assist the process.

The assessment panel for the interview process included two Town of Port Hedland officers and two independent representatives. The panel was evenly divided between sport and recreation practitioners and planning professionals. The nature of the project, and the need to consider both statutory and strategic planning as well as sport and recreation planning, required that the assessment panel include these skill sets. The assessment panel consisted of:

Town of Port Hedland

- Graeme Hall – Manager Recreation Services and Facilities
- Leonard Long - Manager Planning and Development

External

- Vanessa Jackson - Manager Statutory Planning, West Australian Local Government Association
- Brendan Cullinan - Regional Manager (North West), Department of Sport and Recreation

Comments

Following the interview process, it was clear that the applicants were well prepared and all did a good job of presenting their case. Any of the applicants could be offered this commission which is an excellent outcome for the Town. This positive situation can clearly be attributed to having a clear brief and a budget reflective of project requirements.

Table 2 - Project Scores

Selection Criteria	Relevant Experience (30%)					Key personnel skills & Experience (25%)					Tenderers Resources (10%)					Demonstrated Understanding Methodology (25%)					Local Industry Development (10%)					Weighted Total Score
	#1	#2	#3	#4	Total	#1	#2	#3	#4	Total	#1	#2	#3	#4	Total	#1	#2	#3	#4	Total	#1	#2	#3	#4	Total	
Creating Communities Australia	8	7	7	8	30	6	4	8	7	25	8	3	9	8	28	7	4	7	8	26	5	3	7	5	20	26.6
@ Leisure	8	7	8	8	31	8	8	9	9	34	7	7	9	8	31	9	8	8	9	34	3	1	5	0	9	30.3
CCS Strategic	7	7	8	9	31	8	7	8	9	32	6	7	8	8	29	7	7	8	8	30	5	3	5	0	13	29
MAK Planning and Design	6	5	7	7	25	6	4	7	7	24	6	4	8	8	26	6	6	7	7	26	4	1	5	0	10	23.6

When assessed against the selection criteria during the interview process, the scores indicate that the assessment panel is most supportive of @ Leisure Planners as the successful tenderer.

The project scores clearly highlight the preferred tenderer as @ Leisure. The tenderer showed a high level of understanding for the needs of the project and had a good range of skills across all disciplines (planning, sport and recreation and architecture). Importantly, the team together have worked on a number of similar projects all over Australia and provided the assessment panel with the confidence that they could deliver the project needed by the Town.

The comments provided by the assessment panel for each of the shortlisted companies are as follows:

@ Leisure Planners

- Have significant experience with similar projects
- Strong project management experience/evidence of working through practical solutions
- Very strong community engagement
- Strong use of contemporary communication mediums i.e. electronic media, Facebook
- Will set up project website
- Strong commitment to the project by Company Directors
- Team is well balanced across all disciplines and have worked collectively on projects previously

- Availability of project team is high; other projects are coming to a conclusion
- Project delivery framework is very strong
- Project team all possessed a depth of knowledge with regard to the outcomes of the project
- Have worked previously on Developer Contributions Plans.

Creating Communities Australia

- Strong project team with significant Pilbara and Port Hedland experience
- Have worked on a number of projects of a similar type
- Significant experience in community consultation
- Have local office and are currently recruiting for second staff member
- Extensive experience in range of relevant projects including Pilbara specific projects
- Consultation/engagement good, public and specialist forums, use of shopping centres for consultation seen as a positive.
- Have previous experience with Developer Contributions Plan
- Do not have a dedicated planner as part of the project team.

CCS Strategic

- Excellent team compiled, have worked together extensively
- All of the required disciplines are covered in the team presented
- Project brief was clearly understood
- Extensive experience with similar projects
- Strong understanding of both the Pilbara and Port Hedland by the whole project team
- Made some suggested amendments to the project methodology that could be considered (further discussion would be required if appointed)
- Appropriate and relevant experience with similar projects
- Project leadership was clearly articulated
- Strong team dynamics
- Consultation is clearly articulated.

MAK Planning and Design

- No significant local experience, most current work being done on eastern seaboard
- Consultation was a great strength of the project team's skill set
- Allocation of hours within the project required review
- Planning and architecture sub-contractors were strongly supported by the assessment team
- Experience with developing multi-purpose sites is well articulated
- Project team were very clear with regard to the role of benchmarking facilities within the Community Infrastructure Plan
- Flexible approach presented which lacked specifics on any contingencies
- Lack of some clarity on the methodology and process to be implemented.

@ Leisure Planners-Introduction

As indicated, all submissions received were from multi-disciplinary teams including a lead organisation and a number of sub-contractors. The preferred tenderer, @ Leisure, have teamed up with MacroPlan Dimasi, ETCH Architectural Solutions and Jeavons Landscape Architects. The team included the following personnel:

@ Leisure

- Sally Jeavons -Director @ Leisure and Project Manager
- Ben Bunting -Senior Sport and Recreation Planner
- Glen Holschier -Open Space Planner
- Matt Priem - Sports Business Planner
- Ross Parkhill -Business and Project Manager

MacroPlan Dimasi

- Stuart McKnight -Project Director
- Jenaya Shepherd -Managing Planner
- Gary White -Chief Planner
- Andrea Young -Social Planner
- Andre Marcelino -Demographer
- Alex Saunders -Spatial Analyst
- Iris Marcos -Analyst

ETCH Architectural Solutions

- Sean Stone - Director

Jeavons Landscape Architects

- Mary Jeavons - Director

The project team has a strong history of projects, including:

@ Leisure

- Recreation Facilities Strategy - City of Canada Bay
- Recreation Asset Management Plan - Gannawarra Shire Council
- Recreation Plan - City of Newcastle
- Casey Open Space Strategy - City of Casey

MacroPlan Dimasi

- Central Perth Community Infrastructure Plan - MRA and City of Perth
- Cairns Southern Growth Corridor, Community Infrastructure Review - Denor Group (QLD)

Etech Architects

- North Melbourne Football Club Redevelopment
- Punt Road Oval Redevelopment
- Geelong Arena Redevelopment

Jeavons Landscape Architects

- Ballam Park Master Plan - Frankstone City Council
- Craigieburn Gardens Master Plan -Hulme City Council

Reference Checks

The Town has sought feedback from referees from local government authorities where @ Leisure has undertaken similar projects.

The key theme raised in the reference checks were that the role of the Director, Sally Jeavons, was a key part of the project's success. The key strengths outlined were that the project team had very good experience and that the project had produced the outcomes sought. Sally Jeavons conducted the consultation and this was considered, in all cases, as being an excellent element of the project.

All comments were very positive towards the selection of @ Leisure to undertake the project being proposed by the Town.

FINANCIAL IMPLICATIONS

The Port Hedland Community Planning (Open Space and Infrastructure) Master Plan (A plan for community open space and associated infrastructure through to 2024) is fully funded by BHPBilliton. The budget for this project is \$240,000, the funds are provided from the BHPBilliton/ToPH Sustainability Partnership.

Price was not included as a selection criterion for the tender; the costs submitted by each of the shortlisted contractors are included as Confidential Attachment 2

STATUTORY AND POLICY IMPLICATIONS

This tender was called in accordance to the section 3.57 of the *Local Government Act (1995)*.

The tender was conducted in accordance with the following policy documents:

- Procurement Policy 2/007
- Tender Policy 2/011.
- Regional Price Preference Policy 2/016.

ATTACHMENTS

1. Town of Port Hedland Presentation – Pre Tender Meeting (Under Separate Cover)
2. CONFIDENTIAL - Price Submission (Under Separate Cover)
3. Project Team Business Profiles (Under Separate Cover)

7 May 2014

11.4 Corporate Services**11.4.1 Draft Budget 2014/15 – 2017/18**

Clare Phelan, Director Corporate Services
File No. 12/05/0009

DISCLOSURE OF INTEREST BY OFFICER

Nil

201314/332 RECOMMENDATION/ COUNCIL DECISION

MOVED: CR JACOB

SECONDED: CR MELVILLE

That Council:

- 1. Receive the report by the Director Corporate Services on the Draft Budget 2014/15 – 2017/18;**
- 2. Endorse the Draft Budget 2014/15 – 2017/18 for public consultation; and**
- 3. Schedule a Community Conversations – Draft Budget 2014/15 during the public consultation period.**

CARRIED 7/0

EXECUTIVE SUMMARY

This report presents to Council the draft budget for 2014/15 and the following three years, with a recommendation to place the draft budget on exhibition for public comment.

DETAILED REPORT

The draft budget has been prepared over the last four months, and has been informed by Elected Members, Executive, Managers, Coordinators, existing Town of Port Hedland strategic documents, and previous Council resolutions.

This year's budget document has undergone a significant transformation, so that it better articulates to the organisation and the community what we intend to deliver over the next four years, and how we propose to resource those deliverables. The focus has shifted from a twelve month operating plan to a four year budget, so that we can better demonstrate the Town's planned activities over the medium term, and highlight proposed revenue price paths. The minimum requirements for form and content of the Town's budget are set out in the Local Government (Financial Management) Regulations 1996. Although this years' budget document is a significant departure from prior years, it complies with the statutory requirements.

The Town's proposed Fees & Charges and Rates model for 2014/15 were endorsed by Council at the Ordinary Meeting of 30 April 2014. Submissions on Fees & Charges close 28 May, and submissions for Rates close 29 May 2014. It is proposed to compile any submissions and prepare an Agenda item for consideration at a Special Council Meeting on Wednesday 4 June 2014. As advised at the April OCM when endorsing the proposed Rates model, the Town is required to obtain Ministerial approval before it can adopt the 2014/15 rates. In making application to the Minister, it is appropriate to provide evidence of Council's formal consideration of any submissions received.

The draft budget is scheduled for public consultation from 30 May through to 13 June 2014, with a Community Conversations to be held during that time, tentatively proposed for Thursday 5 June 2014. Submissions on all three items will be compiled, and presented to Council for consideration at the Ordinary Council Meeting of 25 June 2014 as part of the adoption of the final 2014/15 Budget.

If endorsed by Council, the Draft Budget 2014/15 – 2017/18 will be published on the Town's website, and hard copies made available at the Civic Centre, Libraries, and JD Hardie Centre.

FINANCIAL IMPLICATIONS

The 2014/15 budget projects total operating expenditure of \$63 million, and a capital works program of \$56 million. It shows an improving financial position, and is structured around restoring an adequate level of unrestricted working capital over the next 4 year period. The Town has and will continue to pursue operational efficiencies in order to maintain existing service levels and the delivery of quality outcomes to the community.

The budget provides for a 5.0% increase in ordinary rates yield for the 2014/15 year above 2013/14 budgeted yield, with 1.5% of that increase to be wholly dedicated to Asset Management initiatives. It is the Town's intention to deliver a stable rating price path over the course of its long term financial plan.

In planning for the 2014/15 financial year and beyond, we have made the best possible assumptions about factors outside of the Town's control, such as inflation, population growth, superannuation, and grant funding. Our budgets are based on what we believe to be the most likely scenarios. The draft budget document contains detailed commentary on the key assumptions informing the budget data.

The proposed budget includes a number of new initiatives across a range of Programs, including:

- Continuation of the \$1 pool entry fee for children under 16 years of age
- Development of an inventory of Municipal Heritage assets
- Installation of Christmas decorations around the Town
- Increased community partnership funding
- \$1 million towards the upgrade of Pinga Street, the first of a multi-year program
- Recommencement of the kerbs upgrade program
- Funding towards a centenary ANZAC Day event

- Continued redevelopment of the Port Hedland international Airport including a \$5 million main apron extension, upgrades of the electrical ring main, water and sewerage and commencement of planning and constructing an international freight facility
- Development of a compliance program for the Town's assets, including looking at disability access
- Increased expenditure on roads and drainage maintenance and upgrades
- Captains Way/Murdoch Drive intersection upgrade
- Upgrades to key corporate information systems including Financial, Records, GIS all aimed at increased efficiency and better customer service
- Replacement of lighting at Colin Matheson Oval
- \$300,000 towards the footpath construction program
- Commencement of SHOTA Road upgrade over a number of years
- Landfill closure and relocation planning

A number of projects in the 2014/15 budget have carried forward from the 2013/14 financial year, and are incorporated in the draft budget document. At the time of writing this report, Council has yet to consider the March 2014 Quarterly Budget Review (QBR), and resolve on the proposed budget variations contained therein. A number of variations arising from the March QBR will impact the draft 2014/15 budget, particularly in relation to the opening balances of Reserves, Unspent Grants, Unspent Loans and Unrestricted Cash. The draft budget document will need to be updated to reflect any such 2013/14 variations prior to final adoption.

STATUTORY AND POLICY IMPLICATIONS

There is no statutory requirement for the Town to place its proposed budget out for public consultation, however it is appropriate to do so as a means of involving the community in decisions surrounding proposed services and infrastructure to be delivered by the Town, and the resourcing of those activities. Under *Local Leadership* in our Strategic Community Plan we seek to deliver high quality corporate governance, accountability and compliance; and provide a community-oriented organization that delivers the high levels of service expected by our stakeholders. Integral to achieving those desired outcomes is open communication and engagement.

The minimum requirements for the form and content of the Town's budget are set out in Part 3 of the *Local Government (Financial Management) Regulations 1996*, and the *Local Government Act 1995*. This includes provisions surrounding information relating to rates, concessions, comparative data, financial statements, borrowings, investments, major land transactions, fees and charges, reserves, and net current assets. The draft budget document satisfies those requirements, and provides a range of additional information that enhances the usefulness of the document.

ATTACHMENTS

1. Draft Budget 2014/15 – 2017/18 (Under Separate Cover)

19 May 2014

11.5 Office of the CEO**11.5.1 2014 WA Local Government Convention and Trade Exhibition and Australian Local Government Association (WA) AGM**

Grace Waugh, Governance Officer
File No. 14/01/0003

DISCLOSURE OF INTEREST BY OFFICER

Nil

201314/333 RECOMMENDATION/ COUNCIL DECISION

MOVED: CR DACCACHE

SECONDED: CR BUTSON

That Council:

- 1. Appoint Mayor Kelly Howlett and Deputy Mayor Gloria Jacob to represent Council as voting delegates at the Western Australian Local Government Association's Annual General Meeting, to be held on Wednesday 6 August 2014 at 1:30pm;**
- 2. Appoint Cr Hunt and Cr Daccache as proxy voting delegates for the Western Australian Local Government Association's Annual General Meeting, to be held on Wednesday 6 August 2014 at 1:30pm; and**
- 3. Note that the following Elected Members will be attending the 2014 Western Australian Local Government Convention and Trade Exhibition:**
 - Mayor Howlett**
 - Cr Jacob**
 - Cr Daccache**
 - Cr Gillingham**
 - Cr Hunt**
 - Cr Taylor**

CARRIED 7/0

EXECUTIVE SUMMARY

Two voting delegates are required for the 2014 Annual General Meeting (AGM) for the Western Australian Local Government Association (WALGA) being held on Wednesday 6 August 2014 at 1:30pm. The AGM will take place during the Western Australian Local Government Convention and Trade Exhibition which is being held from Wednesday 6 August 2014 to Friday 8 August 2014. Elected Members are asked to confirm their attendance at the 2014 Western Australian Local Government Convention & Trade Exhibition.

DETAILED REPORT

The WA Local Government Convention and Trade Exhibition is held annually in Perth with the WALGA AGM taking place on the first day being Wednesday 6 August 2014. The theme for the 2014 WA Local Government Convention and Trade Exhibition is Illuminate 2014: Transparency, Trust and Transformation. The formal presentations, seminars and workshops will be based around this theme and will also be commemorating 100 years since the beginning of World War I.

WALGA also offers the opportunity for Elected Members to attend professional development from Monday 4 August through to Tuesday 12 August 2014.

Member Councils are entitled to be represented at the WALGA AGM with two voting delegates, pursuant to the WALGA Constitution. Only registered delegates or proxy registered delegates can exercise voting entitlements on behalf of Member Councils. Voting delegates may be Elected Members or serving officers.

Council is required to appoint two Elected Members as the Town of Port Hedland voting delegates to attend the AGM, Town officers are recommending that the Town of Port Hedland voting delegates be the Mayor and Deputy Mayor.

FINANCIAL IMPLICATIONS

The travel, accommodation and conference costs will be incorporate in the 2014/15 Budget. The registration cost per person to attend the 3 day convention is \$1,708, this includes:

Full Delegate Registration	\$1,475
ALGWA Breakfast	\$55
Convention Breakfast	\$88
Full Delegate Gala Dinner	\$90
Total	\$1,708

Flights and accommodation for the 3 days per person would be approximately \$1,700. The total cost per person to attend the convention (including registration, travel and accommodation costs) is \$3,408. Elected Members will receive a meal allowance and be provided with cab charge vouchers for transportation purposes.

The above costs do not include associated costs of Elected Members who wish to attend the WALGA professional development courses, which can be dealt with directly through the Town's administration.

STATUTORY AND POLICY IMPLICATIONS

The Western Australian Local Government Association Constitution, section 24, states that each Ordinary Member of the association is entitled to be represented by two delegates at any Annual General Meeting or Special General Meeting.

Policy 4/005 'Members Professional Development and Associated Travel and Accommodation' outlines what travel and accommodation expenses Elected Members are entitled.

The 2012 – 2022 Strategic Community Plan, under the Economic section 6.2.3 applies, as Elected Members will be liaising with other local government Elected Members, employees and key stakeholders.

ATTACHMENTS

1. WALGA Voting Delegate Information 2014 Annual General Meeting

5 May 2014

ATTACHMENT 1 TO ITEM 11.5.1



WALGA

Registered:

EMAIL or FAX / BACK

**VOTING DELEGATE INFORMATION
2014 ANNUAL GENERAL MEETING**

TO: Chief Executive Officer

All Member Councils are entitled to be represented by two (2) voting delegates at the Annual General Meeting of the WA Local Government Association.

Please complete and return this form to the Association by 10 July 2014 to register the attendance and voting entitlements of your Council's delegates to the Annual General Meeting.

In the event that a Voting Delegate is unable to attend, provision is made for proxy delegates to be registered.

Only registered delegates or proxy registered delegates will be permitted to exercise voting entitlements on behalf of Member Councils. Delegates may be Elected Members or serving officers.

Please Note: All Voting Delegates, whether registered for the Convention or not, will need to present at the WALGA Delegate Service Desk prior to the AGM to collect their electronic voting device (keypad) for voting and identification tag to gain entry into the Annual General Meeting.

VOTING DELEGATES	PROXY Voting Delegates (2)
Name of Voting Delegates (2):	Name of Proxy Voting Delegates (2):
For (Local Government Name): Shire/Town/City of	
Signature Chief Executive Officer _____ <small>(An electronic signature is <u>required</u> if submitting via email)</small>	
Date _____	

ON COMPLETION PLEASE FORWARD TO:
Ana Fernandez, Executive Officer Governance & Strategy
 either by FACSIMILE (08) 9213 2077 or Email: afernandez@walga.asn.au

11.5.2 Elected Member Resignation

Josephine Bianchi, Governance Coordinator
File No. 13/07/0016

DISCLOSURE OF INTEREST BY OFFICER

Nil

201314/334 RECOMMENDATION/ COUNCIL DECISION

MOVED: CR DACCACHE

SECONDED: CR BUTSON

That Council:

- 1. Acknowledge Councillor Van Vugt's resignation as of 1 May 2014;**
- 2. Thank Councillor Van Vugt for his contribution as Elected Member at the Town of Port Hedland since October 2013; and**
- 3. In accordance with s4.17(3) of the LG Act 1995 request the Electoral Commissioner to approve the one elected member vacancy to remain unfilled until the October 2015 Ordinary Election.**

CARRIED 7/0

EXECUTIVE SUMMARY

Councillor David Van Vugt officially tendered his resignation on 1 May 2014. The Council is now requested to consider allowing this vacancy to remain unfilled until the October 2015 Local Government Ordinary Election and to follow the appropriate legislative procedures outlined under section 4.17(3) of the Local Government Act 1995 (the Act) to formalise this process.

DETAILED REPORT

In accordance with section 2.31 of the Act Councillor Van Vugt officially tendered his resignation on 1 May 2014. Councillor Van Vugt also advised all fellow elected members of his decision by email and expressed his disappointment at having to resign after a short period in his councillor's seat. He explained how this decision was based on personal reasons and he thanked all the Council and ToPH staff for the support received along the way.

Councillor Van Vugt's resignation is now required to be formally considered by the Council. There are two options that the Council can consider, which have been discussed with officers at the Department of Local Government and Communities and also with the Town's Chief Executive Officer and Director of Corporate Services. One option is to call an Extraordinary Election to fill the vacancy. The other option is to request the Electoral Commissioner to approve the vacancy to remain unfilled until the October 2015 Ordinary Election.

The second option is recommended as the Town already expressed its desire to reduce its number of councillors on 28 August 2013, when it resolved the following.

“That Council:

....

- 2. Request the Chief Executive Officer, or his delegate(s), to forward a submission to the Advisory Board in accordance with Schedule 2.2 (5)(b)(i) of the Local Government Act 1995, to change the number of offices of Councillor to eight as a minor matter, with the intent to obtain a Governor’s Order pursuant to section 2.18(3) accordingly;....”*

The Town received confirmation from the Department of Local Government and Communities on 25 November 2013 of the approval to reduce the number of councillors from nine to eight from the October 2015 ordinary local government election. Councillor Van Vugt’s resignation effectively brings the number of councillors of the Town of Port Hedland from nine down to eight, however for this reduction to take place in a compliant manner, it has to be formally endorsed by the Council.

For this approval to take place there is a two-step process to be followed which would first see a request for a vacancy to remain unfilled put through to the Electoral Commissioner (this being the purpose of this item). This submission can only apply if the provisions under s4.17(4A) of the Act are met. These state that “the office is for a district that has no wards; and at least 80% of the number of offices of member of the council in the district are still filled.” The Town complies with both these points. Should the Electoral Commissioner grant the approval the second step would be for another item to be presented to the Council to formally allow the vacancy to remain unfilled until October 2015, by an absolute majority vote.

This option is recommended as it is in line with Council’s August 2013 decision to reduce its total number of elected members from ten down to nine. This is considered an appropriate number for the Town of Port Hedland Council to bring good governance to the district and will not result in a potential high number of split votes during the decision making process.

FINANCIAL IMPLICATIONS

The vacancy will result in a 2013/14 budget saving, due to Councillor Van Vugt’s fees being paid up until 1 May 2014 only. Should the Council resolve to allow this vacancy to be carried until the October 2015 election then the 2014/15 budget for elected members fees will reflect the change in numbers.

STATUTORY AND POLICY IMPLICATIONS

Local Government Act 1995

- S2.31 Resignation
- S4.17 Cases in which vacant offices can remain unfilled.

The Local Leadership section of the Town's Strategic Community Plan also applies, as the purpose of this report is to ensure that the Council delivers high quality corporate governance, accountability and compliance to the district.

ATTACHMENTS

1. Letter from Department of Local Government and Communities, 25 November 2013.

8 May 2014

ATTACHMENT 1 TO ITEM 11.5.2



Government of **Western Australia**
Department of **Local Government**

Your Ref: 13/07/0018
Our Ref: PH1-8#02 F1329828

|||||
Mr M.J. Osborne
Chief Executive Officer
Town of Port Hedland
PO Box 47
PORT HEDLAND WA 6721



Dear Mr Osborne

The Minister of Local Government has approved the recommendation of the Local Government Advisory Board for the Town of Port Hedland, the number of offices of councillor be reduced from nine to eight, to be implemented at the October 2015 ordinary local government elections.

Administrative processes are now in place to obtain the Governor's approval and publish the changes in the *Government Gazette*. You will be notified when the gazettal has taken place.

Yours sincerely

A handwritten signature in black ink, appearing to read 'E. Dickinson'.

Emma Dickinson
SENIOR POLICY AND RESEARCH OFFICER
REFORM IMPLEMENTATION

25 November 2013

11.5.3 Audit & Finance Committee Membership

Grace Waugh, Governance Officer
File No. 13/05/0001

DISCLOSURE OF INTEREST BY OFFICER

Nil

201314/335 RECOMMENDATION/ COUNCIL DECISION

MOVED: CR DACCACHE

SECONDED: CR JACOB

That Council:

- 1. Thank Councillor Van Vugt for his time as Presiding Member of the Audit and Finance Committee; and**
- 2. Appoint Councillor Hunt as a member of the Town of Port Hedland Audit & Finance Committee.**

CARRIED BY ABSOLUTE MAJORITY 7/0

EXECUTIVE SUMMARY

The Town of Port Hedland Chief Executive Officer received Councillor Van Vugt's resignation on 1 May 2014. As Councillor Van Vugt was an Audit & Finance Committee member his position has become vacant. The Council is therefore requested to consider appointing another elected member to this position.

DETAILED REPORT

The Audit & Finance Committee terms of reference were established at the Ordinary Council meeting on 23 October 2013, and finalized at its Ordinary meeting on 11 December 2013. The Audit & Finance Committee membership currently comprises of four elected members and one community member.

Council is required to appoint another elected member to the Audit & Finance Committee to replace Councillor Van Vugt, in view of his recent resignation. As Councillor Van Vugt was the Presiding Member of the Audit & Finance Committee an election to determine the new Presiding Member will take place at the next Audit & Finance Committee meeting. The current Deputy Presiding Member, Councillor Butson will preside at any Audit & Finance Committee meetings held before a new Presiding Member is elected.

FINANCIAL IMPLICATIONS

There will be no budgetary impacts on this item as the Audit & Finance membership is not remunerated.

STATUTORY AND POLICY IMPLICATIONS

Section 5.10 'Committee members, appointment of' of the *Local Government Act 1995* outlines the process for appointing committee members which is required to be made by an absolute majority vote.

As Councillor Van Vugt has resigned from Council his office on the Audit & Finance Committee becomes vacant in accordance with section 5.11 'Committee membership, tenure of' of the *Local Government Act 1995*.

Section 6.4.1 under Local Leadership of the 2012 – 2022 Strategic Community Plan applies as Council is required to deliver high quality corporate governance, accountability and compliance.

ATTACHMENTS

Nil.

30 April 2014

**ITEM 12 LATE ITEMS AS PERMITTED BY PRESIDING MEMBER/
COUNCIL****12.1 Port Hedland International Airport Terminal
Renovations Contract Variation**

Anna Duffield, Airport Development Officer
File No. 05/09/0036

DISCLOSURE OF INTEREST BY OFFICER

Nil

201314/336 RECOMMENDATION/ COUNCIL DECISION

MOVED: CR JACOB

SECONDED: CR HUNT

That Council:

- 1. Endorse the proposed additional Port Hedland International Airport terminal renovation works (as per attachment 1);**
- 2. Approve variation to Tender 14/04 Port Hedland International Airport terminal renovations awarded to Jaxon Construction for the additional lump sum price of \$439,861 (ex GST);**
- 3. Note that a budget transfer of \$600,000 from the quarantine refurbishment account (GL 1210409) to the terminal precinct account (GL 1210410) is proposed as part of the March 2014 Quarterly Budget Review.**

CARRIED 7/0

EXECUTIVE SUMMARY

The Port Hedland International Airport redevelopment strategy, which will be presented to Council in June 2014, outlines a program of works to position the airport as a welcoming gateway to the North West. Under this program it is likely that the terminal redevelopment will be completed by end -2018 at the earliest.

The terminal currently experiences congestion issues and lacks amenity and sense of place. Subsequently an interim improvements strategy was developed to start to overcome these challenges. A key part of this strategy is terminal renovation works to create a larger departures area, incorporate café as part of departures area and improve passenger flow.

The scope of works for the renovations was expanded during the redevelopment strategy preparation. This recognised that significant investment in the terminal precinct could be delayed by several years if the renovations were increased to substantially improve the amenity of the area and ensure compliance with disability access provisions.

The original renovations contract was to create a larger departures area and incorporate the café as part of departures area. Officers sought a variation to further improve the amenity of the area by replacing the café flooring, refurbishing all amenities, increasing the international processing area and further ensuring compliance with the Town's disability access plan.

This item outlines the proposed works and seeks Council of a variation to the value of an additional \$439,861 (ex GST).

DETAILED REPORT

Contract award

At 26 February 2014 ordinary Council meeting, Jaxon Construction was awarded Tender 14/04 Port Hedland International Airport terminal renovations, as per below resolution:

That Council:

- 1. Award Tender 14/04 Port Hedland International Airport terminal renovations to Jaxon Construction for the lump sum price of \$465,497 (+ GST)*
- 2. Authorise the Chief Executive Officer or his delegate to negotiate any contract variations as and if required.*

The original tender was to undertake terminal renovation works to create a larger departures area, incorporate the café as part of departures area and improve passenger flow.

Since the award of the tender and during the preparation of the Port Hedland International Airport redevelopment strategy, the scope of works for the renovations has expanded. This expansion recognised that significant investment in the terminal precinct could be delayed by several years if the renovations were increased to substantially improve the amenity of the area and ensure compliance with disability access provisions.

At the 30 April 2014 ordinary Council meeting, Jaxon Construction was awarded variation to upgrade the arrivals area toilets, as per below resolution:

That Council:

- 1. Approve variation to Tender 14/04 Port Hedland International Airport terminal renovations awarded to Jaxon Construction for the lump sum price of \$105,126 (ex GST).*

This agenda item seeks approval to further improve the amenity of the area by replacing the café flooring, refurbishing all departures area amenities, increasing the international processing area and further ensuring compliance with the Town's disability access plan.

Disability access

In line with the Town's adopted policy, a disability access consultant was engaged to review the terminal renovations scope of works and provide recommendations on compliance with relevant legislation. It was identified as part of this review that the arrivals area restrooms were not compliant.

It was recommended that the renovations included:

- Installation of a new accessible toilet in the departures area
- Upgrade of the existing departures foyer accessible toilet to comply with national access standards (such as compliant facility layout, relevant signage, easy opening doors, bright lighting and compliant fittings)
- Installation of ambulant toilet cubicles in both male and female toilet facilities in addition to the existing facilities
- General upgrade of room layouts and fittings

Variations

To further improve the amenity of the area, variations were sought to replace the café flooring, refurbish amenities and increase the floor area and operational value to the international processing area.

As Jaxon Construction was awarded tender 14/04 for the terminal renovations project, officers requested a quote for required refurbishment works. The plans are included at attachment 1.

Works include:

- Replacing flooring in café with new commercial grade tiles
- Introducing an additional compliant fire emergency exit from the outdoor café seating area
- Providing additional benches in the inside café area and including an upstand on benches (to provide liquor licence barrier)
- Expanding the exit doors to the outside café seating area to provide better customer flow and physical connection
- Installing new downlights above café benches
- Painting the exterior and interior café ceiling
- Creating an international processing area within the existing domestic departures lounge to create more efficient space within the international departures area
- Removing internal walls around the international amenities and moving female toilets entry to create more efficient use of floor space
- Refurbishing the departures area male and female toilets to improve amenity and floor layout including installing new partitions, tiling, benchtops, basins and fittings
- Refurbishing existing departures foyer accessible toilet to comply with national access standards and improve the ventilation system, including new tiles, fittings, ceiling and associated privacy wall
- Creating a new ambulant cubicle in the departures area male and female toilets to ensure compliance with relevant codes and to create more dignified facilities for people with disabilities
- Creating new accessible unisex toilet including tiling, fittings, signage and associated privacy wall within the secure area
- Enclosing the security screening area with a concertina door rather than roller shutter
- Reducing the cleaner's room to provide adequate space for new accessible toilet
- Refurbishing parents' room to create a compliant mixed-use parents' and first aid room

The quotation for these works is \$439,861 (ex GST). This quotation includes a large labour component due to undertaking the works outside of the airport's operational hours (overnight) and scheduling of the works within a busy airport operational environment.

Construction timeline

Should Council endorse the revised renovations, it is proposed that the works occur outside of terminal operational hours to ensure minimal disruption to passengers and airport operations. It should be noted that the restrooms would have to be closed for the construction period, which is estimated to be three weeks. The newly completed arrivals area toilet amenities would be used during this period.

Based on a six-week procurement timeline and eight-week construction period, it is anticipated that the works would be completed by end of August.

Colour scheme

A colour scheme for the amenities, paint and café floor tiling has been developed to reflect the Pilbara's vibrancy. The core finishes are neutral with a high contrast "pop" of colour to invigorate and enliven passengers. The "pop" colours were chosen to reflect Port Hedland's stunning sunsets mixed with a cool ocean lifestyle. The colour scheme is presented at attachment 2.

Other interim improvements

It should be noted that as part of the interim improvement program the terminal interior and exterior areas will be painted. A tender for these works has been issued. Other works such as verge landscaping, public art, rubbish compound and stormwater upgrades will also be undertaken.

Passenger information

The Town would ensure that passengers were informed of the works and potential disruption. This would include media releases and posters displayed within the terminal.

STATUTORY AND POLICY IMPLICATIONS

Procurement regulations

As per *Functions and General Regulation 20(1)* the Chief Executive Officer can approve minor variations (10% of total project value) to contracts, subject to the funds being contained within the budget.

As the required variations are greater than 10% of total project value, Council approval is sought for the variation.

The variations were sought in accordance with the Town's procurement and delegations policies.

The Town's disability access and inclusion plan ensures, among other things, that access to existing buildings and facilities is improved and that all new developments are accessible. The proposed variations will ensure a best practice approach to ensure disability access and dignified facilities is achieved.

Building regulations

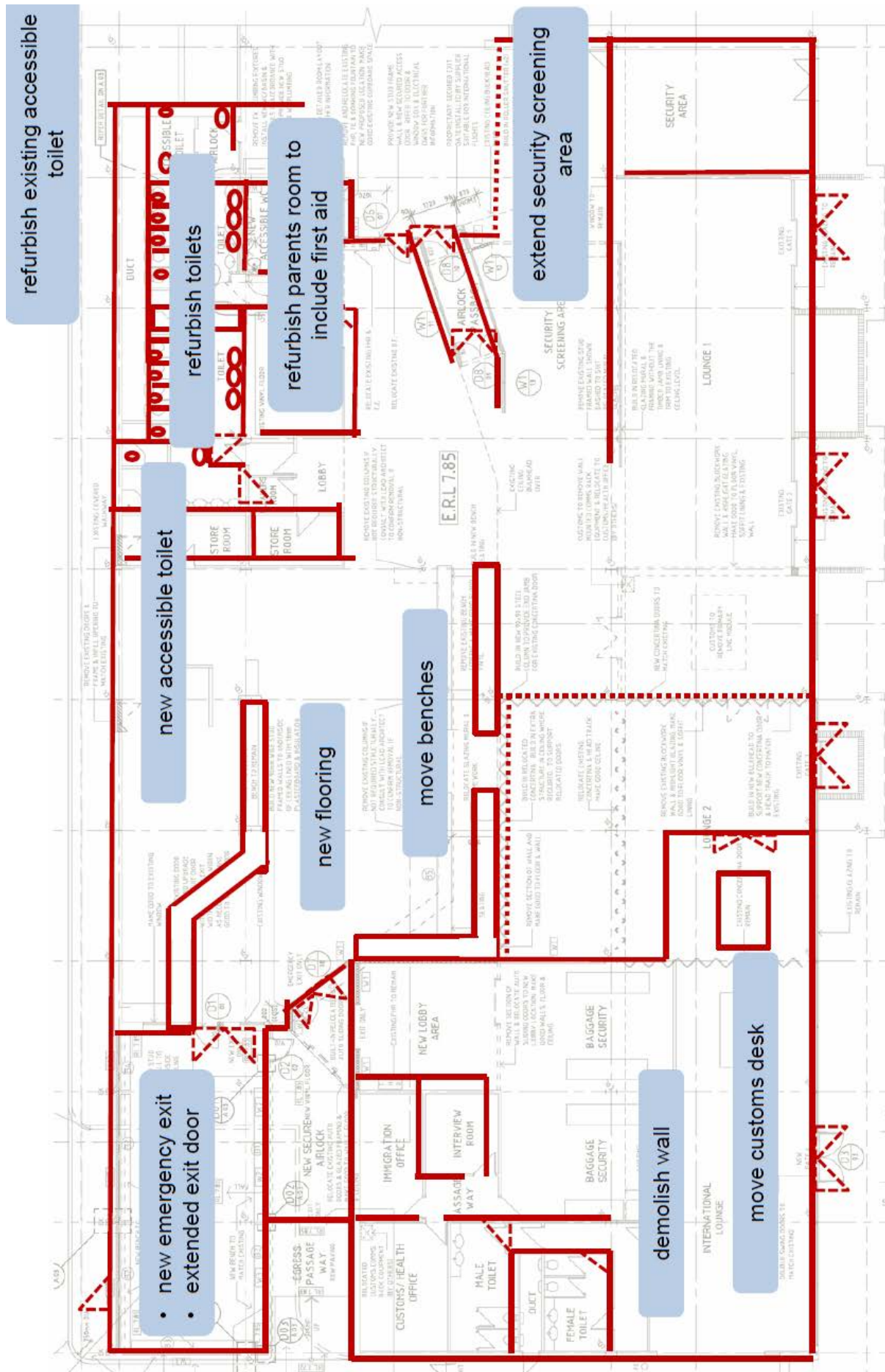
As the airport is a public building, it is required to meet the Building Codes of Australia and national health legislative requirements. Among other things, this includes compliance with disability access provisions.

ATTACHMENTS

1. Port Hedland International Airport terminal renovations – departures area
2. Port Hedland International Airport terminal renovations – colour scheme (Under Separate Cover)

15 May 2014

ATTACHMENT 1 TO ITEM 12.1



12.2 South Hedland Town Centre Road Modifications

Note: This item has been withdrawn and will be presented at the 4 June 2014 Special Council Meeting.

12.3 2013/14 Quarterly Budget Review – March 2014

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

**DISCLOSURE OF INTEREST BY OFFICER
Nil****201314/337 RECOMMENDATION/ COUNCIL DECISION****MOVED: CR JACOB****SECONDED: CR HUNT****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, as per the Audit and Finance Committee recommendation from its meeting of 21 May 2014; 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.**

CARRIED BY ABSOLUTE MAJORITY 7/0

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. The Audit & Finance Committee received the 2013/14 Quarterly Budget Review – March 2014 at its meeting held on 21 May 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
Estimated Movement to 30 June 2014	1,225	Improvement
Opening Unrestricted Cash 1 July 2013	- 624	Deficit
Estimated Unrestricted Cash at 30 June 2014	601	Surplus

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
2. Summary of Accounts Paid March 2014
3. Confidential - Accounts paid under delegated authority March 2014

16 May 2014

12.4 Policy Review – Investment Policy

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

DISCLOSURE OF INTEREST BY OFFICER

Nil

201314/338 RECOMMENDATION/ COUNCIL DECISION

MOVED: CR DACCACHE

SECONDED: CR HOOPER

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 BY ABSOLUTE MAJORITY 7/0

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. The Investment Policy was presented at the 21 May 2014 Audit & Finance Committee meeting. The committee recommended that Council adopt the recommendation.

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. Original Investment Policy
2. Revised Investment Policy
3. Local Government Operational Guidelines – Number 19 – Investment Policy (Under Separate Cover)

8 May 2014

ATTACHMENT 1 TO ITEM 12.4

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 12.4

**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>

12.5 Port Hedland International Airport – Security Service Provider and Screening Equipment

Anna Duffield, Airport Development Officer
File No. 08/02/0025

DISCLOSURE OF INTEREST BY OFFICER

Nil

201314/339 RECOMMENDATION/ COUNCIL DECISION

MOVED: CR HUNT

SECONDED: CR MELVILLE

That Council:

1. **Note the preferred tenders from the Pilbara Regional Council tender for security screening equipment and aviation security service;**
2. **Approve award of contract to MSS Security for aviation security services from 1 July 2014 to 30 June 2017 with an annual fee of \$1,284,744 (ex GST) for the first year with subsequent years subject to annual CPI increase;**
3. **Authorise the Chief Executive Officer, or his delegate(s), to negotiate contractual agreements with MSS Security;**
4. **Approve award of contract to Smith Detection for security screening equipment and seven-year maintenance program for \$329,410 (ex GST);**
5. **Authorise the Chief Executive Officer, or his delegate(s), to negotiate contractual agreements with Smith Detection; and**
6. **Note the expenditure will be recovered through the new security screening charge effective 1 July 2014.**

CARRIED 7/0

EXECUTIVE SUMMARY

The Town of Port Hedland is the designated screening authority for Port Hedland International Airport following Qantas' withdrawal in April 2014. The Town is therefore responsible for security services provision including labour and equipment.

The Pilbara Regional Council conducted a tender on behalf of the Pilbara Airports Group to achieve synergies and cost efficiencies across the region for security services and equipment. The preferred tenders from this process were MSS Security for the labour services and Smith Detection for the equipment.

This item seeks Council endorsement to award the contracts to MSS Security and Smith Detection based on the Pilbara Regional Council's recommendation and for the Chief Executive Officer to negotiate final contractual agreements.

DETAILED REPORT

Screening authority

The Town of Port Hedland is the designated screening authority for Port Hedland International Airport as approved by the Office of Transport Security on 1 May 2014. The Town is therefore responsible for security services provision including labour and equipment.

The Office of Transport Security granted permission for the use of the existing passenger screening and trace detector equipment until 31 October 2014. The Town purchased the equipment from Qantas following their withdrawal as screening agent from 1 May 2014.

The Town has also entered into an interim arrangement with existing service provider MSS Security as per Council decision 201314/199.

Tender process

The Pilbara Regional Council (PRC) conducted a tender on behalf of the Pilbara Airports Group to achieve synergies and cost efficiencies across the region for the provision of security services and equipment.

The PRC acted on behalf of the three member Councils – Town of Port Hedland, Shire of Roebourne and Shire of East Pilbara – to manage the procurement process in order to simplify the market offering and maximise economies of scale for competitive costing.

Contracts (based on the conditions outlined in the tender documentation) are required to be entered directly by the Town.

The PRC conducted an open and transparent evaluation process including evaluation by officers from the three airports.

The airport screening and other security services (tender PRC002/14) is for a three year contract period with two one year extension options. The evaluation was based on the following criteria:

- Contractors methodology – demonstrated understanding of the services required and its approach to these services (35%)
- Previous experience – evidence of successfully providing services elsewhere (25%)
- Indigenous participation plan (5%)
- Cost of service (30%)
- Local preference (5%)

For the supply and installation of screening equipment (tender PRC001/14) evaluation was based on the following criteria:

- Understanding of requirements – demonstrated understanding of specification requirements and relevance of proposal (20%)

- Previous experience (10%)
- Installation program and plans (15%)
- Local preference (5%)
- Capital cost of equipment (20%)
- Whole of life cost of equipment including maintenance, service rates, spare parts and consumables (30%)

Security services – scope of work

The scope of work for airport screening services as outlined in the tender documentation includes:

- Operate passenger screening points with minimum of five trained and competent personnel
- Operate checked baggage screening points
- Domestic maintenance of screening equipment
- Airport security provision including establishing sterile areas, responding to duress alarms and screening aircraft
- Manage property such as lost or confiscated property
- Assistance to external agencies
- Airport representation including participation in committees and emergency exercises
- Positive representation including assisting passengers through the screening process, having a positive approach and managing disputes should they occur
- Compliance including ensuring that services meet if not exceed relevant legislative and statutory requirements

Security services – preferred tenderer

The preferred tenderer for security services was MSS Security. MSS scored highly across all key criteria, particularly in regards to previous experience and cost of service. They achieved a score of 75.42%.

The contract period will commence 1 July 2014 to 30 June 2017. Based on 421.5 hours of service provision per week, the first year annual fee will be \$1,284,744 (ex GST). The fee for future years will be subject to CPI increase at anniversary of contract period.

It should be noted that the expenditure will be recovered through the new security screening charge introduced by the Town and payable by all airlines effective 1 July 2014.

Security equipment – scope of work

The contractor is required to supply, install, train and provide maintenance (for five years) of security screening equipment for Port Hedland International Airport. Equipment includes:

- X-ray observation unit (two view) which complies with the Office of Transport Security requirements
- Roller beds (two 3 metre beds)
- Walk through metal detector (two) which complies with Office of Transport Security equipment certification requirements

- Explosive trace detection unit (two) and 12 month supply of consumables
- Hand held metal detector units (three)
- Relevant documentation including operator manuals, maintenance manuals and warranty information
- Operator training
- Preventative and remedial maintenance (five years plus 2 x 1 year extension options) including onsite servicing minimum two per annum, 24/7 telephone support, electrical and radiation safety checks with all parts, labour and expenses to be covered by contractor

Security equipment – preferred tenderer

The preferred tenderer for equipment supply was Smiths Detection. Smiths Detection achieved a score of 70.59%.

In order to have the new equipment installed and operational by October 2014 and given three-month procurement lead times, it is recommended that the equipment is procured as soon as practicable.

The equipment will cost \$177,070 (ex GST) and maintenance schedule \$152,339 (ex GST) for seven years. Total investment will be \$329,410 (ex GST).

It should be noted that the expenditure will be recovered through the new security screening charge introduced by the Town and payable by all airlines effective 1 July 2014.

STATUTORY AND POLICY IMPLICATIONS

Aviation regulations

Under section 16 of the Aviation Transport Security Act 2004 the Town of Port Hedland, as owner/operator of Port Hedland International Airport, is required to ensure the security integrity of the domestic and international aviation networks. This includes the provision of security screening services. The Aviation Transport Security Regulations 2005 and Aviation Screening Notice 2013 also apply.

The screening equipment must be compliant with the Radiation Safety Act 1999.

ATTACHMENTS

Nil

15 May 2014

ITEM 13 REPORTS OF COMMITTEES

Nil

ITEM 14 MOTIONS OF WHICH PREVIOUS NOTICE HAS BEEN GIVEN

Nil

ITEM 15 CONFIDENTIAL ITEMS

201314/340 COUNCIL DECISION

MOVED: CR JACOB

SECONDED: CR HOOPER

That the meeting be closed to members of the public as prescribed in Section 5.23(2) of the Local Government Act 1995, to enable Council to consider the following item:

15.1 Chief Executive Officer Performance Appraisal

CARRIED 7/0

6.12pm Mayor advised that the meeting is no closed to members of the public.

15.1 Chief Executive Officer Performance Appraisal

The following letter was tabled at the meeting.

The Quadrant
1 William Street, Perth
Western Australia 6000
GPO Box F338, Perth
Western Australia 6841
Tel +61 8 9288 6000
Fax +61 8 9288 6001
www.lavanlegal.com.au

URGENT

Our ref: BRM:CHW:1059
Contact: Brian McMurdo
Direct Line: (08) 9288 6893
Email: brian.mcmurdo@lavanlegal.com.au

LAVAN LEGAL
Leaders In Law

28 May 2014

Chief Executive Officer
Town of Port Hedland
PO Box 41
PORT HEDLAND WA 6721
Fax: (08) 9158 9399

By Email: council@porthedland.wa.gov.au

Dear Sir

Re: Agenda for Ordinary Council meeting for 28 May 2014

Please be advised that I act on behalf of a ratepayer Mr Camillo Blanco in respect of the meeting agenda for the Council meeting scheduled for 28 May 2014.

A particular agenda item (15.1) of the Agenda refers to a 'Chief Executive Officer Performance Appraisal' of the Town's Chief Executive Officer and is marked as a confidential item.

It is understood that the performance appraisal relates to the renewal of the Chief Executive Officer's contract of employment, and my client requests an inspection of the contract renewal document pursuant to section 5.94(t) **Local Government Act 1995 (LGAct)**.

Please also note as follows:

- As the agenda item only refers to the performance appraisal of the CEO it is not open for the Council at tomorrow's meeting to approve the renewal of the CEO's contract of employment, and such matter has to be deferred to a future Council meeting; and
- If notwithstanding this, the Council were to consider the renewal of the CEO's contract of employment, the Council resolution has to be by an absolute majority (and not simple or other majority) – section 5.36(2) LGAct.

I would accordingly request confirmation of the foregoing and for you to make arrangements with my client to inspect the renewal document accordingly.

I would be grateful if you would table this at the Council meeting for the information of Council members.

Regards



Brian McMurdo
Special Counsel

201314/341 COUNCIL DECISION

MOVED: CR DACCACHE

SECONDED: CR JACOB

That Council, in accordance with section 8.11 'Suspension' of the Town of Port Hedland Standing Orders Local Law, suspend section 8.3 and 8.9.

CARRIED 7/0

6:13pm Mayor advised that sections 8.3 and 8.9 of the Standing Orders have been suspended.

201314/342 COUNCIL DECISION

MOVED: CR HUNT

SECONDED: CR HOOPER

That Council, in accordance with section 8.11 'Suspension' of the Town of Port Hedland Standing Orders Local Law, resume section 8.3 and 8.9.

CARRIED 7/0

6:20pm Mayor advised that sections 8.3 and 8.9 of the Standing Orders are resumed.

201314/343 COUNCIL DECISION**MOVED: CR JACOB****SECONDED: CR HOOPER****That Council:**

- 1. Adopt the 2014 Annual Performance Appraisal Report;**
- 2. Endorse the overall rating of “Satisfactory” for the review period 2013;**
- 3. Endorse commencement of the 2014 appraisal process by 1 July 2014, with the appraisal to be completed before the September 2014 Ordinary Council Meeting. The interim appraisal to include:**
 - Consideration of Long Term Financial Plan and all related strategic documents**
 - Review of feedback from the CEO’s Directors**
 - A sample of the Town’s key stakeholders to comment on service delivery and organisational performance**
- 4. Endorse the performance criteria and indicators in Attachment 1 for the September 2014 appraisal; and**
- 5. Initiate a new contract of employment with Mr Osborne as the Town of Port Hedland’s Chief Executive Officer for a period of five years, operative from the date of signing by the parties.**

CARRIED 7/0**201314/344 COUNCIL DECISION****MOVED: CR HOOPER****SECONDED: CR DACCACHE****That the meeting be opened to members of the public.*****CARRIED 7/0***

6:23pm Mayor advised that the meeting is now open to members of the public. Mayor advised of Council’s decision whilst behind closed doors.

ITEM 16 APPLICATIONS FOR LEAVE OF ABSENCE**201314/345 COUNCIL DECISION****MOVED: CR DACCACHE SECONDED: CR BUTSON****That Council approve the following applications for leave of absence:**

- **Councillor Taylor from 29 May 2014 to 16 June 2014 and 1 July 2014 to 28 July 2014;**
- **Councillor Jacob from 19 July 2014 to 27 July 2014 and 7 August 2014 to 15 August 2014;**
- **Councillor Hooper from 19 July 2014 to 22 September 2014; and**
- **Councillor Melville from 23 June 2014 to 1 July 2014.**

CARRIED 7/0**ITEM 17 CLOSURE****17.1 Date of Next Meeting**

The next Ordinary Meeting of Council will be held on Wednesday 25 June 2014, commencing at 5:30pm, with the Public Agenda Briefing being held on Wednesday 18 June 2014, commencing at 3:30pm. A Special Council Meeting will be held on Wednesday 4 June 2014 at 5pm in Council Chambers.

17.2 Closure

There being no further business, the Mayor declared the meeting closed at 6:27pm.