



Town of Port Hedland

MINUTES

OF THE

SPECIAL MEETING OF THE TOWN OF PORT HEDLAND COUNCIL

HELD ON
WEDNESDAY 30 NOVEMBER 2011
AT 12:30 PM

IN COUNCIL CHAMBERS
McGREGOR STREET, PORT HEDLAND

Purpose of Meeting:

To consider:

- *'Proposed Group Dwellings on Part Lot 5551 Dempster Street, Port Hedland'*
- *'Expression of Interest (EOI) 11/24 Artwork Integration Into Adventure Playground Cemetery Beach Community Park Duplication Port Hedland (File No.: 21/07/0016'*
- *'Auzcorp Lease (Mia Mia Camp) - Request for Extension to Lease Term (File No.: 05/05/0054)'*
- *'Port Hedland International Airport Paid Parking System – Business Pass Card Fee Structure (File No.: 30/12/0003)'*
- *'Operational Plan – Marquee Park'*
- *'Quarterly Performance Report as at 30 September 2011 (File No.: 03/01/002)*
- *'Reconstruction of Accounts for the Port Hedland Tourist Bureau Inc (File No.: .../...)'*
- *'Integrated Planning and Reporting Framework - Stage Two Lead Consultant Appointment, Request for Proposal 11/31 (File No.: 23/08/0062)'*
- *'Social Media – Advertising of Draft Policy (File No.: 03/01/0017)'*
- *Confidential Item - 'South Hedland and Wedgefield Underground Power Project – Proposed Billing Model and Funding Agreement for the Underground Power Project (File No.: .../...)'*

Paul Martin
Chief Executive Officer

OUR COMMITMENT

To enhance social, environmental and economic well-being through leadership and working in partnership with the Community.

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ITEM 1 OPENING OF MEETING

1.1 Opening

The Mayor declared the meeting open at 12:33 pm and acknowledged the traditional owners, the Kariyarra people.

ITEM 2 RECORDING OF ATTENDANCE AND APOLOGIES

2.1 Attendance

Mayor Kelly A Howlett
 Councillor George J Daccache
 Councillor Arnold A Carter
 Councillor Stan R Martin
 Councillor Jan M Gillingham
 Councillor David W Hooper
 Councillor Michael (Bill) Dziombak
 Councillor Julie E Hunt
 Councillor Gloria A Jacob

Mr Paul Martin	Chief Executive Officer
Ms Natalie Octoman	Director Corporate Services
Mr Gordon MacMile	Director Community Development
Mr Russell Dyer	Director Engineering Services
Mr Eber Butron	Director Planning & Development
Ms Josephine Bianchi	Governance Coordinator

Members of the Public	4
Members of the Media	1
Members of Staff	3

2.2 Apologies

Nil

2.3 Approved Leave of Absence

Nil

ITEM 3 PUBLIC TIME

12:31pm Mayor opened Public Question Time

3.1 Public Question Time

3.1.1 Joan Foaley

Joan Foaley reminded Council that this week is International Disability Awareness Week. Ms Foaley indicated that it is her understanding that if any builder is building more than 4 properties at the one time, then one of these buildings has to be designed in accordance with disability standards. At the moment Ms Foaley is not aware that this is happening in Port Hedland. Could Council look into this matter?

Mayor advised that this question is taken on notice.

Ms Foaley also asked whether anything has been organised by Council to recognise the International Day for People with a Disability?

Mayor advised that at the moment Council is not participating in this event and that personally she was not aware of it. However Mayor also advised that she will be more than happy to look into incorporating this event into Council's calendar in the future.

12:33pm Mayor closed Public Question Time

12:33pm Mayor opened Public Statement Time

3.2 Public Statement Time

Nil

12:33pm Mayor closed Public Statement Time

ITEM 4 QUESTIONS FROM MEMBERS WITHOUT NOTICE

4.1 Councillor J M Gillingham

Following Joan Foaley's recent comments regarding International Disability Awareness Week, Councillor Gillingham stated that unfortunately she had not seen anything to this regard in the local media. Nevertheless Councillor Gillingham believes this event should be recognised and asked whether Council could look into organising something in the future.

Mayor advised that Council will look into raising awareness for International Disability Awareness Week in the future.

4.2 Councillor G A Jacob

Councillor Jacob asked whether Council could look into an issue that a member of the public, Mr Dave Ashwell, enquired about. This issue is the temporary pedestrian access on the Hunt Street overpass.

Chief Executive Officer advised that the Town is following up on this matter.

ITEM 5 DECLARATION BY MEMBERS TO HAVE GIVEN DUE CONSIDERATION TO ALL MATTERS CONTAINED IN THE BUSINESS PAPER PRESENTED BEFORE THE MEETING

Mayor K A Howlett

Cr G J Daccache

Councillors A A Carter, S R Martin, J M Gillingham, D W Hooper, M Dziombak, J E Hunt and G A Jacob declared to have given consideration to all matters contained in the business paper presented before the meeting with the exception of the Late Items.

ITEM 6 REPORTS OF OFFICERS**6.1 Planning and Development Services**

12:35pm Councillor G J Daccache declared a Financial Interest in Agenda Item 6.1.1 'Proposed Grouped Dwellings on Part Lot 5551 Dempster Street, Port Hedland' as he lives in Dempster Street and is a BHP Billiton shareholder with shares over the statutory limit.

Councillor G J Daccache left the room.

12:35pm Cr J E Hunt and M Dziombak declared a Financial Interest in Agenda Item 6.1.1 'Proposed Grouped Dwellings on Part Lot 5551 Dempster Street, Port Hedland' as they are BHP Billiton shareholders with shares over the statutory limit.

Cr J E Hunt and M Dziombak left the room

Councillor G A Jacob declared an Impartiality interest in Agenda Item 6.1.1 'Proposed Grouped Dwellings on Part Lot 5551 Dempster Street, Port Hedland' as her ex partner works for BHP Billiton.

Councillor G A Jacob did not leave room.

6.1.1 *Proposed Grouped Dwellings on Part Lot 5551 Dempster Street, Port Hedland*

Officer	Michael Pound Planning Officer
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Date of Report	23 November 2011
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Disclosure of Interest by Officer	Nil
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Summary

RPS has submitted an application on behalf of the Town of Port Hedland for the development of seven (7) Grouped Dwellings on Part Lot 5551 Dempster Street, Port Hedland (subject site).

The application is supported by the Planning Unit subject to conditions.

Background

This item was previously considered at the Ordinary Council Meetings held on 21 September, 12 October and 16 November, though, due to lack of quorum the item has been resubmitted for Council review.

The General Practitioner (GP) Housing project is a Partnership Project between Royalties for Regions, BHP Billiton Iron Ore and the Town of Port Hedland.

The aim of the project is to provide high quality housing to attract additional medical professionals to service Port Hedland's growing population.

The subject site was identified through a detailed land investigation process which considered several factors including land tenure, site location, amenity, services etc. In summary, this site was recognized as a location which would deliver the highest quality housing for GP's in the timeframe required.

To facilitate the development of GP Housing, Council in October 2010 resolved to:

"Request the Department of Regional Development and Lands to amend the management order of part Reserve 30768 from "Recreation" to "Health Services Housing"

This has been actioned and the Department of Regional Development and Lands is in the process of finalising the change.

Site Description (ATTACHMENT 1)

The subject site has an area of approximately 1 hectare with access from Dempster Street via a battle axe leg.

It is generally flat however slopes downward steeply along the northern boundary. It is located within the coastal dune system containing some vegetation however large portions of the area are degraded or appear to have been used for the disposal of waste and spoil material.

Geotechnical investigations have confirmed development on the subject site can proceed and preliminary servicing investigations have confirmed water, sewer, power and communications is achievable.

Proposal (ATTACHMENT 2)

The application seeks approval for the development of two, 4 bedroom, 2 bathroom dwellings and five, 3 bedroom 2 bathroom dwellings on the subject site. All dwellings will be serviced by an internal common driveway which connects to Dempster Street. The proposed dwellings will have a high quality external appearance.

Consultation

Nil

Statutory Implications

In accordance with the Planning and Development Act 2005, the proposed development is subject to the provisions of the Port Hedland Town Planning Scheme No. 5.

Scheme Amendment No. 45

Scheme Amendment No.45 (GP Amendment) was initiated at Councils Ordinary Meeting on 27 July 2011. The GP Amendment proposes to, when gazetted, rezone part lot 5551 on plan 240246 from "Park and Recreation" Reservation to "Health Services Housing".

Policy Implications

Nil

Strategic Planning Implications

The following sections of Council's Strategic Plan 2010-2015 are considered relevant to the proposal:

Key Result Area 3:	Community Development
Goal Number 4:	Healthy Community
Immediate Priority 1:	Implement plans for the development of subsidised housing for general practitioners within the Town.
Other Actions 1:	Ensure that future planning for health services covers both Port and South Hedland's growth plans, including attracting and retaining specialist health services.

Budget Implications

A payment of \$11,581.00 was received on lodgement of the application.

Officer's Comment

Need & Desirability

As the population is expected to surge in both Port and South Hedland, the demand and need for quality housing is imperative to supporting the Town's future growth. The proposed development is an important community initiative, tied into the sustainable growth of Port and South Hedland. It will improve access to health services for the local population of Port Hedland securing accommodation for professionals within the health service sector.

It is recognised that there is a severe shortage of accommodation for healthcare professional throughout the Town. The proposed development will begin to address this need by providing seven (7) Grouped Dwellings.

The proposed development has arisen from a combination of the need for more accommodation options serving a wider demographic and the imperative to move towards providing professional accommodation options. As such, the location is considered to be an ideal showcase for

the proposed development.

Statement of Planning Policy 2.6

The site is located within an existing area of coastal foreshore reserve and therefore Statement of Planning Policy 2.6 (SPP2.6) is relevant to this application. Cardno were engaged to undertake a formal assessment of the coastal setback having regard to the requirements of SPP2.6. The report determined the majority of the subject site, including the proposed development is located outside of the defined coastal setback.

The assessment has also been referred to the Department of Planning – Coastal Planning Unit who have endorsed the assessment and recommended no development occur within the detailed 1 in 500 year inundation area.

The majority of the proposed development is outside the defined inundation area. The Planning Unit notes that the proposed internal access way has a few minor incursions into the inundation areas. The Planning Unit considers this acceptable for the following reasons:

- It does not place any significant infrastructure at risk to damage;
- A suitable drainage solutions can be developed to address any ponding issues; and
- All habitable areas are outside the setback area.

Accordingly, it can be considered that the proposed development remains consistent with the recommendations of the Cardno Report and SPP 2.6.

Options

Council has the following options when considering the matter:

1. Approve the application as submitted subject to conditions:

The proposed development will provide much needed housing assistance for General Practitioners looking to reside and work in Port Hedland.

2. Refuse the application as submitted:

Refusal of the application would be inconsistent with Council's resolution to initiate Scheme Amendment 45.

It is recommended that option 1 be supported.

Attachments

1. Locality Plan
2. Site Plan, Floor Plan and Elevations
3. Cardno Proposed Development Area

201112/224 Officer's Recommendation / Council Decision

Moved: Cr A A Carter

Seconded: Cr D W Hooper

That Council:

- 1 Approves the application submitted by RPS on behalf of the Town of Port Hedland, for Grouped Dwellings – 7 Grouped Dwellings on Part Lot 5551 Dempster Street Port Hedland, subject to the gazettal of Scheme Amendment 45, and further subject to the following conditions:
2. This approval relates only to a GROUPE D DWELLINGS - 7 Grouped Dwellings and other incidental development, as shown on plan number 2011/.drg/1 to 2011/.drg/8. It does not relate to any other development on this lot.
3. This approval to remain valid for a period of twenty four (24) months if development is commenced within twelve (12) months, otherwise this approval to remain valid for twelve (12) months only.
4. Access ways, parking areas, turning areas to be designed and constructed in accordance with Town Planning Scheme No. 5 (including kerbed, formed, drained & finished with a sealed or paved surface).
5. The parking areas and / or associated access ways shall not be used for storage (temporary or permanent) without the prior approval of the Town of Port Hedland.
6. The driveways and crossovers shall be designed and constructed to specifications of Council's Manager Infrastructure Development, and to the satisfaction of Council's Manager Planning, prior to the occupation of the building.
7. Stormwater disposal is to be contained onsite and designed in accordance with Council's Engineering Department Guidelines, and to the satisfaction of Council's Manager Planning.
7. Any roof mounted or freestanding plant or equipment, such as air conditioning units, to be located and / or screened so as not to be visible from beyond the boundaries of the development site, to the satisfaction of Council's Manager Planning.
8. An Erosion Prevention and Sediment Control plan is to be submitted to prior to the commencement of any works to Councils Manager Planning.

9. The submission of a construction management plan at the submission of a Building License application stage for the proposal detailing how it is proposed to manage:
 - i) **The delivery of materials and equipment to the site;**
 - ii) **The storage of materials and equipment on the site;**
 - iii) **The parking arrangements for the contractors and subcontractors;**
 - iv) **Impact on traffic movement;**
 - v) **Operation times including delivery of materials; and**
 - vi) **Other matters likely to impact on the surrounding residents;**

to the satisfaction of Council's Manager Planning.

FOOTNOTES:

1. You are reminded that this is a Planning Approval only and does not obviate the responsibility of the developer to comply with all relevant building, health and engineering requirements.
2. This approval should not be construed that the Town will support a survey strata or green title subdivision application for the development. Assessment has been based on a 'Grouped Dwelling' containing common property. A subdivision application for Survey Strata without common property or green title subdivision will need to meet the minimum and average site areas for the dwelling type, as prescribed in the Residential Design Codes.
3. In relation to Conditions 5 and 6 please contact Councils Manager Infrastructure Development on 9158 9650 for further details.
4. The developer to take note that the area of this application may be subject to rising sea levels, tidal storm surges and flooding. Council has been informed by the State Emergency Services that the one hundred (100) year Annual Recurrence Interval cycle of flooding could affect any property below the ten (10)-metre level AHD. Developers shall obtain their own competent advice to ensure that measures adopted to avoid that risk will be adequate. The issuing of a Planning Consent and/or Building Licence is not intended as, and must not be understood as, confirmation that the development or buildings as proposed will not be subject to damage from tidal storm surges and flooding.
5. Applicant is to comply with the requirements of Worksafe Western Australia in the carrying out of any works associated with this approval.

CARRIED 6/0

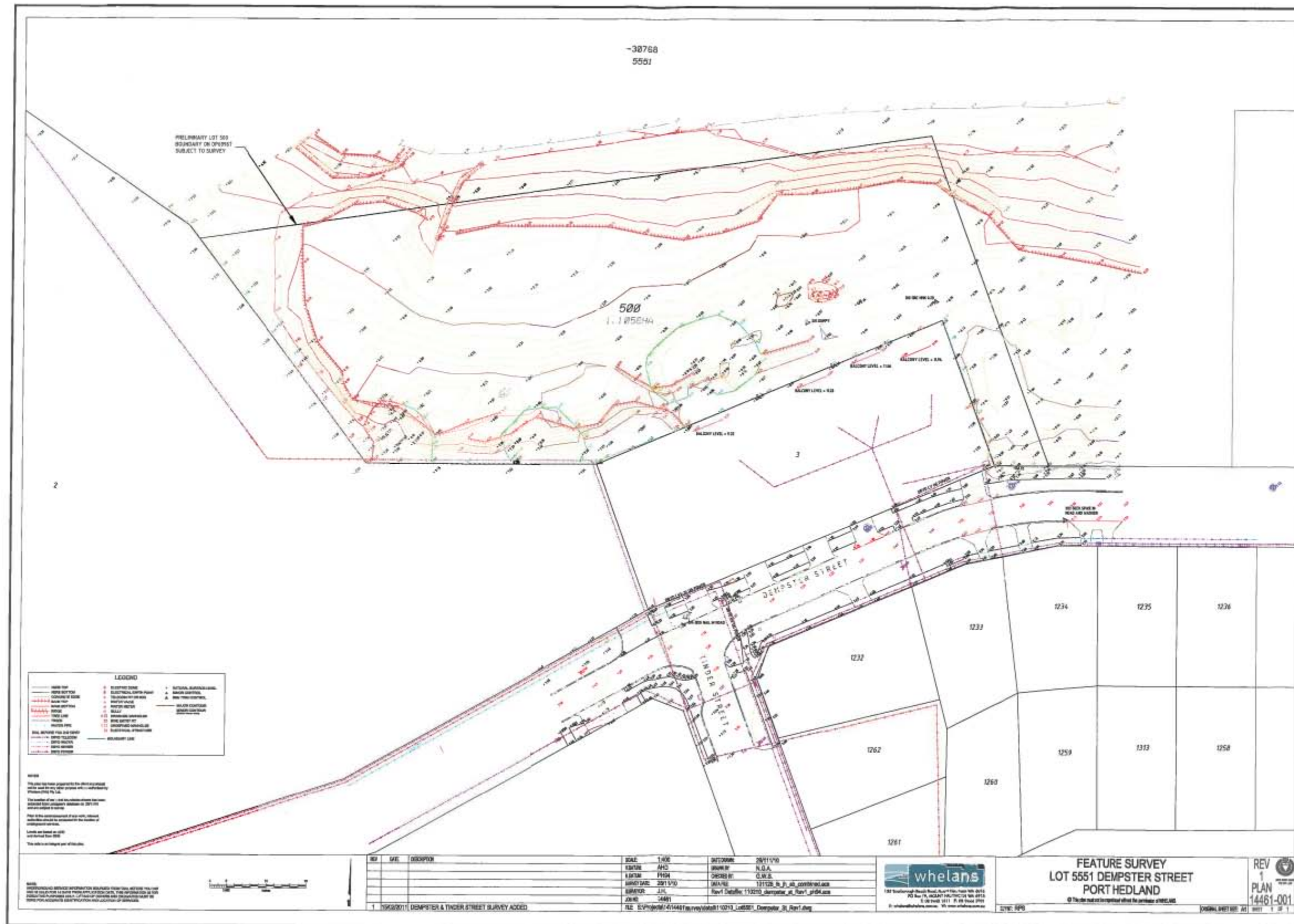
12:37pm Councilors G J Daccache, J E Hunt and M Dziombak re-entered the room and resumed their chairs.

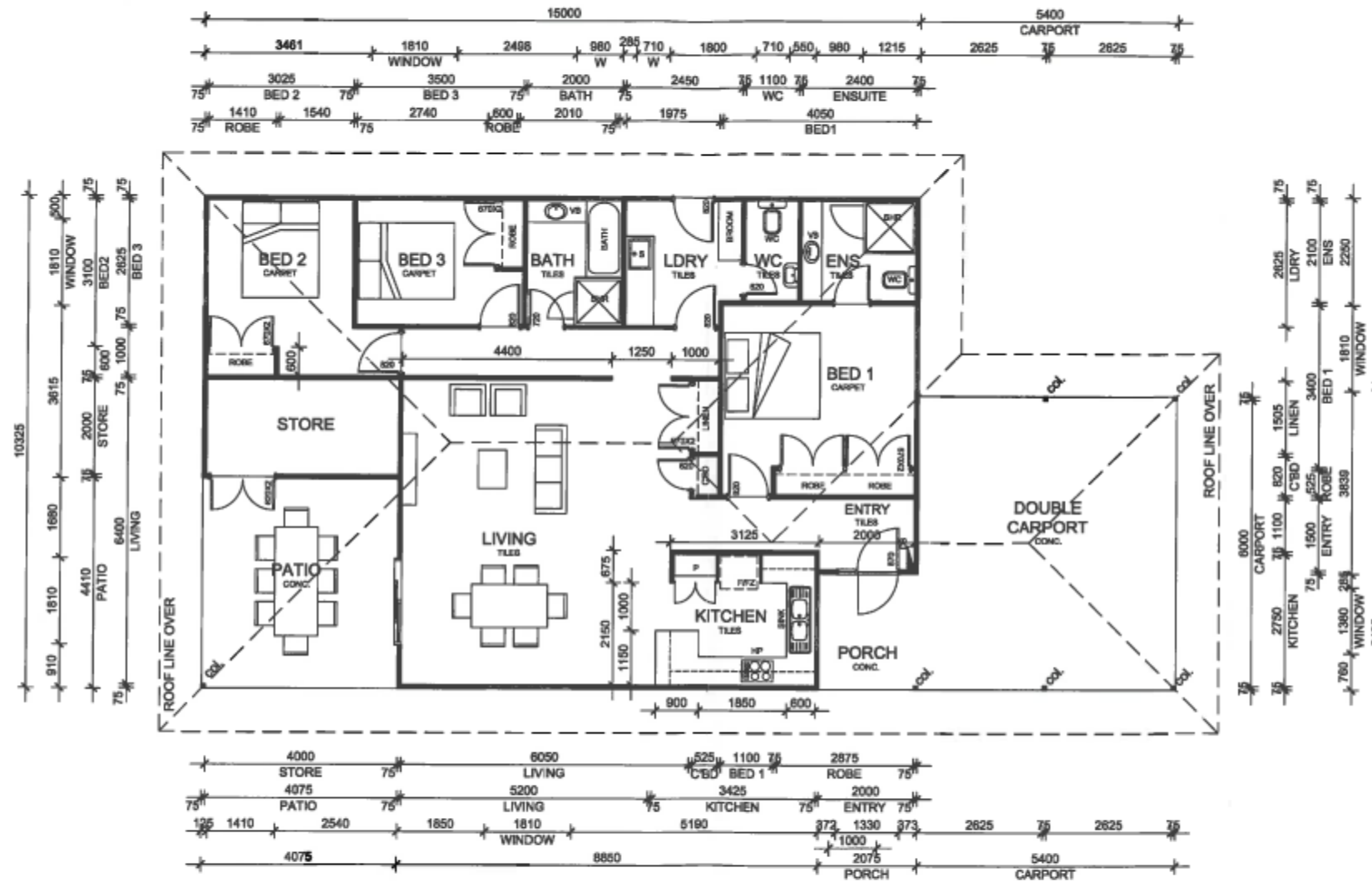
Mayor advised Councilors G J Daccache, J E Hunt and M Dziombak of Council's decision.

ATTACHMENT 1 TO ITEM 6.1.1



ATTACHMENT 2 TO ITEM 6.1.1

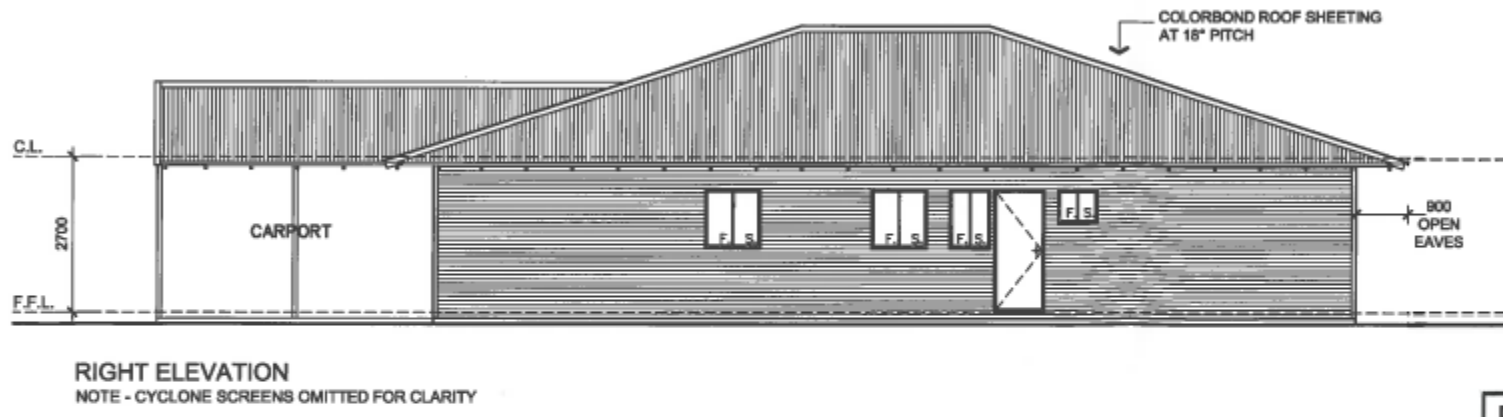
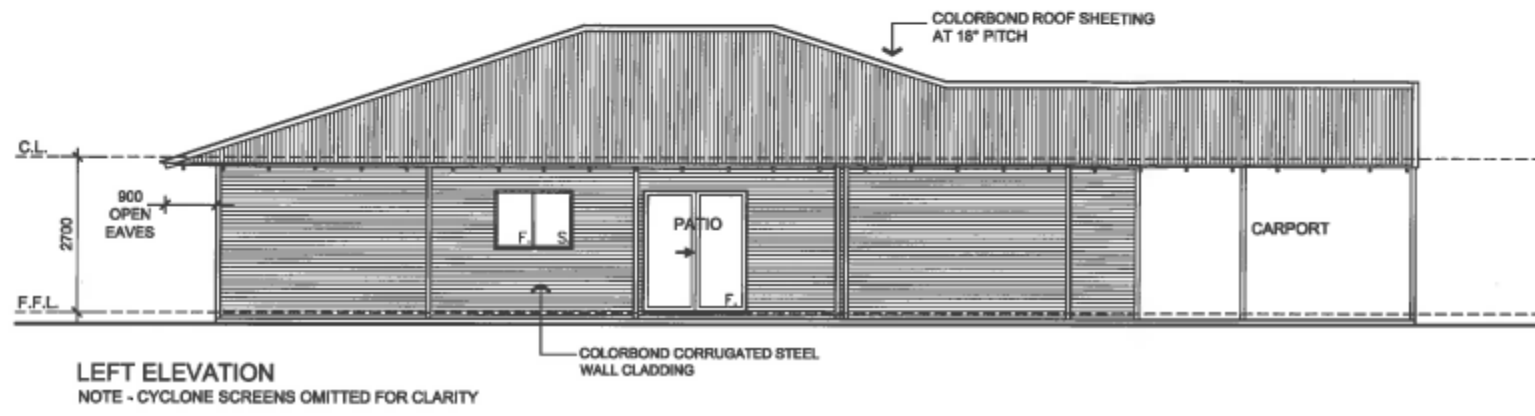
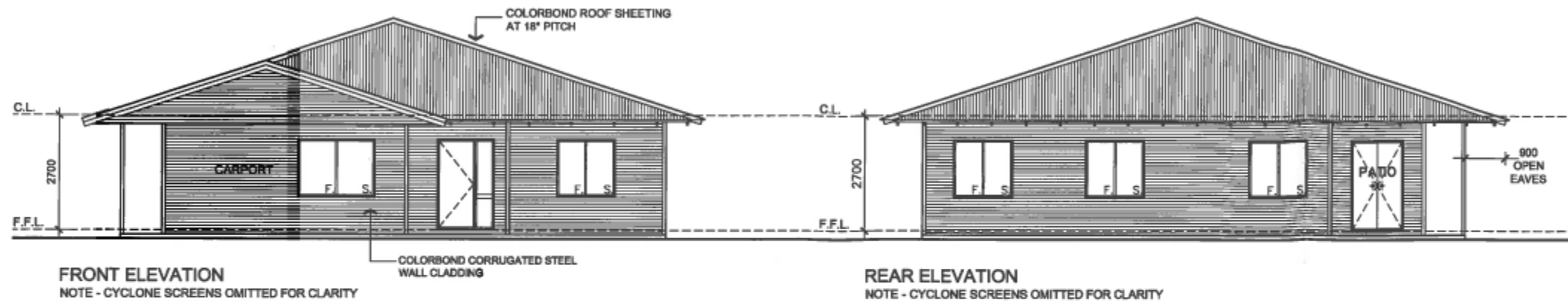




PROPOSED FLOOR PLAN
 3 X 2 PELSART RESIDENCE
 SCALE 1:100
 PILBARA CONSTRUCTION DESIGN



PELSART STYLE HOUSE GP HOUSING – PORT HEDLAND	
Hodge Collard Preston ARCHITECTS	Third Floor, 38 Richardson Street, West Perth, WA 6005 PO Box 743, West Perth, WA 6872 Ph: (08) 9322 5144 Fax: (08) 9322 5740 Email: admin@hpcperch.com
	SCALE 1:100 DATE: 23.08.2011 DWG No. 26.11 PELSART



4 X 2 RESIDENCE
PROPOSED ELEVATIONS
SCALE 1:100
PILBARA CONSTRUCTION DESIGN

BROOME STYLE HOUSE		Third Floor, 38 Richardson Street, West Perth, WA 6005 PO Box 743, West Perth, WA 6872 Ph: (08) 9322 5144 Fax: (08) 9322 5740 Email: admin@hpcprch.com
GP HOUSING – PORT HEDLAND		
Hodge Collard Preston		ARCHITECTS SCALE 1:100 DATE: 23.08.2011 DWG No. 26.11 B/ELEV
ARCHITECTS		



PROPOSED SITE PLAN
 SCALE
 0 2 5 10 20M
 CONCEPT SITE PLAN ONLY

NOTE
 AERIAL PHOTOGRAPH SHOWING INDICATIVE 1:500 TIDAL SURGE BOUNDARY LINEWORK CORRECT TO WHELAN'S SURVEY (LANDGATE DEPOSITED PLAN 69967)



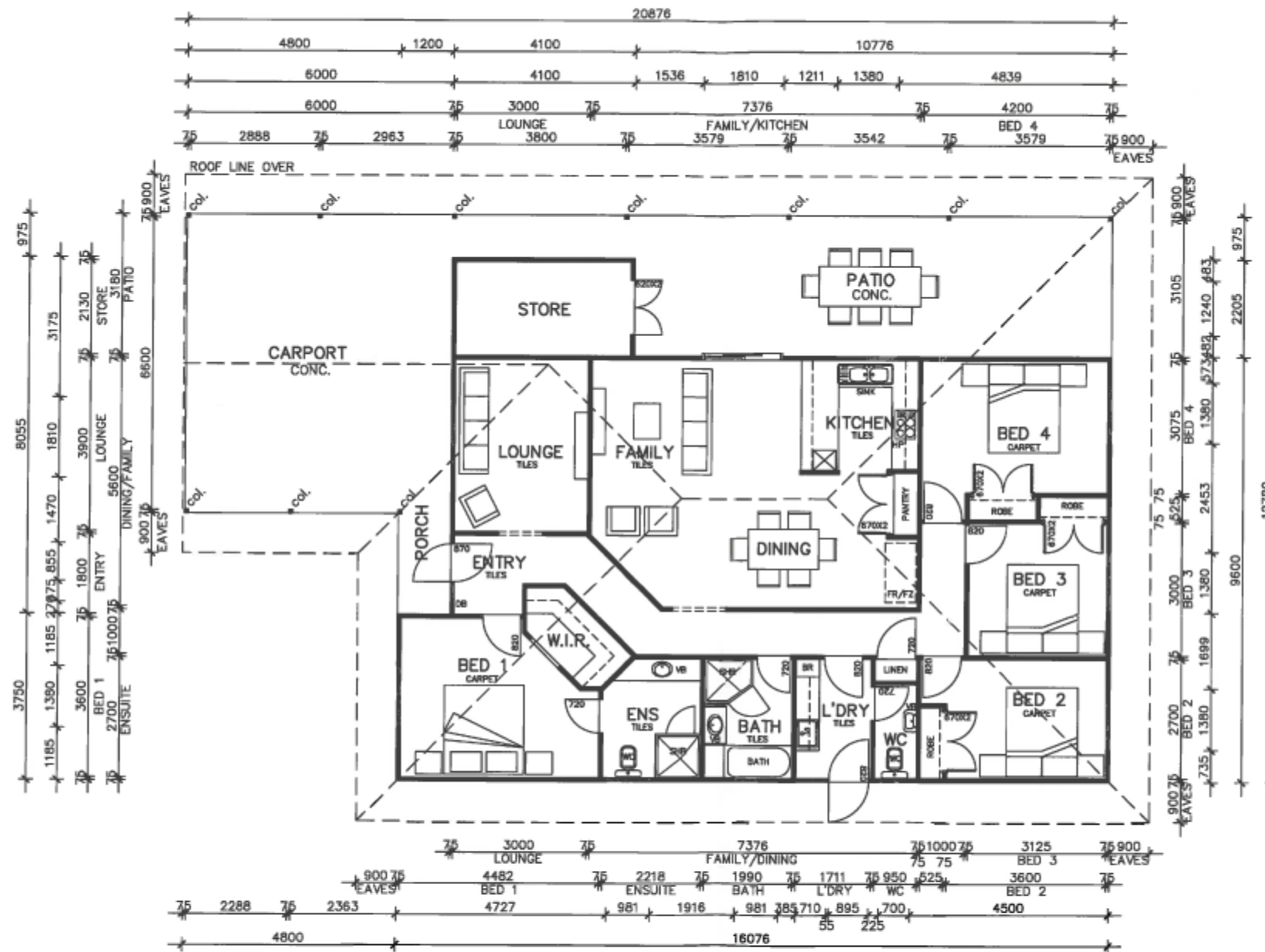
SITE AREA SCHEDULE		
*All areas to be landscaped		
SITE No.	SITE AREA	OPEN SPACE
SITE 1	388 sqm	84 %
SITE 2	387 sqm	84 %
SITE 3	400 sqm	88 %
SITE 4	388 sqm	84 %
SITE 5	470 sqm	87 %
SITE 6	427 sqm	88 %
SITE 7	410 sqm	88 %

PROPOSED SITE PLAN
GP HOUSING - PORT HEDLAND

Hodge Collard Preston
 ARCHITECTS

Third Floor, 38 Richardson Street,
 West Perth, WA 6005
 PO Box 743, West Perth, WA 6872
 Ph: (08) 9322 5144
 Fax: (08) 9322 5740
 Email: admin@hcoprch.com

SCALE 1:500 DATE: 09.09.2011 DWG No. 26.11 SK02_K



PROPOSED FLOOR PLAN
4 X 2 BROOME RESIDENCE
SCALE 1:100
PILBARA CONSTRUCTION DESIGN



BROOME STYLE HOUSE	
GP HOUSING – PORT HEDLAND	
Hodge Collard Preston ARCHITECTS	Third Floor, 38 Richardson Street, West Perth, WA 6005 PO Box 743, West Perth, WA 6872 Ph: (08) 9322 5144 Fax: (08) 9322 5740 Email: admin@hpcorch.com
	SCALE 1:100 DATE: 23.08.2011 DWG No. 26.11 BROOME

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6.2 Engineering Services

12:37pm Councillor D W Hooper declared a Financial Interest in Agenda Item 6.2.1 'Expression of Interest (EOI) 11/24 Artwork Integration into Adventure Playground Cemetery Beach Community Park Duplication Port Hedland' as he has a financial association with one of the applicants.

Councillor D W Hooper left the room

12:37pm Councillors J E Hunt and M Dziombak declared a Financial Interest in Agenda Item 6.2.1 'Expression of Interest (EOI) 11/24 Artwork Integration into Adventure Playground Cemetery Beach Community Park Duplication Port Hedland' as they are BHP Billiton shareholders with shares over the statutory limit.

Councillors J E Hunt and M Dziombak left the room.

12:37pm Councillor G J Daccache declared an Impartiality Interest in Agenda Item 6.2.1 'Expression of Interest (EOI) 11/24 Artwork Integration into Adventure Playground Cemetery Beach Community Park Duplication Port Hedland' as he is a BHP Billiton shareholder.

Councillor G J Daccache did not leave the room.

Councillor G A Jacob declared an Impartiality Interest in Agenda Item 6.2.1 'Expression of Interest (EOI) 11/24 Artwork Integration into Adventure Playground Cemetery Beach Community Park Duplication Port Hedland' as her ex partner works for BHP Billiton.

Councillor G A Jacob did not leave the room.

6.2.1 *Expression of Interest (EOI) 11/24 Artwork Integration into Adventure Playground Cemetery Beach Community Park Duplication Port Hedland (File No.: 21/07/0016)*

Officer Rob Baily
Projects Coordinator

Date of Report 19 September 2011

Disclosure of Interest by Officer Nil

Summary

The purpose of this report is to provide the Council an assessment process and outcome to pre qualify artists for the artwork integration phase of the Cemetery Beach duplication project, prior to the Request for Tender (RFT) stage for those artworks.

The Town received eight applicants that were assessed using the selection criteria supplied as part of the Expression of Interest (EOI).

Background

This item was previously considered at the Special Council Meeting on 12 October 2011 and again at the Ordinary Council Meetings of 19 October 2011 and 16 November 2011 though, due to lack of quorum the item has been resubmitted for Council review.

The Cemetery Beach Park duplication project is being undertaken as a joint BHP Billiton Iron Ore (BHPBIO), Town of Port Hedland (TOPH) and Royalties for Regions (R4R) initiative.

The project has been to the Council for approval twice to date, those being at the Ordinary Council meeting on the 27/1/2011 to acknowledge the consultation process (Council decision 201011/231) and again on the 27/4/2011 to acknowledge the Concept Plan Design (Council decision 201011/ 349).

Council resolution 201011/231 stated:

“Council decision also supports nine (9) key elements from the consultation phase and has been a key ingredient in developing the Concept Plan surrounding the priority elements. Those being

- *Shade shelters, pavilion, BBQ’s and seating*
- *Lighting (turtle friendly)*
- *Extended lawn areas*
- *Parking and vehicle separation from play areas*
- *Improve existing playground for more toddler friendly activities, and parents space*
- *Adventure playground*
- *Linear boardwalk to coastal edge mainly west*
- *Artwork integration*
- *Trees, native fruit and palms”*

To further develop the connectivity of the artwork integration and adventure playground elements, the concept plan identified two separate areas for the development of artwork and adventure space. As part of the Cemetery Beach duplication project it was identified in the Council resolution for the Concept Plan 201011/349 on the 27 April 2011.

“That Council:

1. *Acknowledge and recommend the Concept Plan shown as Attachment 1, to be shown as public information ending 31 May 2011 as the preferred Concept Plan for Cemetery Beach Community Park.*

2. *Approves the Concept Plan shown as Attachment 1 and requests the Chief Executive Officer to progress to detail design and tender documentation.”*

The EOI addresses the artworks component of the project and helps identify particular artists that can provide specialist skills that address children’s interactions, sense of fun, sensory and physical adventure, creative space as well as interpretation of the Town’s natural and cultural heritage.

Consultation

Following a detailed public consultation phase endorsed through Council decision 201011/231 and further public information delivery for the Concept Plan through Council decision 201011/349, the EOI project has been progressed by the Town’s Infrastructure Development and Community Development departments and the civil design architect for the project.

The main consultation team for the EOI consisted of:

- Manager Infrastructure Development
- Projects Coordinator Infrastructure Development
- Manager Community Development
- Coordinator Community Development
- GHD Architect

Statutory Implications

The EOI document is the preferred Western Australian Local Government Association (WALGA) document and has been used to ensure compliance to the Local Government Association requirements. Under Section 1 Principal’s Request, 1.5 Evaluation Process, a portion of 1.5 states:

“The EOI is the first stage of a two stage process. Following the close of the EOI the Principal may proceed to the calling of a restricted Request for Tender (RFT) or commence direct negotiations in the Principles sole discretion. The issuing of an EOI does not commit the Principal to proceeding with an RFT”

This Tender was called in accordance to the Local Government Act (1995):

“3.5.7 Tenders for providing goods or services

- (1) A local government is required to invite tenders before it enters into a contract of a prescribed kind under which another person is to supply goods or services.*
- (2) Regulations may make provision about Tenders.”*

Local Government (Functions and General) Regulations 1996:

Division 2 — Tenders for providing goods or services (s. 3.57)

11. Tenders to be invited for certain contracts

(1) Tenders are to be publicly invited according to the requirements of this Division before a local government enters into a contract for another person to supply goods or services if the consideration under the contract is, or is expected to be, more, or worth more, than \$100 000 unless subregulation (2) states otherwise.

Policy Implications

This EOI was called in accordance with Council's Procurement Policy 2/007 and Tender Policy 2/011.

Strategic Planning Implications

Key Result Area 2:	Community Pride
Goal 1:	Townscape
Immediate Priority 3:	Develop plans for the upgrades of existing parks (Cemetery Beach, Rock of Ages and Marrapikurinya) plus the development of new parks. Install public art to improve sense of place.

Budget Implications

The full budget allocated for the Cemetery Beach Park duplication project is based on \$1.5 million from BHPBIO and \$1.5 million from Royalties for Regions (R4R) providing a total of \$3 million.

The allocated budget amount for the artworks/adventure space will be \$290,000 and is included in the \$3 million total project budget.

Officer's Comment

The Selection Criteria was based on the following information:

To address 'The Expression of Interest' (EOI), the Town of Port Hedland will require the following selection criteria to be addressed for prequalification towards stage two - design and construction of the adventure playgrounds.

- Previous experience on designing and constructing creative outdoor play areas or on external sculptural elements.
- Previous examples of work that have integrated artworks with creative play areas or similar types of external sculptural elements.

- Methodology of approach to the project, considering all the factors of structural strength, safety and fun with reference to the natural and cultural heritage themes.
- The resources available to undertake the works and complete within the proposed time if successful in pre qualifying for the RFT
- The local content that can help support local industry

The EOI 11/24 closed on 2.30pm WST on Wednesday, 14 September 2011 with the EOI's opened and recorded by the Deputy Mayor and Council staff members. No artists attended the EOI opening and no prices were part of the EOI submission process. The Town received eight respondents' submissions.

Table 1 below indicates the evaluation criteria as described in the EOI documentation. Price was not part of the evaluation criteria for the EOI stage.

Assessment Criteria	Max Score (%)
Previous Experience	30%
Previous Examples	30%
Methodology	20%
Resources	10%
Local Industry Development	10%
Max Score	100%

The comparison of each of the assessment criteria for the EOI submissions received is as follows and is summarised in Table 2 below

Contractor/ Assessment Criteria	Previous Experience (30%)	Previous Examples (30%)	Methodology (20%)	Resources (10%)	Local Industry Development (10%)	Total Score (100%)
	Score	Score	Score	Score	Score	
Sculpture Sitoara	13	12	9	4	4	42
N2 Public Art & Design	21	21	15	7	5	69
Jon Denao & Bec Juniper	24	23	13	8	6	74
Judith Forrest	26	25	15	7	6	79
Natural Play & Terry Farrell Architect	28	28	14	7	7	84
Artventure	18	18	10	7	4	57
FORM	26	24	17	9	9	85
Arterial Design	20	19	13	7	5	64

As part of the prequalifying process set out in the EOI documents there were to be between one and four artist/s and/or artist/s teams to prequalify for the next stage of the process.

All submissions were evaluated with the evaluation scores developed from four independent scorers providing a cumulative value and divided by four to give a final score.

The evaluation process looked at previous experience, understanding and previous works as the three main objectives as well as the ability to do the works within the timeframe and local industry development as part of the Town's Tender Policy 2/011.

Since evaluating the eight EOI's it was acknowledged there were two very close submissions being FORM (85%) and Natural Play and Terry Farrell Architect (84%) with the third score from Judith Forrest (79%) being 6% from the highest score. The next submission from Jon Denao & Bec Juniper (74%) although very highly qualified was 11% less than the highest score.

It is proposed the three highest scores move through to the modelling and Request for Tender (RFT) stage of the project with more detail requests made for the evaluation of design and modelling of the art works.

The three preferred artists or artist teams to be prequalified are:

- FORM
- Natural Play & Terry Farrell Architect
- Judith Forrest

Although all submissions were of a good standard, the three highest scores brought three different approaches to the proposed works and at this stage are only conceptual ideas that will be further developed.

The reasons for the three preferred artists were selected are based on a multitude of strengths in professionalism and previous experience but they also bring the following as a contrast to each other:

- FORM – Aboriginal culture
- Natural Play and Terry Farrell Architect – *creative play elements*
- Judith Forrest – understanding of children

The next stage is to request the artists to create a design sketch and/or Marquette as part of the RFT process.

Attachments

Nil

201112/225 Officer's Recommendation / Council Decision

Moved: Cr A A Carter

Seconded: Cr J M Gillingham

That Council:

1. Advise the following applicants that their submission for Expression of Interest 11/24 Artwork Integration into Adventure Playground has been successful:
 - **FORM**
 - **Natural Play & Terry Farrell Architect**
 - **Judith Forrest**
2. Invite the successful applicants to submit a tender for the artwork integration into adventure playground for the Cemetery Beach expansion project

CARRIED 6/0

12:39pm Councillors D W Hooper, J E Hunt and M Dziombak re-entered the room and resumed their chairs.

Mayor advised Councillors D W Hooper, J E Hunt and M Dziombak of Council's decision.

12:39pm Councillor G J Daccache declared a Financial Interest in Agenda Item 6.2.2 'Auzcorp Lease (Mia Mia Camp) - Request for Extension to Lease Term' as he is an Auzcorp employee.

Councillor G J Daccache left room.

6.2.2 Auzcorp Lease (Mia Mia Camp) - Request for Extension to Lease Term (File No: 05/05/0054)

Officer Jasmine Person
Manager Investment and
Business Development

Date of Report 31 October 2011

Disclosure of Interest by Officer Nil

Summary

On 11 December 2009, Council entered into a lease agreement with Auzcorp for the accommodation camp on the Great Northern Highway, known as 'Mia Mia'. This agreement followed a tender in which Auzcorp were the successful tenderers.

The term of that lease agreement is for a five year period. Auzcorp have recently submitted a proposal to extend the term of the lease for an additional five year period, for Council's consideration.

This item will particularise the details contained in the current lease, the proposal currently being made by Auzcorp and the recommendation to grant the extension to the lease terms on a number of conditions.

Background

This item was previously considered at the Ordinary Council Meeting on 16 November 2011, however, due to lack of quorum, this item has been resubmitted for Council review.

At Ordinary Meeting of Council on 27 May 2009, Council approved the advertising of a tender to dispose of a portion of the Port Hedland International Airport (lot 2444).

*"200809/347 Council Decision/Officer's Recommendation**Moved: Cr A A Gear**Seconded: Cr S J Coates**That Council:*

Authorise the CEO (or his delegate) to commence the tender process to dispose of portion of Port Hedland lot 2444 (as per the attached diagram), by way of a tender, at the rental cost of \$6.30/m² pa + GST (indexed annual by Perth CPI), for a period of 5 years with the lease period commencing on the 11 September 2009.

Approve the following Tender Evaluation Criteria:

- a) Meeting tender scope (10%)*
- b) Experience (5%)*
- c) Quality of development (20%)*
- d) Facility Transition and Project Delivery (15%)*
- e) Financial Plan (10%)*
- f) Residual improvements (20%)*
- g) Community Benefits (20%)*

TOTAL = 100%

CARRIED 6/0"

At a Special Council Meeting of 29 July 2009, Council resolved the following:

*"200910/031 Council Decision/Officer's Recommendation**Moved: Cr A A Gear**Seconded: Cr A A Carter**That Council:*

advise the Auzcorp that they are the preferred tenderer for Tender 09/10 Land Lease available at the Port Hedland International Airport for Transient Workforce Accommodation; and

authorise the Chief Executive Officer or his nominated officer to finalise a land lease with Auzcorp; and

Receive a further report on leasing arrangements once negotiations/discussions have finalised.

CARRIED 9/0"

Consultation

Internal

- Chief Executive Officer
- Director Engineering Services

External

- Auzcorp Representatives

Statutory Implications

Section 3.59 Commercial enterprises by local governments

In this section —

- (1) *acquire has a meaning that accords with the meaning of dispose; dispose includes to sell, lease, or otherwise dispose of, whether absolutely or not;*

land transaction means an agreement, or several agreements for a common purpose, under which a local government is to —

- (a) *acquire or dispose of an interest in land; or*
(b) *develop land;*

major land transaction means a land transaction other than an exempt land transaction if the total value of —

- (a) *the consideration under the transaction; and*
(b) *anything done by the local government for achieving the purpose of the transaction, is more, or is worth more, than the amount prescribed for the purposes of this definition;*

major trading undertaking means a trading undertaking that —

- (a) *in the last completed financial year, involved; or*
(b) *in the current financial year or the financial year after the current financial year, is likely to involve,*

expenditure by the local government of more than the amount prescribed for the purposes of this definition, except an exempt trading undertaking;

trading undertaking means an activity carried on by a local government with a view to producing profit to it, or any other activity carried on by it that is of a kind prescribed for the purposes of this definition, but does not include anything referred to in paragraph (a) or (b) of the definition of land transaction .

- (2) *Before it —*

- (a) *commences a major trading undertaking;*
(b) *enters into a major land transaction; or*
(c) *enters into a land transaction that is preparatory to entry into a major land transaction, a local government is to prepare a business plan.*

- (3) *The business plan is to include an overall assessment of the major trading undertaking or major land transaction and is to include details of —*

- (a) *its expected effect on the provision of facilities and services by the local government;*

- (b) its expected effect on other persons providing facilities and services in the district;*
 - (c) its expected financial effect on the local government;*
 - (d) its expected effect on matters referred to in the local government's current plan prepared under section 5.56;*
 - (e) the ability of the local government to manage the undertaking or the performance of the transaction; and*
 - (f) any other matter prescribed for the purposes of this subsection.*
- (4) The local government is to —*
- (a) give Statewide public notice stating that —*
 - (i) the local government proposes to commence the major trading undertaking or enter into the major land transaction described in the notice or into a land transaction that is preparatory to that major land transaction;*
 - (ii) a copy of the business plan may be inspected or obtained at any place specified in the notice; and*
 - (iii) submissions about the proposed undertaking or transaction may be made to the local government before a day to be specified in the notice, being a day that is not less than 6 weeks after the notice is given;*
 - and*
 - (b) make a copy of the business plan available for public inspection in accordance with the notice.*
- (5) After the last day for submissions, the local government is to consider any submissions made and may decide* to proceed with the undertaking or transaction as proposed or so that it is not significantly different from what was proposed.*
- * Absolute majority required.*
- (5a) A notice under subsection (4) is also to be published and exhibited as if it were a local public notice.*
- (6) If the local government wishes to commence an undertaking or transaction that is significantly different from what was proposed it can only do so after it has complied with this section in respect of its new proposal.*
 - (7) The local government can only commence the undertaking or enter into the transaction with the approval of the Minister if it is of a kind for which the regulations require the Minister's approval.*
 - (8) A local government can only continue carrying on a trading undertaking after it has become a major trading undertaking if it has complied with the requirements of this section that apply to commencing a major trading undertaking, and for the purpose of applying this section in that case a reference in it to commencing the undertaking includes a reference to continuing the undertaking.*
 - (9) A local government can only enter into an agreement, or do anything else, as a result of which a land transaction would*

become a major land transaction if it has complied with the requirements of this section that apply to entering into a major land transaction, and for the purpose of applying this section in that case a reference in it to entering into the transaction includes a reference to doing anything that would result in the transaction becoming a major land transaction.

- (10) *For the purposes of this section, regulations may —*
- (a) prescribe any land transaction to be an exempt land transaction;*
 - (b) prescribe any trading undertaking to be an exempt trading undertaking.*

[Section 3.59 amended by No. 1 of 1998 s. 12; No. 64 of 1998 s. 18(1) and (2).]

Policy Implications

Whilst not specifically Policy, the Town of Port Hedland's "Guidance Note for Potential Developers of Transient Workforce Accommodation (TWA), published in August 2008, is relevant.

Strategic Planning Implications

Key Result Area 1: Infrastructure
 Goal 2: Airport
 Immediate Priority 1: Complete the development of the Airport Land Development Plan and commence implementation of the key initiatives that are identified.

Key Result Area 2: Community Pride
 Goal 2: Events
 Immediate Priority 1: Play an integral part in the coordination, operation and communication of community events b (c) supporting community groups who are operating community events through training, support, advice and where appropriate, financial support.

Key Result Area 3: Community Development
 Whilst not identified as a Goal, the community contribution currently paid by Auzcorp in the amount of will globally assist in the implementation and support of Community Development for the Town.

Key Result Area 4: Economic Development
 Goal 2: Mining/Roads
 Immediate Priority 2: Actively pursue integration of FIFO workers into the local community.

Other actions:	Ensure that integrated accommodation options are available for resource related projects that do not artificially inflate the local real estate market.
Key Result Area 4:	Economic Development
Goal 3:	Business Development
Immediate Priority:	Investigate new business/revenue streams for the Town.
Key Result Area 4:	Economic Development
Goal 4:	Land Development Projects
Immediate Priority 1:	Fast track the release and development of commercial, industrial and residential land.

Budget Implications

The base rental on the existing lease is \$173,228.00 (plus GST) per annum. The lease is subject to an annual Consumer Price Index increase and there is no provision for a market review during the five year term.

The community contribution amount as contained in the lease is \$350,000.00 (plus GST) per annum. With a recent development application approval for an additional 63 rooms, an increase to the community contribution was negotiated to equate to \$1,822.92 per room, per annum. Therefore the current community contribution amount is \$487,174.00 (plus GST) per annum.

Auzcorp are proposing a base rental of \$6.50/sqm which is the amount currently being paid by Auzcorp under the terms of their current lease. This amount is reflective of the base rental of \$6.30 plus the previous two years CPI increases. Further CPI increases are proposed for the next three years, which would have been consistent with the terms of their current lease. In three years time they are offering to pay a rental equivalent to the market value.

Officer's Comment

At the Ordinary Council Meeting of 23 September 2009, an item was presented to Council wherein details of the proposal were outlined, as contained in Tender 09/01 submitted by Auzcorp:

“INDIRECT or NON-FINANCIAL benefits to the Council/community from the proposed transaction are:

The proposal will improve the availability of accommodation within the Town. Accommodation is currently critically short in supply.

The proposal involves providing full community access to a range of facilities that are proposed to be constructed on the leased land including:

- *A training and conference centre*

- *External catering services*
- *A la carte restaurant and lounge bar*
- *Lockers and showers for travelling*
- *Coffee shop and business centre*
- *Shuttle bus service*

Improvement of the visual amenity of the area through improved building design and upgraded landscaping of the area. These improvements become the Towns at the completion of the lease.

- *Auzcorp will provide two complimentary rooms and meals for the pilots of the Royal Flying Doctor Services.*
- *The provision of four complementary rooms for apprentices (under the company's own 754 scheme which creates jobs for people within Australia, not to be confused with the Federal Government 457 scheme for overseas labour)*
- *Auzcorp has committed to partnering with local sporting communities.*
- *Auzcorp has committed to supporting the cultural affairs and activities in the Town.*
- *Auzcorp has committed to an apprenticeship development program and has committed to having 5% of their workforce as apprentices.*
- *Auzcorp has committed to having 10% local indigenous participation of the total work force.*
- *Auzcorp has committed to have at least 20% of suppliers sourced locally.*
- *Auzcorp has committed to have a minimum 75% of the work force from local communities.*
- *Auzcorp have committed to ongoing training and development of the local workforce via succession planning and on the job training."*

It was advised by the Town's solicitors at the time to annexure the tender document as a schedule to the lease agreement to ensure compliance with the tender. Consequently, the tender comprises of schedule three to the lease and pursuant to clause 3.7 of the lease, the lessee (Auzcorp) is obligated to comply at all times with the Tender. These are attachments one and two to this item.

In light of the importance that the Town placed on the 'community' obligations with 20% of the tender weighting allocated to these commitments, the tender was largely awarded to Auzcorp because of its community commitments. Consequently, it was imperative to re-visit the current lease and assess compliance with the tender before considering this fresh proposal.

The Town wrote to Auzcorp and requested further information to assess compliance with the tender requesting them to address a number of points as outlined in the original tender proposal.

Attachment Three is a letter from Auzcorp dated 7 November 2011 which contains responses to the questions posed by the Town.

Overall, it would appear that there has been compliance thus far with the tender wherein circumstances permitted or allowed for the compliance. Auzcorp have provided community benefits where they have been within their control, particularly financially with the community contribution.

It appears that the speed with which their development has occurred has been somewhat hindered by a waste water solution, wherein they were originally reliant upon the Port Haven development to take their effluent. That solution was not implemented; consequently they installed leach drains as approved by the relevant planning and health authorities. Auzcorp advise that this has hampered their development to some degree.

Auzcorp confirm that they have not proceeded with beautification of the entrance to Mia Mia in light of the Airport Land Use Master Plan and the proposed slip road to run in front of Mia Mia. They have however indicated that they are prepared to undertake these works as soon as the Town provides some certainty to future road development in front of the development.

They have also indicated that they will liaise with the Town and address the concerns that have been raised over the aesthetics of the built form.

Staging of the development

Auzcorp have advised the following in respect of the staging and progress of the overall development.

Stage One of the development was recently completed with the addition of 63 rooms.

Stage Two is currently with the Town Planning department and this will involve the transformation of the al fresco dining area and beautification of the dining facilities. Auzcorp advise that when this stage is complete, the dining area will open to the public as it will be large enough to cater for the additional people. It is expected that stage two will be completed by March 2012.

Stage three will involve the addition of further facilities, including a reception area, a la carte restaurant with lounge bar, coffee shop, business centre, library and reception area, new kitchen and family rooms.

Capital Expenditure

In the tender, Auzcorp indicated a capital spend of \$19.9 million. To date they advise a total spend of \$9.27 million with the balance to be spend on the additional facilities in stage two and three of the development.

Summary of Proposal

Whilst the lease does not contain an option, pursuant to clause 7 of the schedule to the lease 'the parties within six months of the expiry of the term agree to consider in good faith a potential extension of the term on mutually agreeable terms and conditions'. Auzcorp are requesting that their request for an extension of the lease term be considered now, rather than in two and a half year's time. Consequently this agenda item presents their proposal for Council's consideration.

Rental Rate

Whilst \$6.50/sqm was proposed by Auzcorp, that being the equivalent to the rental currently being paid by Auzcorp for the 2010 – 2011 lease year (\$178,598 / 27,465m), the most recent CPI figures have been published with a 2.8% increase for the third year of their lease which would commence on 11 December 2011. Consequently, it is recommended that an amount of \$6.68 per square metre is inserted into the new lease as the base rental amount. (\$183,466.20/27,465m²)

Area Required

Currently 27,465m²

Current Lease Term

Currently 3 years remaining on a 5 year lease

Proposed Lease Term

8 years commencing on the existing anniversary date of 11 December (in effect an additional 5 years) This will align with the 8 years currently remaining on the lease for Port Haven enabling Council at that time to make a decision as to the future of Precinct Two of the Airport.

Location

Part Lot 2443 and lot 2444 Great Northern Highway

Rent Review

Increased annually by CPI with a market review in 3 years

Community Contribution

\$1,822.92 per room or currently \$487,174.00 (plus GST) per annum

Tender

Compliance with the tender should continue to be attached to the Lease agreement. It is also recommended that milestones be inserted into the lease agreement with respect to the timing of the development and facilities that were proposed in the original tender. This will provide a benchmark against which Auzcorp must comply. The original tender does not contain timeframes for completion of milestones, so the performance is not clearly measurable.

As indicated above, overall the response to the queries raised in respect of compliance with the tender and lease agreement to date, is satisfactory. Circumstances beyond the control of Auzcorp have hindered the progress and speed of their development.

Whilst compliance is an important part of assessing this current proposal, the tender and lease documents do not contain any timing benchmarks for completion of the development. With three years remaining on their current lease agreement, performance is difficult to measure.

As at the date of this report, all lease payments and community contributions have been paid to the Town and there are no outstanding invoices.

Major Land Transaction

It is clear that the proposal contains terms wherein the total consideration pursuant to this transaction will exceed \$1,000,000.00; consequently, section 3.59 of the *Local Government Act 1995* is applicable. This section clearly states that prior to a local government entering into a 'major land transaction' it must first prepare a 'business plan' and give state-wide public notice of the same, for a period of at least 6 weeks.

In terms of the content required Section 3.59 (3) states:

“The business plan is to include an overall assessment of the major trading undertaking or major land transaction and is to include details of —

- (a) its expected effect on the provision of facilities and services by the local government;*
- (b) its expected effect on other persons providing facilities and services in the district;*
- (c) its expected financial effect on the local government;*
- (d) its expected effect on matters referred to in the local government's current plan prepared under section 5.56;*

- (e) *the ability of the local government to manage the undertaking or the performance of the transaction; and*
- (f) *any other matter prescribed for the purposes of this subsection.”*

Following receipt of submissions received during the consultation period, the Council must first consider these and then make a decision, by way of absolute majority, as to whether to enter into the major land transaction.

Consequently, the Officer is requesting Councils consent to prepare a business plan in accordance with the governing provision with any submissions to be brought back to Council at the earliest opportunity.

Options

Council has two available options in considering this item.

The first option is a decision to authorise the Chief Executive Officer to prepare and advertise a business plan for this major land transaction, if satisfied with the terms as contained in the proposal from Auzcorp.

Should Council resolve to prepare and advertise the business plan, all submissions received, if any, will be brought back before Council for consideration. After consideration of the submissions, Council must make a decision by way of absolute majority, whether it wishes to proceed or not proceed with the major land transaction.

The second option is to not to proceed to the next step in the proposal and decline the offer from Auzcorp, which will effectively see them finish the term of their current lease with the Town in three years. It is recommended that Council provide a rationale for this decision should the proposal be declined.

Attachments

1. The Schedule of the current lease agreement containing the essential terms
2. Annexure Three of the Lease; a copy of the tender
3. Letter received from Auzcorp on 7 November 2011

201112/226 Officer's Recommendation / Council Decision

Moved: Cr A A Carter

Seconded: Cr G A Jacob

That Council:

1. Acknowledges discussions with Auzcorp to date;
2. Authorises the Chief Executive Officer to prepare a business plan for a 'major land transaction' and give state wide public notice of that plan in accordance with section 3.59 of the *Local Government Act 1995*; and
3. Requests the Chief Executive Officer to present the submissions received, if any, for consideration by Council in the determination of whether to enter into the Major Land Transaction or not.

CARRIED 8/0

12:40pm Councillor G J Daccache re-entered the room and resumed his chair.

Mayor advised Councillor G J Daccache of Council's decision.

ATTACHMENT 1 TO ITEM 6.2.2

Schedule**1. The Lessee**

Mia Mia Port Hedland International Airport Pty Ltd (ACN 138 153 705) of Suite 39, 460 Stirling Highway, Peppermint Grove, Western Australia

2. The Encumbrances

Encumbrances shown on the Certificate of Title to the Land which affect the Premises.

3. The Land

Port Hedland Lot 2443 on Crown Plan 12197 and portion of Port Hedland Lot 2444 on Crown Plan 12197 being the whole of the Land in Certificate of Title Volume 2212 Folio 731.

4. The Premises

That part of the Land more particularly hachured on the sketch attached as **Annexure 1**, together with all new improvements on the Land including the Village. For the avoidance of doubt, the access road from Great Northern Highway and road to the sewerage ponds do not form part of the Premises.

5. Date of Commencement

11 December 2009

6. Term

Five Years

7. Term of renewal

This Lease contains no option of renewal however the parties within 6 months of the expiry of the Term agree to consider in good faith a potential extension of the Term on mutually agreeable terms and conditions (but the parties acknowledge the constraints on the Lessor under section 3.58 of the Local Government Act 1995 (WA)).

8. (a) Rent

\$173,228 (plus GST) per annum [calculated upon the basis of \$6.30 per square metre (plus GST)], payable monthly in advance by equal instalments.

(b) Rent Review Dates

Annually on the anniversary of the Date of Commencement.

9. Permitted use of Premises

The construction and use of temporary transient workers accommodation in accordance with all approvals, consents and licences.

10. Public risk insurance

TEN MILLION DOLLARS (\$10,000,000)

11. Special terms**Community Obligations**

The Lessee covenants and agrees to:

- (a) pay the Lessor \$350,000 per annum in each year of the Term, payable in advance commencing on the Date of Commencement, as an unconditional contribution to the Lessor's community projects;
- (b) install and maintain an automatic public toilet on the Premises for use by the general public. The Lessor agrees that the public toilet is to remain the property of the Town following expiration of the Term;
- (c) provide 200 hours per annum of free hire of the training centre to the Lessor;
- (d) provide an a la carte restaurant and lounge bar open to members of the general public;
- (e) provide a coffee shop for Port Hedland International Airport patrons; and
- (f) provide a complimentary shuttle bus between the Premises, the Port Hedland International Airport and the Town of Port Hedland;
- (g) provide two rooms (and meals) at no cost to the pilots of the Royal Flying Doctor Service of Australia; and
- (h) provide twelve rooms for apprentices under the '754 Apprentice Scheme'.

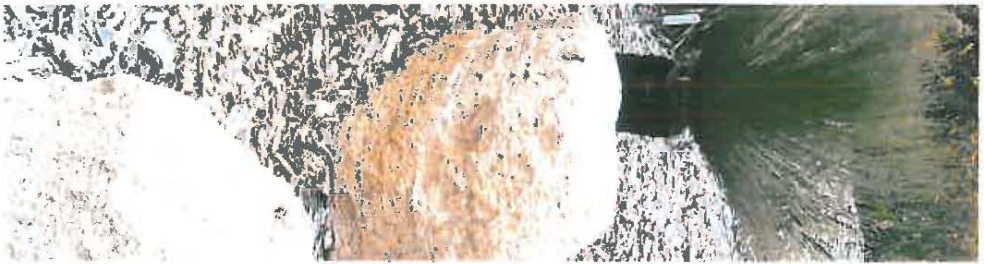
12. Trust

Not applicable

13. Guarantee Amount

An amount equivalent to six months rent.

ATTACHMENT 2 TO ITEM 6.2.2



MIA  **MIA**
PORT HEDLAND INTERNATIONAL AIRPORT
Accommodating the Pilbara

**Mia Mia Port Hedland International Airport Hotel
Tender 09/10—Land Lease Port Hedland International Airport**

MIA MIA Port Hedland International Airport Hotel

Mia Mia is a brand name we have used successfully in Newman, and given the quality and community integration it has achieved, is a model with features that would be very acceptable in Port Hedland. For this reason we have lodged this tender in the name of Mia Mia Port Hedland International Hotel Pty Ltd, which is a member of the Auzcorp Group.

Mia Mia is an Indigenous term, meaning House in the Desert.

Many existing worker accommodation bases have an absence of design, style, quality of finish and quality of service, all elements that do not cost a lot more to put into a project but which deliver huge benefits via superior outcomes for residents, their employers, the community, the town and the operator. The Mia Mia Port Hedland International Airport Hotel project seeks to address this.

Mia Mia Port Hedland International Airport Hotel Pty Ltd is part of the Auzcorp Group of companies (Auzcorp) which has a diverse portfolio of projects, services and multi-faceted interests in regional Western Australia. Auzcorp is a substantial services provider to the resources industry in the Pilbara where it has developed *Smart Partnerships* with mining companies, private business partners, local government and communities, to provide holistic solutions to the growing needs of industry and society.

Auzcorp has a big-picture approach across a number of business streams: accommodation management and catering, boutique hotels, small and large-scale food and hospitality, function centres and commercial buildings. Participants in *smart partnerships* include housing constructors and Key Trades, specialists in earthmoving, landscaping, food and linen supplies and other essential services, and have initiated job-apprentice programs.

Auzcorp began its Pilbara operation as a service provider to BHP Billiton in Newman. As the company's activities and reputation grew it attracted the attention of government agencies and key mining and industrial players. It continues to innovate in numerous ways to alleviate the accommodation crisis, deliver more regional community services, and provide for a sustainable future.

Since 2005 Auzcorp has recruited and retained Indigenous trades people and developed this professional partnership on all of our major projects.

Auzcorp has maintained a community focus in its projects by regarding each development as a critical contributor to the prosperity of the location, in this case the Town of Port Hedland (the Town) and its residents. The team involved in this project is mindful that development requires careful planning, innovative construction and harmonious integration with the existing Town. Creating an appropriate Airport Accommodation Facility will see another component of the Town upgraded in a style, manner and time-frame that will deliver immediate benefits.

The primary objective of this tender proposal is to:

1. Provide quality temporary workers accommodation to address the short-term accommodation demand in the Town of Port Hedland. The reality is that a transient work force accommodation facility is a provider of hotel services, so what we envisage is providing these in a manner that raises the standard for residents, creates facilities the community can use and appreciate, and provides an interface and physical presentation that enhances the Town.

auzcorp

Accommodating the Pilbara

2. The proposal is designed to achieve development outcomes integrated with the greater Port Hedland community by:
 - i. Providing a state of the art Training & Conference centre for the Town's businesses & community;
 - ii. Providing versatile themed Events & Catering to support & engage the multicultural aspects of the Town;
 - iii. Supporting local Sporting Groups and creating other community partnerships for widespread benefit;
 - iv. Assisting community organisations through use of the Training Centre and Subsidised Accommodation;
 - v. The promotion of Competitions and Incentives to engage and benefit the community;
 - vi. Providing a contemporary a la carte restaurant and lounge bar with an alfresco area that will bring an extra dimension to the Town, by serving quality meals in a completely new ambience, suited to a wide range of people, for every occasion;
 - vii. Providing a coffee shop and business centre with multiple uses from casual meetings, a venue for the arrival or a pre-departure catch up, plus be a quality and neutral place for serious business meetings, negotiations and presentations;

- b. The proposed quality development design aims to provide short-term and long-term benefits to the community and the Town via:
 - i. Single worker, family & business accommodation solutions
 - ii. Catering to transit passengers and some visitor accommodation needs
 - iii. Providing centralised, appealing meeting places incorporating contemporary designs, with a spacious alfresco area
 - iv. A training facility for local businesses and the greater community

- c. Complements the current and future plans of the Town of Port Hedland International Airport via:
 - i. Aerial complement to the skyline of the Town
 - ii. Integrated design and lighting theme
 - iii. An aesthetic modern design
 - iv. A statement for all visitors to the region
 - v. Set a future tone for worker accommodation
 - vi. Providing a locker area and a public shower/service facility

Mia Mia Port Hedland International Airport—Tender Proposal 09/10



2) Experience**Details of experience in operating similar facilities to the one proposed in this lease.****a) An overview of Auscorp's involvement in the Pilbara:**

Auzcorp is an expert developer and operator in remote regions. Through the sourcing of innovative building techniques and construction procedures, Auscorp satisfies increasing demands of clients, workers and their families, regional councils and communities for better quality living conditions and facilities that improve functionality, aesthetics and quality of life. Auscorp is proactive in sourcing accredited innovative techniques, and making remote projects more cost efficient and achievable by using the best of Australian ingenuity and products.

Auzcorp is privately funded with proven capacity to deliver on projects, particularly in remote areas. This includes the recruitment of skilled indigenous workers and partnering with building suppliers.

Auzcorp's building workforce consists of a dedicated team of experienced on-site project managers to oversee ongoing accommodation expansions and to provide localised service to remote projects. They are supported by fully-equipped teams of earthmoving and landscaping personnel dedicated to the project on hand. Each facility is run by on-site management supported by service personnel, to deliver a high quality of service and round-the-clock supervision of operations.

Auzcorp's internal reporting processes are in accordance with accepted standards and normal business practices inclusive of, but not limited to HSE reporting including near-miss registers, and daily-weekly monthly reporting on operational, corporate and financial matters.

b) The Newman Model:

The financial and management model that Auscorp has developed in Newman is relevant to the task of establishing and operating the Airport Accommodation Facility. The Newman model integrates business streams into a centralised Pilbara management structure, with business unit managers on site reporting to a tight, efficient Perth corporate office. A substantial proportion of the operational managers and staff live in the locations in which they work, which lessens the reliance on fly-in fly-out personnel. This is an advantage in terms of continuity, service delivery and quality.

The Newman model currently comprises:

- i) Two stand-alone Auscorp catering facilities located in the Newman and Dearloves caravan parks with a current capacity of 3000 meals per day. This is a \$20 million investment in purpose-built, high-standard facilities staffed by chefs and sous chefs drawn from Australia and around the world.
- ii) Auscorp Group's up-market Mia Mia Hotel in Newman, a \$20 million facility with 50 rooms, 120 seat restaurant, 150 seat conference centre, and other hotel services. The second stage of Mia Mia is approved and construction will start shortly, comprising 20 stylish two-storey hotel apartments each approximately 60sm that will be a first in the region and can also be strata titled.
- iii) The Newman Mail fortnightly newspaper that Auscorp launched in 2007 operates successfully as a vibrant participant in community activity.

c) Port Hedland and South Hedland

The Auscorp Group's involvement in Port and South Hedland has recently expanded through being appointed to run new projects and by corporate acquisition. The company has demonstrated its holistic approach in a number of ways:

iv) In 2007 Auscorp secured the right from the Commonwealth Government to transform the derelict Port Hedland detention centre into a vital accommodation facility. With a capacity of almost 400 beds the re-created and re-branded Beachfront Village is now an inviting place to stay for resources clients and individuals visiting or contracting in Port Hedland. The facility provides quality accommodation and catering on a medium-term and casual basis. The former run-down dusty site, which came with many limitations, has been landscaped and refurbished in a way that successfully revived the old accommodation buildings and integrated them with new modular en-suite units. The \$8 million investment was made at a crucial time and established the Auscorp Group as a serious developer and operator in the Port Hedland region. The facility's new streetscape, negotiated with the Commonwealth and incorporated into the upgrade, was welcomed by residents of Cooke Point.

v) Auscorp has recently been appointed to develop the Site B project in South Hedland, a 13ha site to be released by the State Government as part of its commitment to developing a sustainable regional future. The site is located adjacent to the South Hedland Town Centre and will see the construction of an estimated 400 quality dwellings in varying densities. In this development Auscorp will introduce social and community facilities to South Hedland to create a desirable community living environment. Commitments are also being made to support local infrastructure and social needs identified as integral in the successful development of South Hedland as a viable, more attractive community.

vi) Separate projects by Auscorp include the acquisition of Shana's Cafe in the Port Hedland Shopping Centre which has just undergone a \$200,000 redesign, rebranding and refurbishment and will open in July 2009 to alleviate the community desire for more quality and ambience in cafe dining. Shana's has a sleek modern fit out.

vii) Hedland Rocks is a new ice-creamery in the Port Hedland Shopping Centre to open when a \$100,000 renovation currently under way is completed. This will be a new element for shoppers providing healthy snack food alternatives and tastes year round.

viii) Keith's Kitchen is a worker's kitchen/cafe in the Port Hedland Shopping Centre to open when a \$140,000 renovation is complete. It will also be a new element for shoppers, staff and business people for breakfast and lunch.

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Mia Mia Port Hedland International Airport—Tender Proposal 09/10



- i) Auszcorp's defined Health, Safety Environment Management Systems ("HSEMS") for the construction and operations of this development will meet all contractual and legislative requirements. The HSEMS is not limited to but addresses all of the following:
 - (a) Health and Safety Policy;
 - (b) Roles and responsibilities;
 - (c) Consultation and communications;
 - (d) Fitness for work;
 - (e) Staff recruitment, behavioural based induction and training;
 - (f) Hazard management, risk analysis (HACCP) and Job Safety Observation (JSO);
 - (g) Health and safety inspections and audits;
 - (h) Personal protective equipment;
 - (i) Dealing with snakes;
 - (j) Emergency response procedures;
 - (k) Site access and security;
 - (l) Hazardous substance management;
 - (m) Loading and unloading practices;
 - (n) Maintenance and repairs;
 - (o) Electrical safety, including RCD testing, equipment testing and tagging;
 - (p) Key performance indicators;
 - (q) Rehabilitation; and
 - (r) Codes and Standards.

- ii) The EOI will be performed in accordance with relevant statutory Regulations and codes including, but not limited to the following:
 - (a) Mines Safety & Inspection Act 1994;
 - (b) Mines Safety & Inspection Regulations 1995;
 - (c) Occupational Safety and Health Act 1984 (as required);
 - (d) Occupational Safety and Health Regulations 1996;
 - (e) Workers Compensation and Injury Management Act 1981;
 - (f) Explosives and Dangerous Goods Act 1986 – Chemicals management;
 - (g) Health (Swimming Pools) Regulations 1964;
 - (h) Health (Pesticides) Regulations 1956;
 - (i) ISO 14001 and ISO 14004 – Environmental Management Systems;
 - (j) Hazard Analysis Critical Control Point Procedures (HACCP);
 - (k) FoodSafe Plus and FoodSafe Food Handler Training Program;
 - (l) ANZFA Food Industry Recall Protocol;
 - (m) AS 1851,15-1997 – Fire prevention and equipment testing and maintenance;
 - (n) AS 4308-1995 – Management of alcohol and other drugs in workplace; and
 - (o) Water Corporation, Western Power, Health Regulations and Local Shire Regulations.

Auzcorp ensures that the Works comply with the latest editions of all applicable Australian and Industry Standards, Codes of Practice and Regulatory requirements.

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c. Details pertaining to funds that have been allocated for major items associated with the development including any allowances that have been made for landscaping, civil works, infrastructure upgrades, building infrastructure, etc.

- a. Auszcorp proposes the following time frames and capital allocation for the development of MIA MIA PHIA (the project):

TABLE 1

ITEM	DESCRIPTION	CAPITAL	TIMEFRAME	OPERATIONAL DISRUPTION
1	Ground work, Earth work	\$1,000,000	3-4 weeks	50% Site Open
2	Development of Central facility zone	\$4,750,000	1-7 weeks	50% Site Open
3	STAGE A. Installation of Double Story Family rooms	\$3,600,000	8-9 weeks	50% Site Open
4	Entry Statement, Driveway, Landscaping of central zone	\$100,000	9-10 weeks	50% Site Open
5	Staged opening of Central facility zone and family rooms to the public.		10th week	OPENING DAY For New Facility
6	STAGE B. Installation of Queen size business suites	\$3,230,000	11-15 weeks	50% Site Open
7	Landscaping, pathways, driveways & car park around STAGE B	\$250,000	15-16 weeks	50% Site Open
8	Opening of STAGE B		16-17 week	
9	STAGE C. Installation of SPQ, Central areas	\$6,270,000	17-23 weeks	75% Site Open
10	Landscaping, pathways, driveways & car park around STAGE C	\$250,000	24-25 weeks	75% Site Open
11	Opening of STAGE C		25th week	100% Site Open
12	Installation of VIP suite	\$140,000	20-24 weeks	100% Site Open
13	Site inspection and SORA assessment		20-26 week	100% Site Open
14	Hazard Control and implementation process		20-26 weeks	100% Site Open
13	GRAND OPENING		27th week	
	Total	\$19,990,000		

- b. In the case of the site not being available from Day 1, the project will be constructed offsite between weeks 1-18 allowing weeks 19-26 for all earthworks, installation, landscaping & final commissioning. The project will be ready for Grand Opening during 27th week from the grant of the lease.

Mia Mia Port Hedland International Airport—Tender Proposal 09/10



b) Operating costs (inc maintenance)

Operating Costs	Year 1	Year 2	Year 3	Year 4	Year 5	Total
	Mar10- Jun 10	Jul 10- Jun 11	Jul 11- Jun 12	Jul 12- Jun 13	Jul 13 Jun 14	
CPI		3.40%	3.40%	3.40%	3.40%	
COs	908,656	2,718,520	2,718,520	2,718,520	2,718,520	11,782,736
Staff	329,400	985,500	985,500	985,500	985,500	4,271,400
Food	197,298	575,778	575,778	575,778	575,778	2,495,410
Other	58,935	182,007	182,007	176,022	176,022	774,992
Land lease						
Total Cost of Sales	1,489,189	4,461,805	4,461,805	4,455,820	4,455,820	19,324,439

c) Incomes anticipated.

CPI Income Accommodation	Mar-Jun 2010	Year 2	Year 3	Year 4	Year 5	Total
	Year 1	Jul 10- Jun 11	Jul 11- Jun 12	Jul 12- Jun 13	Jul 13 Jun 14	
MM Family	890,112	2,753,583	2,753,583	2,663,040	2,663,040	11,723,359
MM Single	895,968	2,771,699	2,771,699	2,680,560	2,680,560	11,800,486
TWAS	1,561,600	4,830,848	4,830,848	4,672,000	4,672,000	20,567,296
Catering	610,000	1,887,050	1,887,050	1,825,000	1,825,000	8,034,100
Restaurant	585,600	1,811,568	1,811,568	1,752,000	1,752,000	7,712,736
Diner						
Total Income	4,543,280	14,054,748	14,054,748	13,592,600	13,592,600	59,837,977

6) Residual Improvements

Proponents should clearly indicate what, if any, improvements or portion of the development will remain on site at the expiry of the lease term. Information provided should include an estimated value of the residual improvements.

Auzcorp proposes:

At the end of the 5 year lease period Auzcorp will hand over all ground works and landscaping worth over \$5 million to the Town of Port Hedland. Auzcorp will remove the transportable buildings, however, if the Town so chooses it may offer to Auzcorp a nominal cost (to be negotiated) in cash or in lieu for the buildings. Auzcorp acknowledges the term of the lease is 5 years.



CONCLUSION

The Town of Port Hedland is a regional export terminal and home to 12,000 people, with the majority of income being derived from the mining industry. Over a number of years the need for transient workers accommodation has increased in line with the increased output of the main activity, iron ore exporting.

The Town has proactively worked on responding to this accommodation demand, and in so doing to improve the quality and amenity of accommodation facilities, provide better choices, add on benefits for the community, and integrate the new facilities with the Town.

Auzcorp acknowledges the recent refurbishment of the Esplanade Hotel in Port Hedland, which is an important achievement in bringing quality to the Town.

Auzcorp has acted proactively in providing similar services and working on similar goals within the Shire of East Pilbara. The company's upgrading of Newman worker accommodation for 1400 people, and the construction of the Mia Mia Hotel, have been very well received. The Mia Mia Hotel has delivered a new dimension for Newman with stylish accommodation, a range of quality dining options, plus corporate and private functions. The facility has added to the Newman lifestyle and is considered a substantial community asset.

Auzcorp proposes the same approach as it seeks to contribute proactively to the lifestyle of Port Hedland, by providing a new dimension in accommodation and services for transient workers, and at the same time delivering a facility that others in the community can use and appreciate.

Auzcorp's policy is to support the local community and businesses in every possible way including via its own training scheme which will expand horizons and increase opportunity for the youth of Port Hedland.

This Project's commitment to local employment, local businesses and local community development, will all contribute to enhanced sustainability and enhanced lifestyle that can only benefit the Town of Port Hedland.

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ATTACHMENT 3 TO ITEM 6.2.2



Auzcorp Pty Ltd
 ABN 27 080 267 652
 PO BOX 370
 Cottesloe WA 6911
 P 08 9284 2942
 F 08 9284 2142
www.auzcorp.com.au

7 November 2011

Ms Jasmine Person
 Manager – Investment and Business Development
 Town of Port Hedland
 PO Box 41
 Port Hedland WA 6721

Dear Jasmine,

Extension of Lease Term – Mia Mia Port Hedland Airport Camp

Thank you for your email dated 1/11/2011, responding to our recent request to extend the current lease between the Town of Port Hedland (“ToPH”) and Auzcorp for Mia Mia Port Hedland International Airport (“MMPHIA”).

We have prepared a response to the information requested in your email, and in doing so we wish to highlight the following key points:

- Since December 2009, MMPHIA has been operating successfully with annual occupancy figures of:

2010	93.18%
2011	96.94%
2012	99.47% (as at 30 th September 2011)

- Since commencement of the lease in December 2009, Auzcorp has contributed in excess of \$1million directly to the ToPH. This is comprised of:

Lease Payments	\$336,943
Community Contribution	\$700,000

- In October 2011, Auzcorp completed Stage 1 of its MMPHIA expansion, with the completion of 63 executive/business ensuite rooms, increasing the total number of rooms available at the facility to 255.
- To date, Auzcorp has invested in excess of \$9 million in MMPHIA. This includes \$4.3 million incurred during the Stage 1 expansion.
- Auzcorp acknowledges that its original Tender document (09/10) for the Mia Mia International Airport TWA is incorporated in the current lease agreement dated 1/12/2009 (Annexure 3 to the lease).

- The original Tender document contained a significant number of details, including perceived community benefits which would result should the lease for the site be awarded to Auzcorp. Components of Auzcorp's concept plan for the site have been completed, however Auzcorp has been unable to actualize others due to issues which have arisen but were unforeseen at the time Auzcorp prepared its Tender (eg: Additional storm water flows from adjoining sites developed since the lease commenced, sewerage issues caused by the fact that Port Haven has not complied with the requirements imposed on it by the ToPH in this regard).
- Auzcorp has significantly re-furbished, improved and expanded MMPHIA despite confronting numerous unforeseen issues which have resulted in Auzcorp incurring considerable extra costs in upgrading the site. This has necessitated alterations to be made to the concept plan outlined in the Tender document.
- Auzcorp will proceed to complete the development in stages, adhering to the original concept plan to the greatest extent possible. Due to the extreme shortage of accommodation in Port Hedland, Auzcorp always envisaged the development would be completed in stages, so as to minimize the effect on room numbers available whilst still delivering both financial benefits and facilities to the local community.

The following pages address each of the points raised in your email. Auzcorp's responses are highlighted in blue.

Points to be addressed by Auzcorp**TENDER DOCUMENT - PAGE ONE OF TENDER**

We note in the tender document, Auzcorp states *"The primary objective of this tender proposal is to :*

- 1. Provide quality temporary workers accommodation to address the short-term accommodation demand in the Town of Port Hedland. Within this paragraph it is stated that hotel accommodation standards of an increased nature, facilities that the community can use and appreciate and an interface and physical presentation that enhances the Town.***

When read in conjunction with the site plans, it is apparent that the original plan was not adhered to and the physical appearance of the site does not enhance the Town's presentation. Please provide a rationale as to why the development has not progressed as originally proposed in the tender, bearing in mind that the original tender was awarded to Auzcorp on the basis of the information as contained in the tender.

RESPONSE

The original tender was prepared based on infrastructure, land area and services being available to support the upgrade and extension detailed in Auzcorp's Tender document. Auzcorp's inaccessibility to key infrastructure, in particular a suitable sewerage treatment facility and the full area of land, have significantly impacted on Auzcorp's ability to deliver the project as outlined in the tender document.

MAIN ROADS**Issue**

Immediately following award of the tender to Auzcorp, it sought to lease additional land from the ToPH to deliver all of the facilities proposed within the Tender. This was positively received by the ToPH in January 2010 and draft lease documentation prepared. The proposed additional land was situated between the MMPHIA leased land (Lot 2444) and the Great Northern Highway.

In early 2011, the ToPH informed Auzcorp of its intention to construct a slip road that would directly impact the land the ToPH had agreed to lease to Auzcorp. Auzcorp was asked to release the ToPH from its obligation to lease the previously agreed additional land to Auzcorp due to the proposed slip road.

Impact

Due to the ToPH's inability to execute a lease covering the additional land area it had previously agreed to lease to Auzcorp, Auzcorp was unable to proceed with the development plan outlined in the Tender Document as the development program/timeline would have significantly impacted on the number of existing rooms available for use by patrons.

Subsequently, to allow development to proceed at MMPHIA, and in close consultation with the Town, Auzcorp drafted an alternative Stage 1 expansion plan for the site. Due to the on-going critical shortage of rooms in Port Hedland, Auzcorp's updated design sought to maximize capacity, while minimizing the impact on availability of existing accommodation. This was achieved via an expansion at the rear of the Lot 2444. Stage 1 incorporated the original Tender development plan where possible, including the executive style rooms (queen size deluxe business suites). Stage 1 was completed and available for use in late October 2011.

TENDER DOCUMENT - PAGE ONE OF TENDER (cont)

WASTE WATER TREATMENT & DRAINAGE

Issue

Auzcorp undertook a detailed analysis of the availability of infrastructure and services at the site, prior to commencing the re-development of MMPHIA outlined in the Tender document. The analysis identified significant issues both in terms of the drainage and sewerage treatment systems for the site.

Storm water drainage at the site was totally inadequate for the facility. Auzcorp immediately undertook rectification work which included the installation of a significant number of storm drains, sumps and pumping systems to clear the excess water from the site. The necessity for expansion of the existing storm drainage system was not anticipated in Auzcorp's tender document and the costs associated with this work were therefore not taken into consideration. However, without such expansion, no further expansion of MMPHIA would have been possible. To date, Auzcorp has spent \$199,000 on the drainage issue and has budgeted a further \$50,000 this financial year to address additional issues that have become evident since the development of Port Haven which has impacted significantly on the storm water drainage system at MMPHIA. These are unexpected costs which Auzcorp has been forced to incur and which will result in significant improvements to the storm drainage infrastructure at the site

The existing sewerage treatment ponds at MMPHIA at the commencement of the lease did not have sufficient capacity to meet the existing requirements of the facility or allow any expansion to be undertaken. Auzcorp has repeatedly brought to the ToPH's attention that as part of the conditions of the tender awarded for the neighboring 1200 person transient workers accommodation facility ("**Port Haven**"), Port Haven was responsible for the treatment of effluent from both the Port Haven and MMPHIA sites. This was provided for in the ToPH's tender document for the 1200 person transient workers accommodation site and the Works Approval granted on the 8 April 2009 for Port Haven:

Tender 08/01 for the grant of a lease of land and for the design, construction and operation of a 1200 person transient workers accommodation.

Section 28 of the Tender (page 4) provides:

"The Town when completing the initial engineering concept investigation into the provision of water treatment investigated a unit designed for 1,200 persons as shown in Annexure 1. Since that time the Town has decided that any waste water treatment facility built for the purposes of the tender shall include the excess capacity, such that the existing evaporative ponds from another development can be made redundant by being incorporated into the tenderer's waste water plant system. This means that the tenderer will need to design and construct a waste water treatment plant capable of treating waste water for 1,600 person not the 1,200 shown in the document tabled at Annexure 1. The extra capital cost of the larger waste water treatment plant will be borne by the tenderer. The tenderer should prepare its tender on the assumption of also meeting the additional maintenance costs; however the Town may be prepared to partly review this position."

Works Approval granted on 8 April 2009, Environmental Assessment Report issued by the Department of Environment and Conservations, page 5:

"As a condition of Council approval for this development, wastewater from the 400 bed adjacent accommodation camp operated by Fortescue Metal Group (FMG) will also be treated, though it is unknown when the FMG camp will be connected. Effluent from the FMG camp (being the four star shaped cluster in Figure 1) would be transported to the Port Haven WWTP by a sewer rising main constructed at a future time. Construction and operation of this rising man does not form part of this Works Approval."

TENDER DOCUMENT - PAGE ONE OF TENDER (cont)

Port Haven has failed to provide this necessary infrastructure to service MMPIA, and Auzcorp understands from our discussions with the ToPH that Port Haven is experiencing difficulty in managing its own sewerage capacity.

Impact

To enable development to proceed at MMPHIA, Auzcorp invested \$300,000 to install sewerage infrastructure and additional ponds to address the increased capacity generated by the Stage 1 expansion of 63 rooms. The need to have the system re-engineered and obtain the relative government approvals has required an extension of the initial time line for completion of Stage 1 of the MMPHIA expansion by approximately 6 months.

DEVELOPMENT STATUS

Auzcorp intends to further develop MMPHIA, subject to finalization of the lease extension with the ToPH. The structure and design of future stages of the MMPHIA development are largely dependent on the outcome of the issues highlighted above, and a re-assessment of the facility and infrastructure needs of both the property and the local community.

Auzcorp's current plan:

Stage 2 Upgrade and extension of both the dining facility and alfresco area. Auzcorp anticipates submitting approvals for these works to the Town in November 2011, and completion of the upgrade by March 2012.

Stage 3 Currently incorporates the upgrade/expansion of the central facilities, including the reception area and the training/conference centre. The exact details of stage 3 will not be known until plans for the construction of the slip road on Great Northern Highway have been finalized and construction of the road has been completed. Auzcorp intends to revisit its plan for the central facilities based on how much land it will have available for the development. Auzcorp will alter the design of the central facilities to maximize visibility and enhance the presentation of these facilities, based on the new streetscape. This will ensure the facilities will further improve the aesthetics of the property.

Auzcorp cannot proceed with Stage 3 until both the slip road on Great Northern Highway is complete and the ToPH addresses the capacity constraints of sewerage treatment systems at Port Haven.

As discussed with the ToPH it is our understanding that it will be installing a new sewerage treatment plant to service the airport precinct that Auzcorp will be able to utilize free of charge for its existing development. Auzcorp will not be able commence Stage 3 until the ToPH has completed the construction of the new plant.

Auzcorp has completed Stage 1 of the development, which includes substantial improvement to the aesthetic appeal of the site, through a significant investment in landscaping, not only around the newly completed rooms but also around the existing reception buildings. Stage 2 will see the same transformation and beautification of the dining facilities and the addition of an alfresco dining area. Upon completion, Auzcorp will be in a position to open the diner to the general public as an alternative to existing limited dining facilities within the area.

2. The proposal is designed to achieve development outcomes integrated with the greater Port Hedland community by:

- i. Providing a state of the art Training and Conference Centre for the Town's businesses and community;**

Please confirm if this has been developed and how it has been maintained, managed and promoted for use by the Town's business and community;

RESPONSE

The existing facility includes a training and conference room which is available for hire by Town's businesses and the general community.

The ToPH has 200 hours per annum of free use of this facility for itself and other community organisations. To date the ToPH has not utilized this service.

Stage 3 incorporates an upgraded training/conference centre. The ToPH will continue to be provided with free usage of 200 hour per annum.

- ii. Providing versatile themed events and catering to support and engage the multicultural aspects of the Town;**

Please provide examples when this has occurred and how regularly it has occurred since entering into the lease agreement.

RESPONSE

The existing diner does regularly have theme nights, during which multicultural cuisine is made available to residents.

Auzcorp also provides external catering to the general business community and public from its other facilities in Port Hedland.

- iii. Supporting local community groups and creating other community partnerships for widespread benefit;**

RESPONSE

Auzcorp is committed to supporting the local community in the ToPH. This is demonstrated through both its sponsorships and direct involvement in a wide variety of community groups and organisations, including:

In 2011 alone, Auzcorp provided a total of \$281,761 in free accommodation to worthwhile community causes and groups.

Since commencement of the lease, Auzcorp has paid \$700k to the ToPH in community contributions to be utilized at the ToPH's discretion to benefit the local community.

Auzcorp has also committed to a further \$2.5 million community contribution to the South Hedland Recreation Centre.

Sponsorships

Hedland Junior Soccer Association

Hawks Rugby Team

Hedland High School – sponsorship of raffles

Wirrpanda Foundation (*)

2 ii. (cont)Events

Port Hedland Economic Forum Key sponsor of the inaugural event

Donations

Friend of Cancer Council WA Biggest Morning Tea

Other

South Hedland Recreation Centre \$2.5 million
(\$150k paid in 2011, \$2.35m to be paid in 2012)

State Emergency Services Christmas Lunches
Auzcorp provides packed lunches and drinks for volunteers in cases of emergency (fire, missing persons etc.)

Mr. Andrew Cardigan Walking Around Australia

(*) Auzcorp is a major supporter of the Wirrupunda Foundation and in particular, is committed to the Foundation's growth in the Pilbara region. This is evident via television advertisements currently being broadcast on the GWN network.

Free of Charge Accommodation

St John Ambulance Auzcorp received a request from the ToPH to provide accommodation for a new paramedic until suitable home could be located. Auzcorp agreed to provide a room for up to 8 weeks free of charge.

Royal Flying Doctor Service Auzcorp provides up to 2 rooms at all times at no charge to this worthwhile community service provider.

CCI – Unemployed Apprentices Provision of up to 30 rooms at no charge across both of Auzcorp's Port Hedland facilities.

Emergency Medical Request from Newman community for emergency accommodation for a family due to no suitable accommodation being available whilst their daughter was having an operation in Port Hedland.

(#) This commitment was initially for 12 months, but has now been in place for 3 years.

iv. *Assisting community organizations through use of the Training Centre and subsidised accommodation;*

Please provide examples of community organization utilising the Training Centre and the frequency of such use. Further please supply information on the promotion of this as in point i. above.

RESPONSE

The existing facilities training/conference room has been made available to the ToPH and is Auzcorp's understanding that the ToPH would promote this facility to community organisations. To date the availability of this facility has not been utilized.

Please refer to response at (2)(iii) above for details on subsidized accommodation provided to the community by Auzcorp.

2. (cont)

- v. ***The promotion of competitions and incentives to engage and benefit the community;***
Please describe these activities, the frequency and the direct costs to Auzcorp since entering in to the lease agreement.

RESPONSE

Auzcorp supported the ToPH annual Christmas lights in 2010 and is committed to supporting again in 2011.

Auzcorp is currently in discussions with RV Sport, to partner it in its Regional Sports Initiative which will bring major basketball tournaments to the Pilbara Region. This is a 5 year program due to commence in 2012.

As part of the Regional Sports Initiative, Auzcorp is involved in discussions with the ToPH to combine the first event of this program with the opening of the South Hedland Recreation Centre.

On completion of Stage 3, Auzcorp will use competitions and incentives to promote the new facilities to the community.

Auzcorp has provided \$700k in community contributions from MMPHIA. These funds are to be used by the ToPH at its discretion for the benefit of the community.

- vi. ***Providing a contemporary a la carte restaurant and lounge bar with an alfresco area that bring an extra dimension to the Town, by serving quality meals in a completely new ambience, suited to a wide range of people, for every occasion;***

RESPONSE

It is envisioned that the restaurant and alfresco area will be provided in the later stages of development.

- Vi. ***Providing a coffee shop and business Centre with multiple uses from casual meetings, a venue for the arrival or a pre-departure catch up, plus be a quality and neutral place for serious business meetings, negotiations and presentations;***

Please confirm that both facilities have been developed and described how this has been promoted to the wider community. Also please confirm frequency of usage and mix of clientele. Please also provide details of any costs associated with the use of the business Centre.

RESPONSE

It is envisioned that these facilities will be provided in the later stages of development. Auzcorp currently provides a coffee shop through the operation of Shana's Café.

2B. The proposed quality development design aims to provide short-term and long-term benefits to the Town via:

i. Single worker, family and business accommodation solutions;

Please provide a market analysis of these sectors.

RESPONSE

Auzcorp provides the following accommodation options at MMPHIA:

- 192 single en-suited rooms
- 63 executive/business en-suited rooms

ii. Catering to transient passengers and some visitor accommodation needs;

Please provide a market analysis of the sectors and what has been implemented to accommodate their different needs.

RESPONSE

MMPHIA has 26 rooms available for booking by the general public. Patrons include both business and short-term visitors. Additional facilities have been made available at the site to all guests, to cater for the different needs of all guests, including internet facilities, a games room and an upgrade of fitness equipment in the gymnasium.

iii. Providing centralised, appealing meeting places incorporating contemporary designs, with a spacious alfresco area;

Again please confirm that the above has been developed.

RESPONSE

Please refer response at (1) above.

While Auzcorp has been unable to develop all aspects of the Tender document to date, it has still endeavored to improve the ambience of the existing facilities. This has been achieved through the planting of trees and shrubs, natural grass, and the installation of synthetic grass throughout the facility, to create beautifully landscaped, luscious surroundings (Annexure A).

The existing expansion plans for the site provide for a centralized, multi-purpose alfresco area. Auzcorp, as part of Stage 2 of the MMPHIA development, is in the process of extending and upgrading its alfresco facilities. This is currently before the ToPH for approval. Completion is estimated in March 2012.

iv. A training facility for local businesses and the greater community;

RESPONSE

Please refer to response at (2)(a)(i) and (2)(a)(vi) above.

Existing training/conference facility has been used by the business community on several occasions.

2C. Complements the current and future plans of the Town of Port Hedland International Airport via:**i. Aerial complement to the skyline;**

The current development is not aesthetically pleasing from the sky. Please advise how this will be rectified.

RESPONSE

As part of Stage 1, Auzcorp has integrated a design theme that includes water wise synthetic grass (Annexure A), water wise planting, and bollard pathway lighting. In essence, these things were incorporated in the design to ensure the site will be more aesthetically pleasing (Annexure A). The impact of the improved design is striking when compared to the property prior to works. (Annexure B) Patrons have provided positive feedback since the completion of Stage 1, in particular noting the impact the synthetic grass has had on the appearance of the landscape.

Due to the delays outlined in Auzcorp's response at point (1) above, Auzcorp has been unable to complete further improvements as part of the overall development of the site. Auzcorp eagerly awaits the construction of the slip road at the front of the property, so it can progress to Stage 3, which will incorporate the beautification of the streetscape and further landscaping.

ii. Integrated design and lighting theme;

Please explain how this has been achieved.

RESPONSE

Please refer to response at (2)(c)(i) above.

iii. An aesthetic modern design;

The current development is not aesthetically pleasing. Please advise how this will be rectified.

RESPONSE

Auzcorp inherited MMPHIA as a partially developed site. It is Auzcorp's intention to aesthetically enhance the entire site in line with the recent extension of 63 rooms. (Annexure A)

iv. A statement for all visitors to the region;

How has this been achieved.

RESPONSE

Auzcorp's original concept plan included the development of the additional land area which subsequently was unavailable. Until the design of the slip road is finalised Auzcorp cannot plan its entry statement.

2C.

- v. ***Set a future tone for worker accommodation;***
How has this been achieved.

RESPONSE

Auzcorp takes pride in the quality of the facilities and service it provides to its patrons at MMPHIA, and aims to set a standard for other providers of temporary workers accommodation. Auzcorp's service offering includes:

- High quality meals (Annexure C)
- Menus rotated daily to ensure variety and minimal repetition
- Inclusion of "Healthy Choices" (Annexure D)
- Themed meal nights
- Executive style rooms to provide premium comfort
- Foxtel/Movie channels in all rooms
- Internet Room
- Wireless Internet
- Games Room

- vi. ***Provide a locker area and public shower/service facility;***
Please confirm that this has been implemented.

RESPONSE

The locker area and public shower facility has not yet been developed (please refer to response at (1) above).

This was contingent on more direct access as per verbal discussions with the ToPH on the proposed Master Plan for the airport precinct. This facility may be redundant should the access not be provided in the current plan, and these facilities would be more appropriate within the proposed Airport Hotel.

PAGE 2 TENDER DOCUMENT

Auzcorp detail how they will meet the tender scope. One of those objectives is to ensure that the facility is utilised by multiple users. It is acknowledged that the Town has grown rapidly over the past two years with accommodation in high demand to a critical point and the clientele market may not now be as predicted at the time. In light of that, please clarify the following:

Who are the predominant users of the camp (please provide a breakdown of the market);

RESPONSE

The predominant users of MMPHIA are the resource and construction industry.

Are there facilities on site that accommodate families;

RESPONSE

These facilities have not been developed (please refer to point (1) above), as Auzcorp has endeavored to address the immediate and ever increasing demand for accommodation from the resource and construction industry in Port Hedland.

Auzcorp will review design of the family accommodation taking into account the land now available and the design of the slip road. This will be addressed in Auzcorp's development application for Stage 3.

Is a shuttle bus continuing to run and what is the frequency;

RESPONSE

Auzcorp provides a shuttle service on demand for its patrons, but does not maintain details of each shuttle service provided.

Are there 48 interconnecting family rooms and do families actually have access to or use these rooms. If so, please confirm frequency;

RESPONSE

These facilities have not been developed (please refer to response at (1) above). Given the severe shortage of accommodation Port Hedland is currently experiencing, Auzcorp has to date focused on addressing the immediate demand for increased accommodation from the resource and construction industry in Port Hedland.

Auzcorp will review design of the family accommodation taking into account the land now available and the design of the slip road. This will be addressed in Auzcorp's development application for Stage 3

TENDER DOCUMENT PAGE FOUR

On page four of the tender, there is extensive reference to the quality of the design. Please confirm that each and every item as outlined in i. through vii has been implemented. (Some of these may duplicate the above)

- i) A completely new development design has been formulated by Auzcorp, with a central activities zone consisting of architecturally configured shade sails and including:**

- a. Reception area**
- b. Al la carte restaurant with loung bar**
- c. Separate dining facility for use by the SPQ accommodation guests**
- d. Coffee shop**
- e. Business centre**
- f. Training/conference facility**
- g. Library and reception area**
- h. Lockers and public shower facilities**
- i. New kitchen**

RESPONSE

These facilities form part of Stage 3.

- ii) Improved landscaping and tree planting throughout the site**

RESPONSE

These works have been undertaken, with further works anticipated in future stages. Refer to response at (2C).

- iii) Porte cochere entrance/reception with arched double driveway**

RESPONSE

These facilities form part of Stage 3.

- iv) Greeting entrance statement and boundary definition**

RESPONSE

These facilities form part of Stage 3.

- v) 48 new double storey, interconnecting superior family rooms**

RESPONSE

These facilities form part of Stage 3.

- vi) 51 new queen sized deluxe business suites**

RESPONSE

These have been completed as part of the 63 room extension in Stage 1.

- vii) 100 new single person quarters with common areas and laundry blocks**

RESPONSE

These form part of the existing facility.

- viii) Bitumised parking with easy access to all facilities**

RESPONSE

Auzcorp has been advised that the bitumen parking would cause additional issues with storm water drainage, and in particular run off to the ToPH storm water culverts. It is considered that the most appropriate surfacing of the car park is the current blue metal treatment which enables absorption of storm water.

TENDER DOCUMENT PAGE SIX

On page six of the tender, Auzcorp attached a financial plan. We seek confirmation that the plan has been followed with details confirming that the capital costs were expended and the works were completed.

RESPONSE

As discussed above, Auzcorp has been unable to complete the MMPHIA expansion as per the concept plan submitted in the original Tender document.

To date, the following capital and lease costs have been incurred by Auzcorp to the upgrade and expand the MMPHIA facilities:

	\$'m
Dining Facility	0.91
Buildings	2.66
Plant & Equipment	0.46
Improvements	0.94
Stage 1 Expansion	<u>4.30</u>
	\$9.27m

TENDER DOCUMENT PAGE EIGHT

On page eight of the tender, "community benefits" are detailed at (b). We seek clarification that each and every one of these benefits has been reached and/or implemented with details in support thereof.

1. ***The Mia Mia Port Hedland International Airport Hotel will give complimentary rooms and meals for the pilots of the Royal Flying Doctor Services.***

RESPONSE

Auzcorp has provided 2 rooms to The Royal Flying Doctor Service has access to 2 rooms at all times. These rooms are provided at no charge.

2. ***An allowance of 200 hours per annum of complimentary use of the Training Centre for local government and the Town***

RESPONSE

The existing training/conference room is available for use by the ToPH for 200 p/a. To date this has not been used.

3. ***The provision of 4 complementary rooms for apprentices (under the company's own 754 scheme which creates jobs for people within Australia, not to be confused with the Federal Government 457 scheme for overseas labour)***

RESPONSE

Auzcorp, in partnership with the Chamber of Commerce and Industry, provides at no charge an allocation of up to 30 rooms for use by apprentices over Auzcorp's Port Hedland sites.

4. ***Partnerships with local sporting communities***

RESPONSE

Auzcorp's has provided financial support to both the Hedland Junior Soccer Association and the Hawks Rugby Team.

5. ***Ongoing commitment to the Town's cultural affairs and activities***

RESPONSE

Auzcorp has extensive involvement in the ToPH local community; please refer to response at (2 iii).

6. ***Ongoing commitment to apprenticeship development program and actively commit to having 5% of the workforce as apprentices***

RESPONSE

While Auzcorp strives to comply with this policy, the remuneration packages offered to apprentices, and recently qualified tradesmen in the resource industry has significantly decreased the demand for apprenticeships in Auzcorp's major service offering, hospitality.

7. ***Ongoing commitment to aboriginal welfare and commitment to having 10% of local indigenous participation of the total workforce***

RESPONSE

Auzcorp is an equal opportunity employer and committed to having local indigenous participation in its total work force. Auzcorp has partnered with the Wirrpanda Foundation to assist in engaging with the indigenous community in the area of employment.

Auzcorp's commitment also extends to the use of Indigenous contractors on the recent accommodation upgrade at MMPHIA in 2011. In the construction of this project, local Indigenous worker content exceeded 20% of the projects total workforce.

TENDER DOCUMENT PAGE EIGHT (cont)

8. *Ongoing commitment to local business and commitment to have at least 20% of suppliers sourced locally*

RESPONSE

Auzcorp is committed to its partnerships with local suppliers which are predominantly provide maintenance services and supplies, materials, cleaning supplies, IT services and minor food supplies. With the exception of its major food supplies which have to be sourced from Perth, Auzcorp averages 33% purchasing from local suppliers. Auzcorp continues to further arrangements with local suppliers as they become permanently established and competitive in the Pilbara.

Auzcorp's commitment is further demonstrated by its use of local contractors during the Stage 1 expansion at MMPHIA. Over 80% of the project's resources were sourced from Port Hedland contractors and suppliers, being Binbirri Contracting, Stay Cool, Pilbara Earthmoving, Gary Edwards Plumbing, Outback Trees, Gingers Grano, Norwest Cranes, Blackwoods, Home Hardware, One Steel, Rexel, Makjap Surveyors, Galvins, Hansens Concrete and Brookdale Contracting.

9. *A commitment to have a minimum 75% of the work force from local communities*

RESPONSE

Of Auzcorp's 128 employees in Port Hedland, 108 are from the local community.

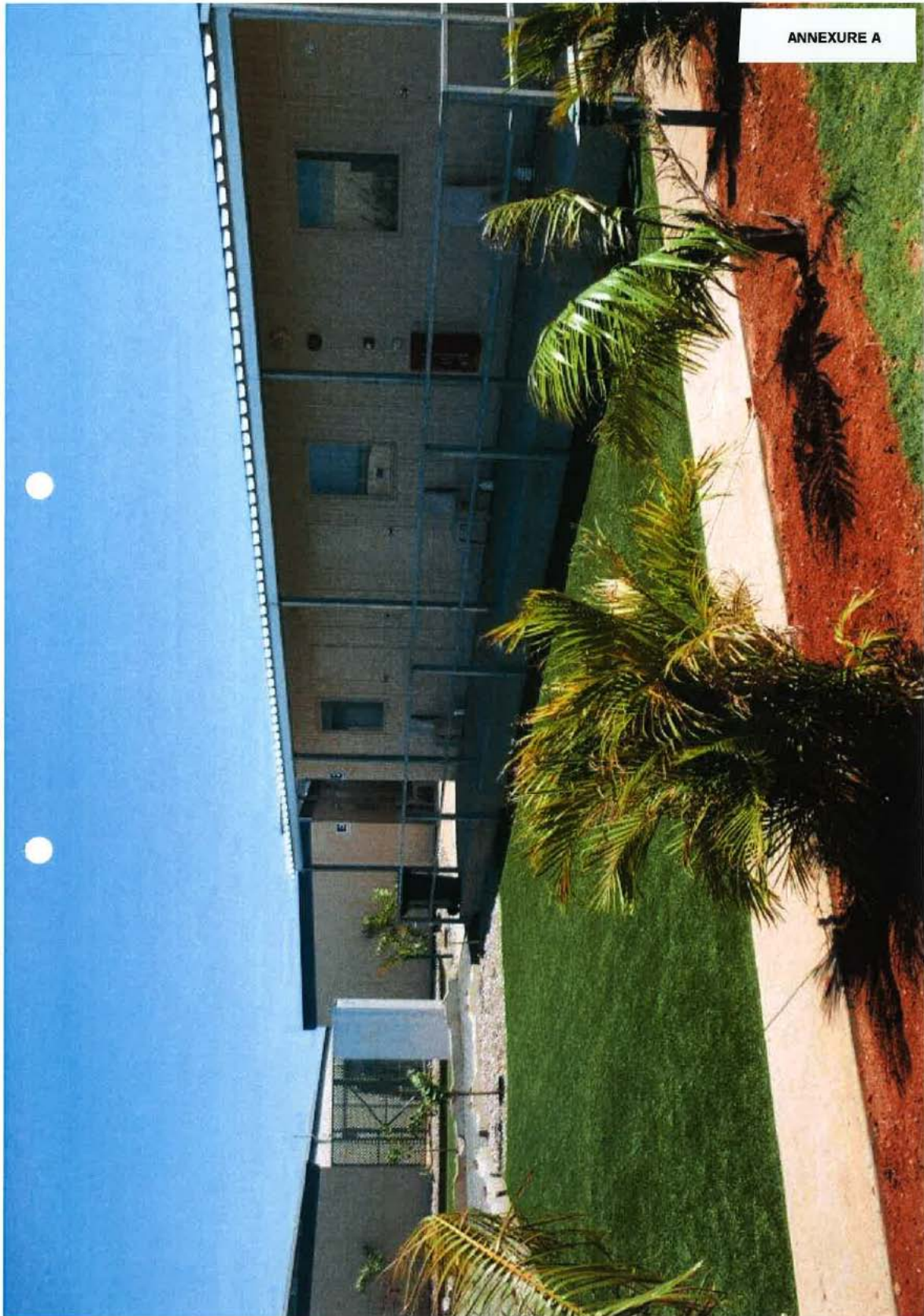
10. *A commitment to on-going training and development of the local workforce via succession planning and on the job training*

RESPONSE

Auzcorp is committed to the succession and training of its local workforce. Priority is always given to recruit and promote from within the organization. Further to this 2 -5 days of training per annum is provided to various roles.

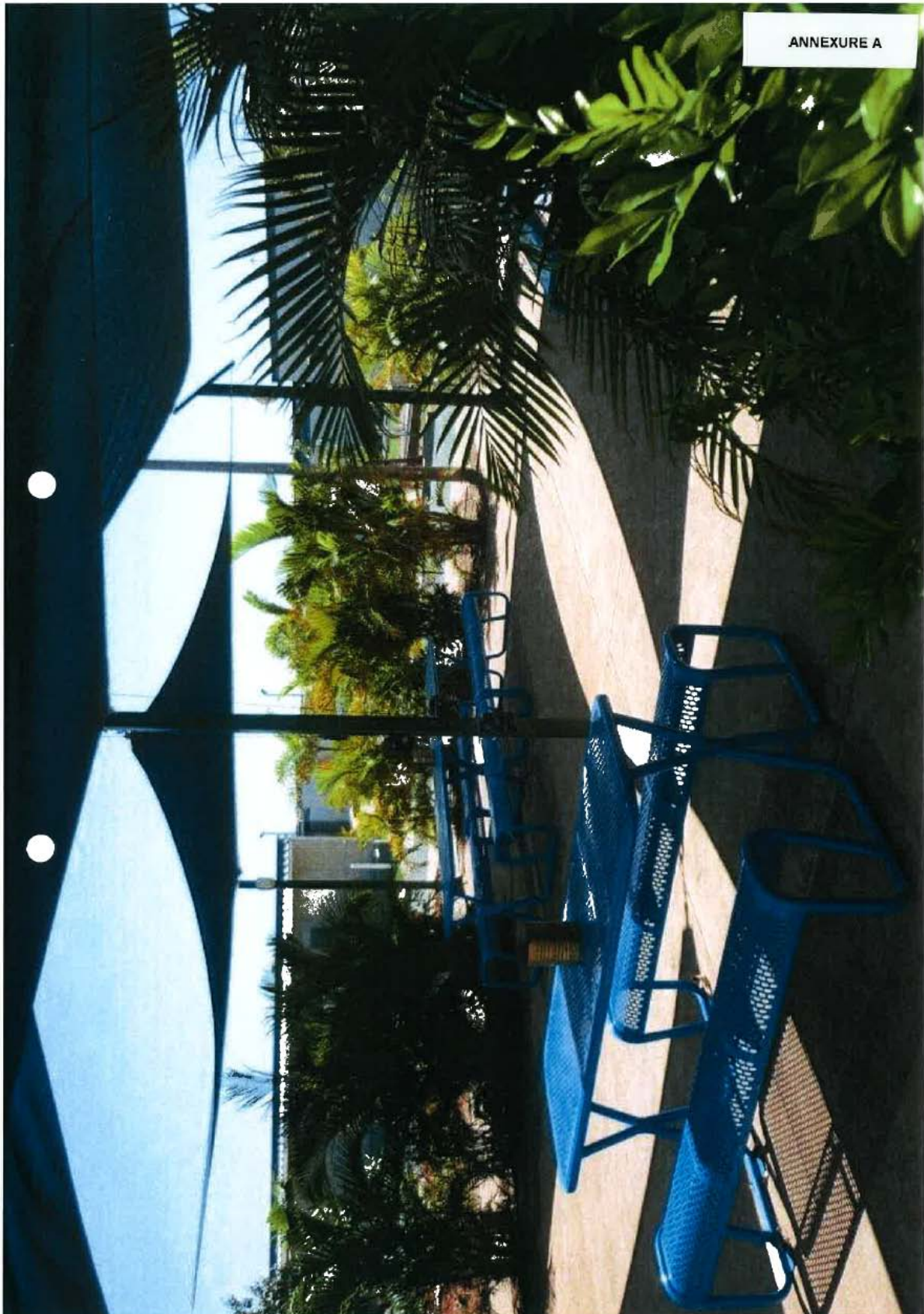
SUMMARY

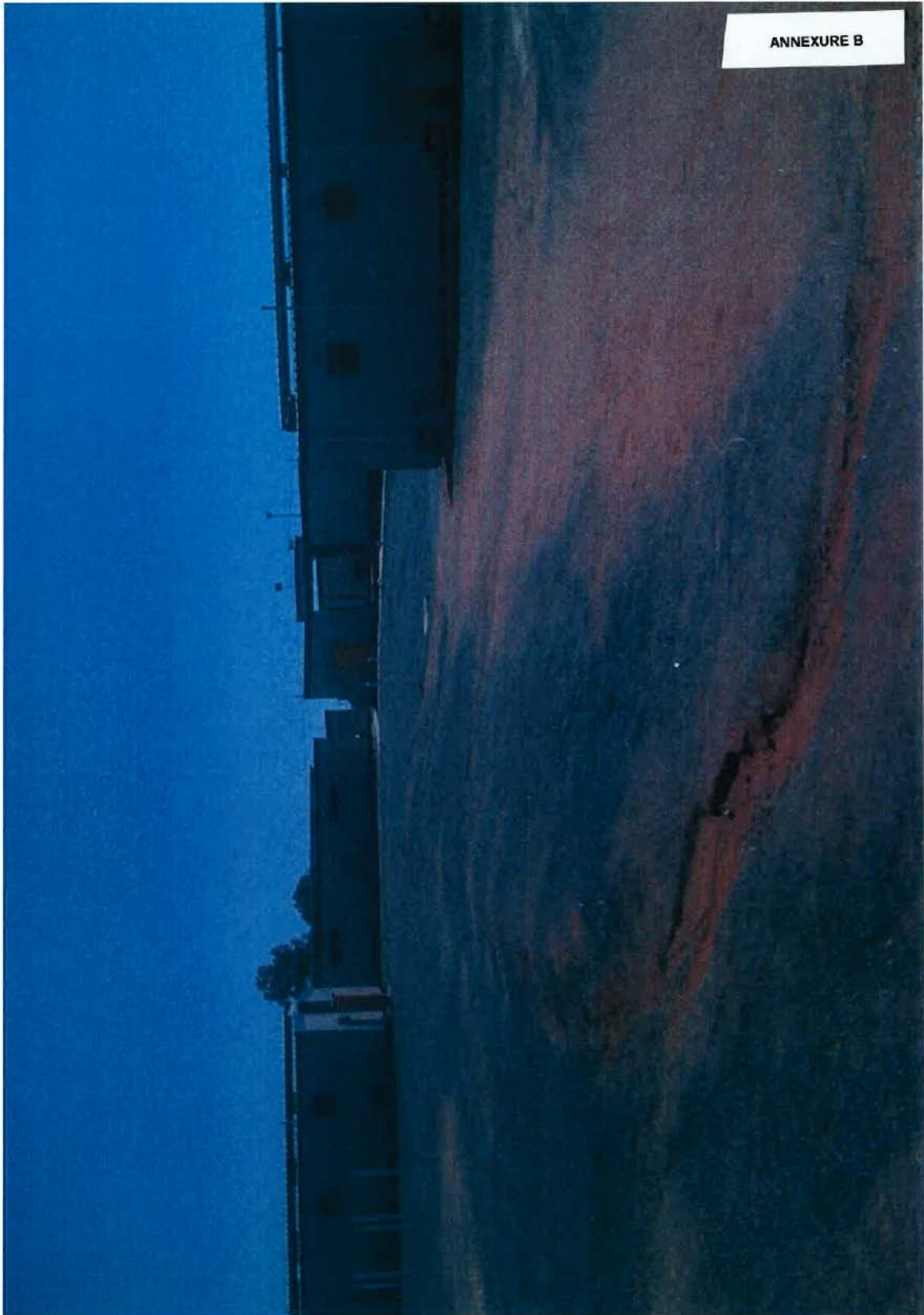
We trust the above adequately addresses the information you requested in your email to enable you to complete the business plan in order to progress the lease extension of MMPHIA in a timely manner. Should you require any further information please do not hesitate to contact the under signed.

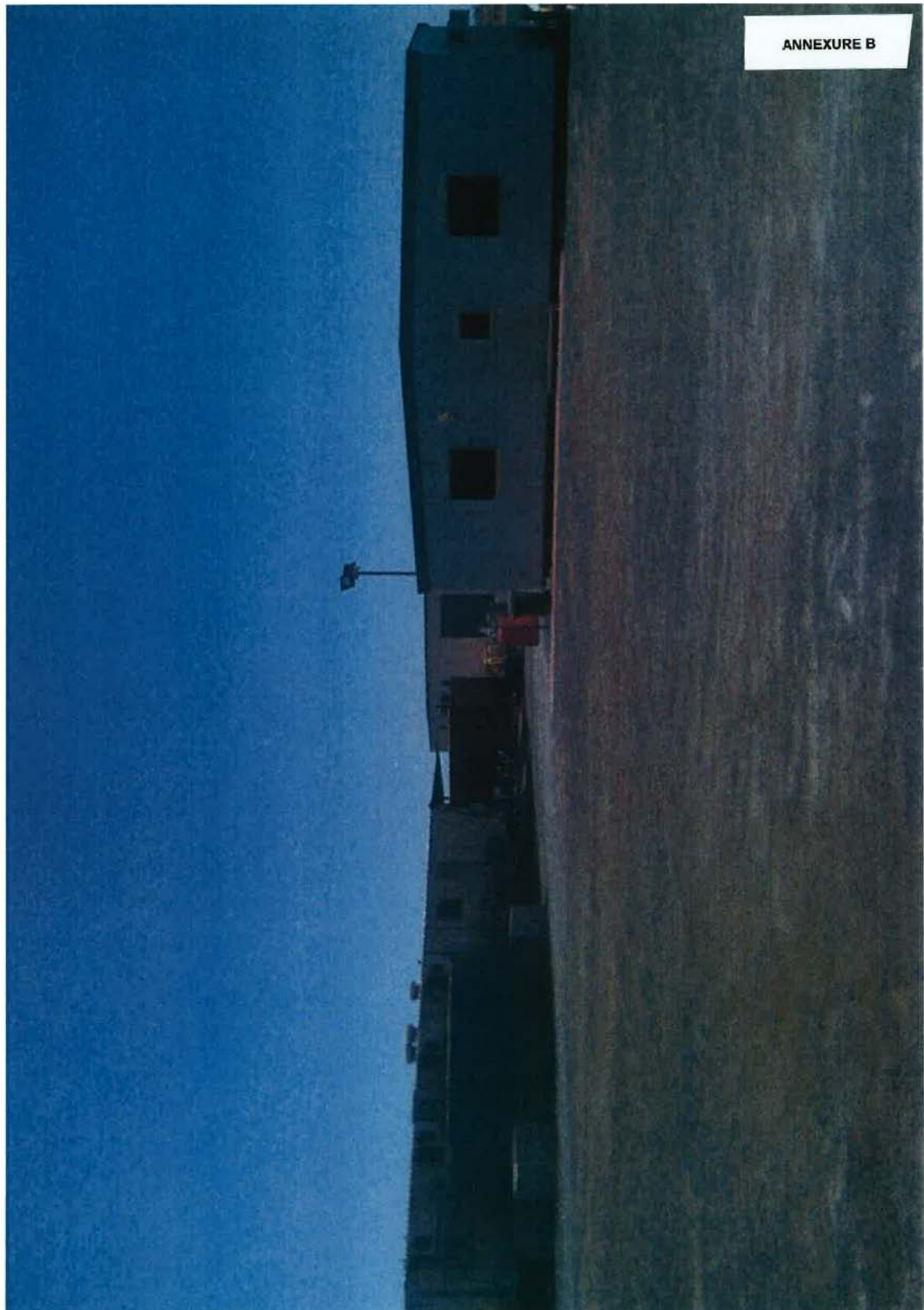


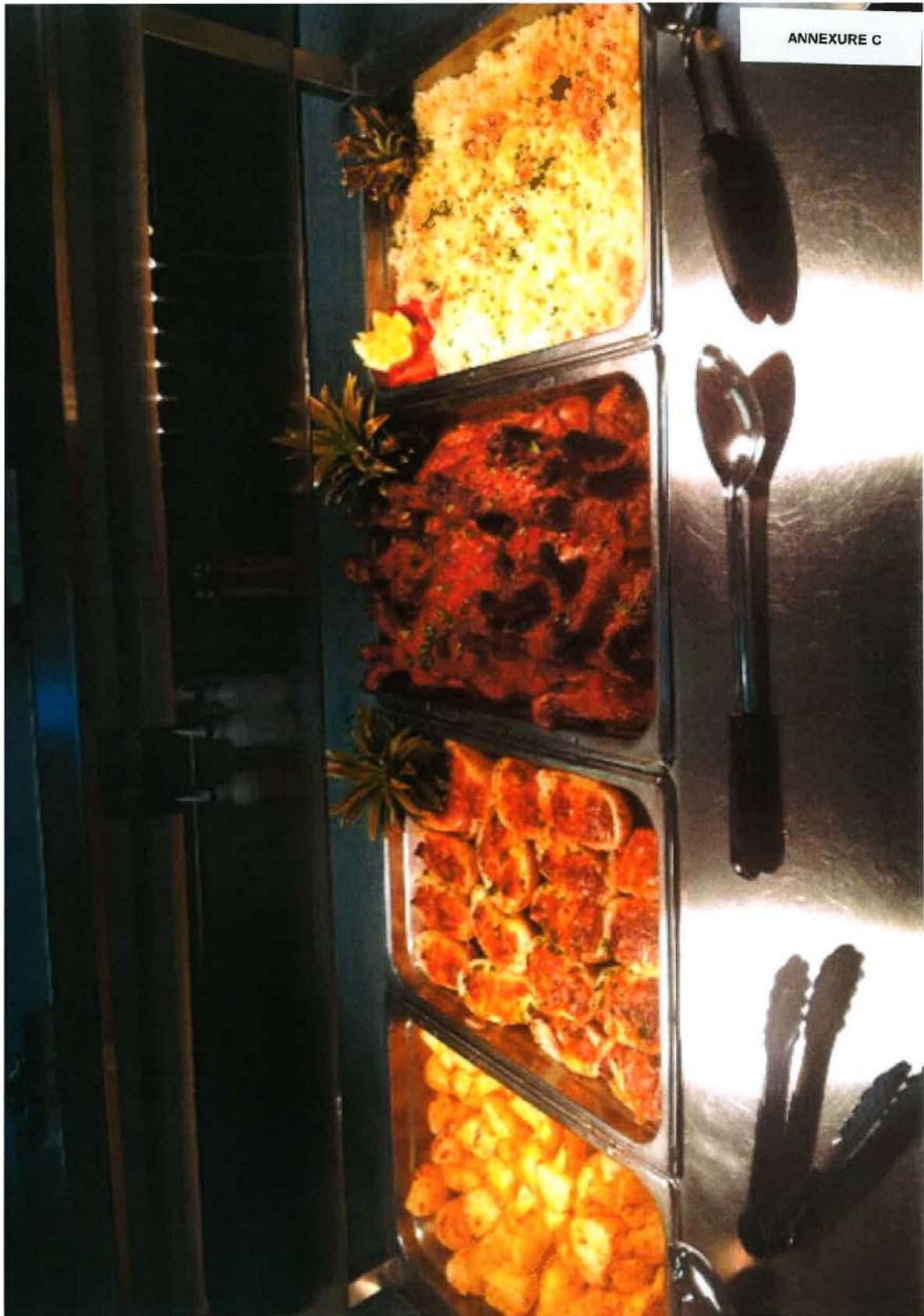


















6.2.3 *Port Hedland International Airport Paid Parking System – Business Pass Card Fee Structure (File No.: 30/12/0003)*

Officer Helen Taylor
Project Officer

Date of Report 22 November 2011

Disclosure of Interest by Officer Nil

Summary

The purpose of this report is to seek approval from Council to adopt the 'business pass card' fee structure. This will enable local businesses and regular users to obtain a 'business pass card' for use in the Port Hedland International Airport (PHIA) paid parking area, paying on a monthly basis rather than on a pay as you go basis.

Background

At the Ordinary Council meeting held on 11th May 2011 Council approved the fee structure for the Port Hedland International Airport Paid Parking system. The following recommendation was adopted and included in the 2011/12 fees and charges.

"201011/372 Officer's Recommendation/Council Decision

That Council approves the following fee structure for the Port Hedland International Airport paid parking system:

<i>Short Term Parking</i>	
<i>0 - 30 minutes</i>	<i>Free</i>
<i>30 minutes - 1 hour</i>	<i>\$2.00</i>
<i>Per hour thereafter</i>	<i>\$2.00</i>
<i>Long Term Parking</i>	
<i>Per day or part thereof</i>	<i>\$15.00</i>
<i>More than 7 days</i>	<i>10% discount</i>
<i>Damaged ticket fee (plus standard parking fee)</i>	
<i>During staffed hours</i>	<i>\$10.00</i>
<i>After hours</i>	<i>\$75.00</i>
<i>Lost ticket fee</i>	
<i>Upon assessment to determine if parking fees can be determined</i>	<i>\$120.00 max (no parking fees)</i>

The fee structure adopted above did not include a fee for the issuing of pass cards for business account holders. This fee is required to ensure that account holders are paying for the pass card supply and administration costs.

Consultation

- Sabar Technologies
- Council Finance Officers
- Council Engineering Officers
- Commercial Manager - Karratha Airport

Statutory Implications

Local Government Act 1995

6.16. *Imposition of fees and charges*

(1) *A local government may impose* and recover a fee or charge for any goods or service it provides or proposes to provide, other than a service for which a service charge is imposed.*

** Absolute majority required.*

(2) *A fee or charge may be imposed for the following —*

(a) providing the use of, or allowing admission to, any property or facility wholly or partly owned, controlled, managed or maintained by the local government;

(b) supplying a service or carrying out work at the request of a person;

(c) subject to section 5.94, providing information from local government records;

(d) receiving an application for approval, granting an approval, making an inspection and issuing a licence, permit, authorisation or certificate;

(e) supplying goods;

(f) such other service as may be prescribed.

(3) *Fees and charges are to be imposed when adopting the annual budget but may be —*

(a) imposed during a financial year; and*

(b) amended from time to time during a financial year.*

6.17. *Setting level of fees and charges*

(1) *In determining the amount of a fee or charge for a service or for goods a local government is required to take into consideration the following factors —*

(a) the cost to the local government of providing the service or goods;

(b) the importance of the service or goods to the community; and

(c) the price at which the service or goods could be provided by an alternative provider.

(2) *A higher fee or charge or additional fee or charge may be imposed for an expedited service or supply of goods if it is requested that the service or goods be provided urgently.*

- (3) *The basis for determining a fee or charge is not to be limited to the cost of providing the service or goods other than a service —*
- (a) *under section 5.96;*
 - (b) *under section 6.16(2)(d); or*
 - (c) *prescribed under section 6.16(2)(f), where the regulation prescribing the service also specifies that such a limit is to apply to the fee or charge for the service.*
- (4) *Regulations may —*
- (a) *prohibit the imposition of a fee or charge in prescribed circumstances; or*
 - (b) *limit the amount of a fee or charge in prescribed circumstances.*

6.19. *Local government to give notice of fees and charges*
If a local government wishes to impose any fees or charges under this Subdivision after the annual budget has been adopted it must, before introducing the fees or charges, give local public notice of—

- (a) *its intention to do so; and*
- (b) *the date from which it is proposed the fees or charges will be imposed.*

Policy Implications

Nil

Strategic Planning Implications

Key Result Area 1:	Infrastructure
Goal 2:	Airport
Action Strategy 1:	Undertake upgrades to the terminal and surrounds to improve the functionality of the facility including: <ul style="list-style-type: none"> ○ Review parking options and implement an agreed Airport Parking Plan

Budget Implications

The proposed fee structure has been arrived at in accordance with section 6.17 of the Local Government Act 1995. Consideration was given to the administrative costs to the Council in issuing the cards, setting up the appropriate accounts and periodically invoicing the account holders. Consideration was also given to the necessity of this service for frequent users and businesses.

The current fee as adopted in the 2011/2012 year budget for an administrative charge within Engineering Services is \$106.00 per hour. The purchase price per card is \$8.80.

To reasonably cover the costs of the card purchase and administration to set up and manage these accounts, a proposed fee of \$114.80 including GST is recommended.

Officer's Comment

As part of the PHIA car park paid parking system, Council has the option to allow businesses to purchase pass cards to enable their usage of the car park to be billed monthly. This process involves filling out a credit application form and following a similar process to that at the South Hedland Landfill facility. These accounts will be billed periodically and in arrears.

The recommended fee is \$114.80 including GST for each pass card issued. Fees will be reviewed annually as part of the budget process, based on the cost to Council for the cards.

Attachments

Nil

201112/227 Officer's Recommendation / Council Decision

Moved: Cr G A Jacob Seconded: Cr D W Hooper

That Council:

1. Approves a fee of \$114.80 including GST for the issuing of each pass card relative to the business account system for the Port Hedland International Airport paid parking; and
2. In accordance with section 6.19 of the Local Government Act 1995 publically advertises the above fee;
3. Approves the new fee to come into effect from 19 December 2011.

CARRIED BY ABSOLUTE MAJORITY 9/0

6.3 Community Development

6.3.1 Operational Plan - Marquee Park (File No.: 21/05/0011)

Officer Graeme Hall
Manager Recreation
Services and Facilities

Date of Report 23 November 2011

Disclosure of Interest by Officer Nil

Summary

The Council Meeting on 22 June 2011 resolved to “Adopt the Marquee Park Interim Management Plan” 201011/430. As part of that report is was requested that further reports be provided regarding the operation of Marquee Park.

Council is requested to support the key elements and management policies that will initially guide how the Marquee Park facility operates.

Background

In December 2011, the construction of the Marquee Park facility will be complete. The facility will provide the community with a unique place to gather with the following features:

- Playground equipment for all ages
- A water play area
- ‘Kick about’ open space
- A mini-performance area
- Kiosk and outdoor eating area
- Free-formed play area
- Imaginative play garden
- Native style feature garden
- Ablution facilities
- On-site and street parking, including drop off area
- BBQ and seating facilities
- CCTV installation
- Cycle and walkway links associated with Council’s park improvement plans open space corridor
- Caretakers facility

The aim of the Park is to provide one of the best community parks in the North West and for the park to become an iconic place for the Port Hedland Community.

In June 2011, Council commissioned the Treadwell Management to develop a Management Plan for Marquee Park.

The Management Plan provided a preliminary overview of the operation of the Park. The document provided Council with preliminary information regarding:

- Possible management strategies
- Benchmarking of similar facilities
- User groups / target markets
- Fees and charges
- Operational budgets
- Staffing requirements
- Program requirements
- Cleaning and maintenance strategies
- Management reporting
- Performance indicators.

The aim of Marquee Park is to provide a district level park that contributes to the recreation and social needs of people residing in the Town of Port Hedland and provides an attraction for locals and visitors alike. The Principles and Goals of the facility as stated within the Interim Management Plan are as follows:

- Freely accessible open space that encourages use by all people within the community
- A safe and secure public leisure facility for people to visit
- A well-presented and high quality park that the community is proud to be associated with
- A park that encourages people to bring their family and friends along to celebrate their special events and functions
- A park that showcases the local culture and traditions of the Pilbara and the Town
- A park that attracts tourists to the Port Hedland area.

Current Position

Progress reports indicate that the construction of Marquee Park is currently on schedule for completion on 16 December 2011. Relevant organisations and officers are presently engaged in training and commissioning of the facility for the start up and operation.

A key element of the start up process is the development of an Operational Plan. The Plan will be integral to Council being able to manage the facility from an operational perspective and develop a financial plan, policy position and procedural pathway that ensures that the facility achieves its objectives.

The Operational Plan for Marquee Park will be integral to having clear guidance with regard to the following and how officers will enforce decisions made by Council:

- Operating hours
- Facility hire strategies
- Policies and procedures
- Fees and charges
- Activation programs
- Café operation
- Marketing strategy
- Asset management
- Communication strategies
- Operational budget.

Consultation

- Manager Recreation Services and Facilities
- Director Community Development
- Recreation Coordinator
- Manager Engineering
- Parks Coordinator
- Manager Community Services
- Coordinator Community Services

Statutory Implications

Local Government Act (1995):

6.16. Imposition of fees and charges

(1) *A local government may impose* and recover a fee or charge for any goods or service it provides or proposes to provide, other than a service for which a service charge is imposed.*

** Absolute majority required.*

(2) *A fee or charge may be imposed for the following —*

(a) providing the use of, or allowing admission to, any property or facility wholly or partly owned, controlled, managed or maintained by the local government;

(b) supplying a service or carrying out work at the request of a person;

(c) subject to section 5.94, providing information from local government records;

(d) receiving an application for approval, granting an approval, making an inspection and issuing a licence, permit, authorisation or certificate;

(e) supplying goods;

(f) such other service as may be prescribed.

- (3) *Fees and charges are to be imposed when adopting the annual budget but may be —*
- (a) *imposed* during a financial year; and*
 - (b) *amended* from time to time during a financial year.*
- * Absolute majority required.*

6.19. Local government to give notice of fees and charges

If a local government wishes to impose any fees or charges under this Subdivision after the annual budget has been adopted it must, before introducing the fees or charges, give local public notice of —

- (a) *its intention to do so; and*
- (b) *the date from which it is proposed the fees or charges will be imposed.*

Policy Implications

Nil

Strategic Planning Implications

Key Result Area 3: Community Development

Goal 2: Sports and Leisure

Other Actions: Develop plans for future recreation and leisure facility upgrades to accommodate population growth.

Budget Implications

The 2011/2012 Budget has an allocation of \$300,000.00 allocated for the operation of Marquee Park. A comprehensive budget process undertaken in order to ascertain the requirements to operate Marquee Park has been developed.

This budget will be assessed and reviewed as the facility operates and actual costs are known.

Officer's Comment

In developing an operational plan it will be necessary for a multi-Directorate consultation and approach. This process will ensure that once operational, Council will have a clear position on all matters pertaining to the operation and management of the facility.

Within this report, Council is considering and endorsing the key elements that will form part of an operational plan for Marquee Park.

The key elements of the Operational Plan that need to be considered and supported by Council are:

Operating Hours

The Park is unfenced and therefore the community will be able to access the Park at all times. The water features will, however, only be available during specific operating hours.

The Operational Plan initially proposes the following hours of operation:

- October to March 9.00am to 7.00pm
- April to May 10.00am to 6.00pm
- June to September 10.00am to 5.00pm

The opening hours will be reviewed annually or unless otherwise required through better understanding of visitor usage patterns.

The Park toilet facilities will be locked outside of the operating hours detailed.

Facility Hire Strategies

Four areas have been identified as being likely locations for people to want to use for family gathering, birthday parties or other celebrations. It is considered reasonable that if people wish to have guaranteed and exclusive access to these areas, a booking and user pays approach needs to be implemented. The booking and payment is proposed to reflect the exclusive use of part of the Park.

The four areas that are considered attractive to users are identified on Attachment 1 as Areas A, B, C, and D. It is also considered realistic that some major users may wish to book the whole facility for specific events. In order to ensure that this situation is managed (to be balanced with and not overly detrimental to public use) a schedule of fees and charges and policy guidelines have been developed.

Bookings of areas of the Park will be managed by Recreation Services in the same way that all other reserve and facility bookings are managed. Bookings for each area will be clearly communicated through signage so that all other users are aware of the availability of each area within the Park.

There are proposed policy guidelines that surround the length of each hire and the number of times a day and year that each area can be used exclusively.

Fees and Charges

The following fees and charges have been included within the Operational Plan for the Marquee Park facility:

- Hire of Areas A, B, and C: \$60.00 for a two hour period and \$40.00 for an additional hour, bond \$250.00 per area
- Hire of Area D (Events Space): \$100.00 per hour, bond \$250.00
- Exclusive use of the whole Marquee Park facility: \$1,000.00, bond \$1,000.00

These fees are not included in the 2011/12 adopted fees and charges schedule within the Budget. In accordance with Section 6.19 the fees proposed will need to be advertised for a 2 week period before coming into effect.

The policies presented for Council consideration provide very clear guidelines with regard to the hire of Marquee Park.

Activation Programs

As an extension to the programs being conducted at the JD Hardie Centre, Council will offer lifestyle, health and well-being, fitness and educational programs at the Park. The programs offered will primarily focus on children and families.

The cost of programs will vary with some being free, subsidized, sponsored and full fee paying. The emphasis will be on providing a wide range of activities for people to access.

The programs are anticipated to include:

- Outdoor playgroups
- Art and craft activities
- Literature activities such as book group
- Passive exercise (Yoga, Pilates)
- Mum and babies exercise groups

Café Operation

The operation of a kiosk will occur at peak periods only (weekends, school and public holidays). The service will be limited to meet the basic drink and confectionary requirements of visitors.

It is envisaged that in time the service will expand and a café operation will be an attraction in its own right. It is realistic to suggest that kiosk and café income could be used to offset some of the operational costs of the facility.

Marketing Strategy

The Operational Plan will utilise a web site, e-newsletters and brochures to promote the Park and the activities that are offered.

A budget allocation to ensure the implementation of the marketing strategy is essential, with the first year being captured within the current budget allocation.

Asset Management

The aim of the maintenance regime proposed is to ensure that Marquee Park remains of the highest quality at all times. The key features of the cleaning program will be:

- Morning and evening rubbish collection
- Patrons provided with a mechanism to report maintenance or cleanliness issues
- Rapid response to maintenance issues
- Key performance indicators to be measured similarly for either internal or external contractors.

In order to maintain the facility to a standard as expected by the community, the maintenance schedule in the Operational Plan will be adhered to.

The toilet facilities at Marquee Park will need to be cleaned every day of the year. Weekends, School and Public Holidays represent peak operating periods and will require that additional cleaning is factored into the schedule.

The Marquee Park facility is considered an integral part of the Town of Port Hedland's suite of leisure facilities. The contractor engaged to manage the aquatic facilities on behalf of Council will be required to undertake the daily monitoring of water quality at Marquee Park as a key role.

An accredited Pool Manager will attend the facility each day and conduct a manual water test prior to the start up.

The water hygiene monitoring and reporting will need to conform with:

- Current Health Department Regulations
- Relevant Royal Lifesaving Society Pool Supervision guidelines.

Policies and Procedures

The development and implementation of clear policy positions regarding Marquee Park will be critical to the long term success of the facility as a premier community family venue.

The Operational Plan includes the following for consideration by Council:

- Marquee Park is a designated no alcohol area
- Marquee Park is a designated no smoking area
- Glass containers are not permitted on site
- No camping or sleeping in the Park
- Bookings must be made two weeks in advance with the Town of Port Hedland Recreation Services
- Booking documents must be available as proof of a booking for any of the areas
- The Town of Port Hedland will accept a maximum of four bookings on any one day
- The booking of the whole facility will be limited to once per calendar month
- Booking of the whole of Marquee Park will be limited to a maximum of 4 occasions annually by the same group or organisation
- Booking for the whole of Marquee Park area will be restricted to five hours.

Attachments

1. Plan of the booking areas within Marquee Park.

Officer's Recommendation

That Council:

1. Supports the key operational elements of the Marquee Park facility
2. Endorses the operational intent for Marquee Park, noting that a review will be undertaken after the initial first 3 and 6 months of operation of the facility.
3. Endorses the hours of operation for the Marquee Park facility to be:
 - October to March 9.00am to 7.00pm
 - April to May 10.00am to 6.00pm
 - June to September 10.00am to 5.00pm.
4. Endorse the implementation of the following policies for the operation of the Marquee Park facility:
 - Marquee Park is a designated no alcohol area
 - Marquee Park is a designated no smoking area
 - Glass containers are not permitted on site
 - No camping or sleeping in the Park

- Bookings must be made two weeks in advance with the Town of Port Hedland Recreation Services
 - Booking documents must be available as proof of a booking for any of the areas
 - The Town of Port Hedland will accept a maximum of four bookings on any one day
 - The booking of the whole facility will be limited to once per calendar month
 - Booking of the whole of Marquee Park will be limited to a maximum of 4 occasions annually by the same group or organisation
 - Booking for the whole of Marquee Park area will be restricted to five hours.
5. In accordance with sections 6.16 and 6.19 of the Local Government Act (1995) approves to advertise the hire fees proposed for the Marquee Park facility as:
- Hire of Areas A, B, and C: \$60.00 for a two hour period and \$40.00 for an additional hour, bond \$250.00 per area
 - Hire of Area D (Events Space): \$100.00 per hour, bond \$250.00
 - Exclusive use of the whole Marquee Park facility: \$1,000.00, bond \$1,000.00
6. Endorses the hire fees for Marquee Park to be effective from 1 January 2012.

201112/228 Council Decision

Moved: Cr A A Carter

Seconded: Mayor K A Howlett

That Council:

1. Supports the key operational elements of the Marquee Park facility
2. Endorses the operational intent for Marquee Park, noting that a review will be undertaken after the initial first 3 and 6 months of operation of the facility.
3. Endorses the hours of operation for the Marquee Park facility to be:
 - **October to March** **9.00am to 7.00pm**
 - **April to May** **10.00am to 6.00pm**
 - **June to September** **10.00am to 5.00pm.**

4. Endorse the implementation of the following policies for the operation of the Marquee Park facility:
 - **Marquee Park is a designated no alcohol area**
 - **Glass containers are not permitted on site**
 - **No camping or sleeping in the Park**
 - **Bookings must be made two weeks in advance with the Town of Port Hedland Recreation Services**
 - **Booking documents must be available as proof of a booking for any of the areas**
 - **The Town of Port Hedland will accept a maximum of four bookings on any one day**
 - **Booking of the whole of Marquee Park will be limited to a maximum of 4 occasions annually by the same group or organisation**
 - **Booking for the whole of Marquee Park area will be restricted to five hours.**

5. In accordance with sections 6.16 and 6.19 of the Local Government Act (1995) approves to advertise the hire fees proposed for the Marquee Park facility as:
 - **Hire of Areas A, B, and C: \$60.00 for a two hour period and \$40.00 for an additional hour, bond \$250.00 per area**
 - **Hire of Area D (Events Space): \$100.00 per hour, bond \$250.00**
 - **Exclusive use of the whole Marquee Park facility: \$1,000.00, bond \$1,000.00**

6. Endorses the hire fees for Marquee Park to be effective from 1 January 2012.

CARRIED BY ABSOLUTE MAJORITY 8/1

REASON: Council deleted the reference to the park being a no smoking area and the booking of the whole facility to be limited to once per calendar month in view of the fact that this decision will undergo a trial period and can be revisited if it needs to.

ATTACHMENT 1 TO ITEM 6.3.1



6.4 Corporate Services

6.4.1 Finance and Corporate Services

**6.4.1.1 *Quarterly Performance Report as at 30 September 2011
(File No.: 03/01/002)***

Officer Debra Summers
Manager Organisational
Development

Date of Report 7 November 2011

Disclosure of Interest by Officer Nil

Summary

This report is for Council to note the first Quarterly Performance Report as at the end of September 2011 in relation to the Annual Corporate Plan (Attachment 1).

Background

The Department of Local Government in Western Australia has introduced guidelines for the implementation of a new Integrated Strategic Planning and Reporting Framework for local governments in Western Australia which is now required to be in place by June 2013.

The new framework includes the development of the following key strategic documents:

- 10 year Strategic Community Plan
- 4 year Corporate Plan
- Annual Operational Business Plan
- 4 year Workforce Plan
- 10 year Financial Plan
- 10 year Asset Management Plan

In May 2011 the Town of Port Hedland commenced the first stage of a two stage implementation process which included the development of a range of plans: Annual Corporate Plan, Directorate Plans and Business Unit Plans as per the organisational structure.

This first stage was completed in June 2011 and has resulted in the adoption by Council (201112/017) of the Annual Corporate Plan compliant with the Departments' requirements.

The Annual Corporate Plan details the work to be undertaken by the organisation during 2011-2012. It represents activity to achieve initiatives identified in the current Town of Port Hedland Strategic Plan 2011-2105 plus reflects projects and core activities, services and programs delivered by the Town of Port Hedland to its community and stakeholders.

The Quarterly Performance Report provides a high-level update of the work undertaken by the organisation in this quarter from July – September 2011 to achieve the actions outlined in the Annual Corporate Plan.

Consultation

- Town of Port Hedland Executive
- CAMmanagement Solutions
- Councillors
- Department Of Local Government

Statutory Implications

The Local Government Act 1995 states that:

“5.56. Planning for the future

(1) A local government is to plan for the future of the district.

(2) A local government is to ensure that plans made under subsection (1) are in accordance with any regulations made about planning for the future of the district.”

Policy Implications

Nil

Strategic Planning Implications

Key Result Area 6: Governance

Goal 1: Leadership

That the community acknowledges that the Town is leading the future development and management of the municipality in an effective and accountable manner.

The Corporate Planning Framework now integrates the Annual Corporate Plan with Council’s current Strategic Plan, and this Quarterly Performance Report represents activity to achieve these strategic priorities and actions.

Budget Implications

The actions reported on in this Quarterly Performance Report reflect the financial activity as reported in the first Quarterly Budget Review 2011-2012 that will be presented to the Audit and Finance Committee on 2 December 2011 and subsequently to the Ordinary Council Meeting on 14 December 2011.

Officer's Comment

The Quarterly Performance Report provides an opportunity for the Council and the community to review the work currently being undertaken by the organisation to be assured that the required services programs and activities it agreed to in the Annual Corporate Plan and Strategic Plan are currently the focus of the organization and are being delivered.

Attachments

1. TOPH Annual Corporate Plan – under separate cover
2. TOPH Council Quarterly Performance Report July – September 2011 - under separate cover

201112/229 Officer's Recommendation / Council Decision

Moved: Cr A A Carter

Seconded: Cr J E Hunt

That Council receives the Quarterly Report for July – September 2011.

CARRIED 9/0

12:46pm Mayor K A Howlett declared a Financial Interest in Agenda Item 6.4.1.2 'Reconstruction of Accounts for the Port Hedland Tourist Bureau Inc' as she was employed by the Visitors Centre from 2005 to 2009.

Mayor K A Howlett left the room.

12:46pm Deputy Mayor G J Daccache assumed the chair.

6.4.1.2 Reconstruction of Accounts for the Port Hedland Tourist Bureau Inc (File No.: .../...)

Officer Suma George
Manager Financial Services

Date of Report 4 November 2011

Disclosure of Interest by Officer Nil

Summary

For Council to note the progress to date for the reconstruction of accounts for the Port Hedland Visitor Centre for the financial years 1 July 2008 to 30 June 2009 and 1 July 2009 to 30 June 2010 and to request the CEO or his delegate to progress with the reconstruction and report back to Council.

Background

This item was previously considered at the Ordinary Council Meeting of 16 November 2011 and due to lack of quorum this item has been resubmitted for Council review.

At the Council's Ordinary Meeting held on the 8th of December 2010, the following resolution was made:

"That Council:

- 1. Receives a copy of the audited financial statements for 2008/09 and 2009/10 financial years for the Port Hedland Visitors Centre at the Ordinary Council Meeting to be held on 27 January 2011; and*
- 2. Requests the Acting Chief Executive Officer to provide a summary of the implications of the audited statements on the Town of Port Hedland."*

The Town received the audited financial statements for the Port Hedland Tourist Bureau Inc. from two audit companies for the 2008/09 financial year and one set for the 2009/10 financial year.

After undertaking an initial review of the financial statements, it is clear that there are financial discrepancies between the 2008/09 reports that need to be investigated further prior to them being presented to the Council. There were also some queries as to the financial period that the reports should be incorporating, that is, whether the report should include financial transactions up to 31 December 2009 which is when the new management agreement came into place, or up to 30 June 2010 being the date that they have been prepared up to. An agenda item on this matter was presented to the Council on the 27 January 2011 and the following decision was reached by the Council:

“That Council lay item 11.4.1.5 “Port Hedland Visitor Centre Review” on the table for further consideration.”

In order to ensure accurate financial statements are presented to the Council, it was evident that a reconstruction of the accounts by an independent party was necessary.

Invitations were sent to three (3) companies, UHY Haines Norton, Pilbara Accounting Services and MACRI Partners, requesting a quotation for the reconstruction.

Of these three companies, 2 responded with a quotation. MACRI Partners declined to provide a quotation.

The following quotes were received:

	Fee excl. GST	GST	Fee incl. GST
UHY Haines Norton	\$23,500 - \$29,500	\$2,350 - \$2,950	\$25,850 - \$32,450
Pilbara Accounting Services	\$7,800	\$780	\$8,580

Before providing the quotation, UHY Haines Norton performed a high level review of the source documents available and therefore was aware of the volume of source documents to process. However the Pilbara Accounting Services did not have the opportunity to review the volume of the source documents as they are based in Perth. Therefore it is considered that the quotation from UHY Haines Norton is more realistic to complete the task. Further the quote from UHY Haines Norton outlines more specifically the deliverables requested by the Town.

Consultation

- Director Corporate Services
- Western Australian Local Government Association
- UHY Haines Norton
- Pilbara Accounting Services

- MACRI Partners

Statutory Implications

Local Government (Financial Management) Regulations 1996

“5. Financial Management Duties of the CEO

- (1) *Efficient systems and procedures are to be established by the CEO of a local government —*
- (a) *the for the proper collection of all money owing to the local government;...*
- (2) *The CEO is to —*
- (a) *ensure that the resources of the local government are effectively and efficiently managed;... ”*

Local Government Act1995

6.8. Expenditure from municipal fund not included in annual budget

- (1) *A local government is not to incur expenditure from its municipal fund for an additional purpose except where the expenditure —*
- (a) *is incurred in a financial year before the adoption of the annual budget by the local government;*
- (b) *is authorised in advance by resolution*;* or
- (c) *is authorised in advance by the mayor or president in an emergency.*

** Absolute majority required.*

Policy Implications

Nil

Strategic Planning Implications

Nil

Budget Implications

The cost of this review will be in the range of \$23,500 to \$29,500. This cost is not allocated in the 2011/12 Budget and would require funding via an alternative source through the Budget Review process. It could possibly be funded through the surplus funds (if any) that will be returned by the Port Hedland Visitor Centre.

Officer's Comment

The Town has provided a number of grants to the Port Hedland Visitor Centre over the 2008/09 and 2009/10 financial years.

One of the key conditions of the provision of these grants was that any surplus funds be returned to the Town. To establish if there are any surplus funds that need to be returned, a reconstruction of the accounts of the Port Hedland Tourist Bureau Inc. is necessary.

The reconstruction of the accounts will be for the financial years 1 July 2008 to 30 June 2009 and 1 July 2009 to 30 June 2010. However, given that the new management agreement (with GM Services) came into place as of 1 January 2009, the transactions for the financial year 1 July 2009 to 30 June 2010 will be limited to that of the Port Hedland Tourist Bureau Inc, it will not include transactions under new management.

The reconstruction of the accounts will not only allow the Town to establish if there are any surplus funds belonging to the Town, it will also provide the Town with much needed information that can be used for trend analysis and establish a more informed baseline of what it costs to run the Visitor Centre, as requested at the Ordinary meeting of Council dated 21 September 2011 where it resolved the following:

“That Council:

- 1. Notes GM Services request for additional funding totalling \$80,000 (plus GST); and*
- 2. Does not endorse the additional funding and advises GM Services that a review of management arrangements will be considered by Council on receipt of further information; and*
- 3. Approves the Chief Executive Officer, or his delegate, to enter into negotiations with GM Services to establish a monthly fee – based on a pro rata figure of \$150,000 per annum – payable to continue managing the PHVC upon expiration of the current contract.”*

This information would be provided to the Council in order to assess the various management options available.

Attachments

1. Quotation from UHY Haines Norton
2. Quotation from Pilbara Accounting Services

Officer’s Recommendation

That Council:

1. Notes the need for the reconstructing of the accounts;
2. Receives and notes the quotations received; and

3. Request the CEO, or his delegate, to proceed with the reconstruction of the accounts and report back to Council on the outcome as soon as practicable thereafter.

201112/230 Council Decision

Moved: Cr A A Carter Seconded: Cr J M Gillingham

That Council suspends Standing Orders.

CARRIED 8/0

12:47pm Deputy Mayor advised that Standing Orders are suspended.

201112/231 Council Decision

Moved: Cr A A Carter Seconded: Cr S R Martin

That Council resumes Standing Orders.

CARRIED 8/0

1:14pm Deputy Mayor advised that Standing Orders are resumed.

201112/232 Council Decision

Moved: Cr A A Carter Seconded: Cr M Dziombak

That Council:

1. Notes the need for the reconstructing of the accounts;
2. Receives and notes the quotations received; and
3. Request the CEO, or his delegate, to proceed with the reconstruction of the accounts.
4. Request CEO to undertake an audit of accounts on completion of reconstruction of accounts and report back to Council thereafter
5. Acknowledges that the reconstruction and audit of accounts will incur budget implications and any budget implications will be sourced as part of December budget review

6. Request Audit and Finance committee to investigate present policy and develop future policy options for Council consideration for the acquittal requirements on organizations that receive funding from Council.

CARRIED BY ABSOLUTE MAJORITY 8/0

REASON: Council believes that an audit of the accounts of the Port Hedland Tourist Bureau needs to be carried out after the reconstruction of the accounts takes place in order to establish a full and clear picture of the accounts of the Visitor Centre.



3 November 2011

Mrs N Octoman
Director, Corporate Services
Town of Port Hedland
PO Box 41
PORT HEDLAND WA 6721

Dear Natalie

Quotation – Reconstruction of Accounts for the period 1 July 2008 to 30 June 2009 and 1 July 2009 to 30 June 2010 for the Port Hedland Tourist Bureau Inc. (PHTB).

This communication is to confirm our understanding of the terms and objectives of the proposed engagement and sets out the nature and limitations of the services we will provide. The proposed engagement will be conducted in accordance with Australian Professional and Ethical Standard (APES) 315 'Compilation of Financial Information'.

Scope and Objectives

We have agreed to assist with the reconstruction of accounts from source documents for the period 1 July 2008 to 30 June 2009 and 1 July 2009 to 30 June 2010. The source documents will be provided by the PHTB. The deliverables will be:-

1. Special Purpose Financial Statements for the year end 30 June 2009 in accordance with the relevant Australian Accounting Standards;
2. Special Purpose Financial Statements for the year end 30 June 2010 in accordance with the relevant Australian Accounting Standards;
3. Trial Balances for the years ended 30 June 2009 and 30 June 2010; and
4. Supporting schedules for all transactions recorded in the Trial Balance for each year.

A backup of the MYOB accounts previously prepared will be made available to ourselves to possibly assist in allocating items and to provide a starting point but it is agreed transactions for the period will be recaptured from source documents.

Confidentiality

Information acquired by us in the course of our engagement is subject to strict confidentiality requirements and will not be disclosed by us to other parties except as required or allowed for by law or professional standards, or with your express consent.

t: +61 (0)8 9444 3400
f: +61 (0)8 9444 3430

16 Lakeside Corporate 24 Parkland Road Osborne Park Perth WA 6017
PO Box 1707 Osborne Park WA 6916

e: perth@uhyhn.com.au
w: www.uhyhn.com

A network of independent firms in Australia and New Zealand and a member of Urbach Hacker Young International Limited, an international network of independent accounting and consulting firms

UHY Haines Norton (WA) Pty Ltd as trustee - ABN 99 433 544 961
Liability limited by a scheme approved under Professional Standards Legislation

***Fees***

Our indicative fee for this service is based on our standard hourly rates and will be billed progressively at the end of each calendar month in accordance with our standard terms of trade.

Our estimate does not include any out of pocket expenses (such as any travelling and accommodation) necessarily incurred with your prior approval.

We estimate the cost to fall within a range of \$23,500 – \$29,500 (GST Exclusive).

Timing and Location

Whilst our staff could travel to Port Hedland for this assignment, it is our recommendation to have the files shipped to Perth for the work to be completed in our office. We base this recommendation on the fact there are no staff currently employed who could assist with queries for the period and travel and accommodation costs could be avoided.

The engagement is expected to commence as soon as practical after acceptance of our quote. We estimate the engagement taking up to six weeks to complete if all information is available to us. We understand this is likely to be from the latter half of November 2011.

No Audit

The procedures we will perform will not constitute an audit in accordance with Australian Auditing Standards or a review in accordance with Australian Auditing Standards applicable to review engagements and, consequently, no assurance will be expressed.

Other

UHY Haines Norton is an association of independent firms. UHY Haines Norton, Perth, a Perth based partnership of Trusts ("the Firm"), carries on business separately and independently from other UHY Haines Norton member firms around Australia and New Zealand and UHY member firms worldwide.

UHY Haines Norton is a member of Urbach Hacker Young International Limited, a UK company, and forms part of the international UHY network of legally independent accounting and consulting firms. UHY is the brand name for the UHY international network. The services described herein are provided by the Firm and not by UHY or any other member firm of UHY. Neither UHY nor any member of UHY has any liability for service provided by other members.

Should our quotation be accepted, the terms of the engagement will be covered in an engagement letter which we will require to be signed by a duly authorised Officer of Council prior to the commencement of the engagement.

Yours faithfully



GREG GODWIN
DIRECTOR

ATTACHMENT 2 TO ITEM 6.4.1.2

PILBARA ACCOUNTING SERVICES

*Certified Practising Accountants / Registered Tax Agents
A C N 17 390 870 116*

November 1st, 2011

Shandra Apelgren
The Council
Town of Port Hedland
mgrfin@porthedland.wa.gov.au

**Re: Proposal for reconstruction of the accounts to trial balance stage of the
Visitors Centre for financial years ended 30th June 2009, and 2010**

We tender the following proposal to provide The Town of Port Hedland an accounting service to reconstruct the financial accounts for the visitors centre to trial balance in MYOB, for the years ended 30th June 2009 and 2010.

This will not include any statutory reporting requirements and employee notifications.

This will specifically include the following:

- Processing of all source documents once verified to a reconciled to bank account.
- Establishing and maintaining an electronic MYOB data file.
- Providing a chart of accounts.
- Reviewing and reporting anomalies.
- Establish the validity of cash transactions.

We will provide this service in a mutually agreed timely manner and within Australian Accounting Standards.

...2

PERTH

PO BOX 2039
ELLENBROOK WA 6069
6721

TEL 9297 4700
FAX 9297 4711

Email: formfin@bigpond.net.au

Mobile: 0429 889 871

PORT HEDLAND

PO BOX 270
PORT HEDLAND WA

TEL 9173 0100
FAX 9173 2599

-2-

I will also make myself available to your organisation for any financial analysis requirements once the accounts are reconstructed.

Please find below our tendered rate of:

\$7,800.00 plus GST

Please contact me if you require any additional information.

Yours faithfully

Sam Galati CPA
Manager

ITEM 7 LATE ITEMS AS PERMITTED BY CHAIRPERSON/COUNCIL**7.1 *Integrated Planning and Reporting Framework - Stage Two Lead Consultant Appointment, Request for Proposal 11/31 (File No.: 23/08/0062)***

Officer	Debra Summers Manager Organisational Development Natalie Octoman Director, Corporate Services
Date of Report	24 November 2011
Disclosure of Interest by Officer	Nil

Summary

In order to develop a more comprehensive and integrated approach to planning and reporting that will ensure the long term sustainability of the organisation and to ensure capacity to deliver on the vision of the Town becoming the Pilbara's Port City of 50,000 residents, it is necessary to develop an Integrated Strategic Planning and Reporting Framework.

The report before Council is to approve the appointment of consultants who will be responsible for the preparation of the strategic documents and implementation plans that will form Stage 2 of the Integrated Strategic Planning and Reporting Framework required by the Department of Local Government.

Background

The Western Australian Department of Local Government has introduced guidelines for the implementation of a new Integrated Strategic Planning and Reporting Framework for all local governments in Western Australia which is now required to be in place by June 2013.

The new framework includes the development of the following key strategic documents:

- 10 year Strategic Community Plan
- 4 year Corporate Plan
- Annual Operational Business Plan
- 4 year Workforce Plan
- 10 year Financial Plan
- 10 year Asset Management Plan

In May 2011 the Town of Port Hedland commenced the first stage of a two stage implementation process which included the development of a range of plans: Annual Corporate Plan, Directorate Plans and Business Unit Plans as per the organisational structure. This first stage was completed in June 2011 and Council adopted the Annual Corporate Plan at its Special Meeting on 22 July 2011 compliant with the Department's requirements.

To implement the second stage of the Town of Port Hedland Integrated Strategic Planning and Reporting Framework compliant with requirements of the Department of Local Government, it was recommended that a consultancy to work with key officers to develop the required strategic documents and associated implementation plans.

Further, officers advised that all of these documents must be integrated with the implementation plan of the Town of Port Hedland's Growth Plan.

To implement the second stage of the framework at the Ordinary Meeting of Council on 18 August 2011, Council determined (201112/094):

That Council request the Chief Executive Officer to call for a Request for Proposal, utilising appropriate selection criteria, for a consultant/or consultants to undertake the following scope of work:

- *Project manage the multi-disciplinary process of preparing the 10 Year Community Strategic Plan, 4 Year Workforce Plan, inclusive of a Housing and Accommodation Strategy, 10 Year Financial Plan, 10 Year Asset Management Plan and 5 Year Information Communication Technology (ICT) Strategy.*
- *Ensure integration of any software solutions with all existing Town of Port Hedland software.*
- *Ensure outcomes achieve compliance with Department of Local Government requirements plus deliver state of the art solutions to ensure organisational capability to assist the Town achieve its vision of being the Pilbara's Port City.*
- *Ensure relevant Town of Port Hedland staff and Elected Representatives are fully engaged, where appropriate in the development of the required key strategic documents.*

This tender was called utilising the agreed selection criteria, with submissions closing on Friday, 16 September 2011. Due to the two responses received being declared non compliant, Council accepted the officer recommendation to alter the timeframe for deliverables and slightly refine the scope. Council determined (201112/162) at the Ordinary Council Meeting of 12 October 2011 to:

1. *Reject the tenders received for Tender no. 11/27 Town of Port Hedland Integrated Planning and Reporting Framework - Stage Two Lead Consultant Brief.*
2. *Request the CEO to readvertise for a Request for Proposal, utilising appropriate selection criteria, with a timeframe for completion by December 2012, for a consultant/or consultants to undertake the following scope of work:*
 - a) *Project manage the multi-disciplinary process of preparing the various key strategic documents inclusive of implementation plans being:*
 - 10 year Strategic Community Plan
 - 4 year Workforce Plan inclusive of a Housing and Accommodation Strategy
 - 10 year Financial Plan
 - 10 year Asset Management Plan
 - 5 year ICT Strategy
 - b) *Ensure data and models associated with identified plans and strategies are prepared for an implementation schedule utilising the Town's corporate software platform.*
 - c) *Ensure outcomes achieve compliance with Department of Local Government requirements plus deliver state of the art solutions to ensure organisational capability to assist the Town achieve its vision of being the Pilbara's Port City.*
 - d) *Ensure relevant Town of Port Hedland staff and Elected Representatives are fully engaged, where appropriate in the development of the required key strategic documents.*

A Request for Proposal was subsequently advertised with a new timeframe for a staged delivery of the required strategies and documents plus to allow for innovation from respondents with regard to methodology.

Subsequently, four responses were received and all were assessed as compliant. Responses were from:

- UHY Haines Norton (lead consultant) supported by Place Match and Tonkin consulting
- CAMManagement Solutions (CAMMS) (lead consultant) supported by GHD
- KPMG (lead consultant) supported by Thinc Projects
- Morrison Low

Consultation

- Executive Team
- Relevant Town of Port Hedland Officers
- Department of Local Government
- Western Australia Local Government Association (WALGA)

Statutory Implications

Local Government Act (1995):

3.57. Tenders for providing goods or services

- (1) A local government is required to invite tenders before it enters into a contract of a prescribed kind under which another person is to supply goods or services.*
- (2) Regulations may make provision about tenders.*

6.8. Expenditure from municipal fund not included in annual budget

- (1) A local government is not to incur expenditure from its municipal fund for an additional purpose except where the expenditure —*
 - (a) is incurred in a financial year before the adoption of the annual budget by the local government;*
 - (b) is authorised in advance by resolution*;* or
 - (c) is authorised in advance by the mayor or president in an emergency.*

** Absolute majority required.*

As the funds for the Integrated Strategic Planning and Reporting Framework were initially incorporated into the 2011/12 Annual Budget, an absolute majority decision is not required to allocate additional funds to this project as they are for the same purpose.

Local Government (Functions and General) Regulations 1996 in part state:

Division 2 — Tenders for providing goods or services (s. 3.57)

11. Tenders to be invited for certain contracts

- (1) Tenders are to be publicly invited according to the requirements of this Division before a local government enters into a contract for another person to supply goods or services if the consideration under the contract is, or is expected to be, more, or worth more, than \$100 000 unless subregulation (2) states otherwise.*

- (2) *Tenders do not have to be publicly invited according to the requirements of this Division if—*
- (a) *the supply of the goods or services is to be obtained from expenditure authorised in an emergency under section 6.8(1)(c) of the Act;*
 - (b) *the supply of the goods or services is to be obtained through the Council Purchasing Service of WALGA.*

Policy Implications

This Request for Proposal was called in accordance with Council's Procurement Policy and Tender Policy.

Section 5.43 of the Local Government Act dictates that the CEO cannot receive a delegation to accepting a tender which exceeds an amount determined by the local government which is why this report suggests a project budget.

The CEO has a delegation as per Section 5.42 of the Local Government Act to approve minor variations to contracts entered into by Council, subject to the funds required to meet the cost of the variations being contained within the amount set aside in the budget adopted by the Council.

The CEO also has a delegation to enter into a formal contract on behalf of Council within the statutory and policy framework as prescribed above.

The officer's recommendations reflect these parameters of authority.

Strategic Planning Implications

This report seeks to progress the implementation of Council's Strategic Plan and the associated Integrated Strategic Planning and Reporting Framework compliant with the requirements of the Department of Local Government.

Budget Implications

An initial budget allocation of \$665,000 has been included in the 2011/12 Annual Budget to undertake development of the plans and strategies to form the Integrated Strategic Planning and Reporting Framework. This is inclusive of the previous indication made by BHP Billiton that they may be willing to contribute \$100,000 to the development of the 10 year financial plan, along with \$30,000 from the Department of Local Government. The remaining funds have been sourced from the Town.

While the early discussions with BHP Billiton were positive, it is the officer's recommendation that the Town attempt to fund all components of this framework independently from outside sources (with the exception of the contribution from the Department), therefore reducing the Town's budget allocation for this work to \$555,000.

The network upgrade budget allocation of \$1 million currently funded within the 2011/12 Annual Budget is recommended to be used to develop the ICT Strategy.

Should all the components of the Integrated Strategic Planning and Reporting Framework be adopted for 2011/12, the budget implications would amount to the following:

Plan/Strategy/Activity	Indicative Cost
10 Year Community Strategic Plan	\$ 179,588
4 Year Workforce Plan	\$ 126,000
Workforce Software	\$ 34,750
Housing Strategy	\$ 191,100
10 Year Long Term Financial Plan	\$ 251,300
Budget Centre Management Software	\$ 54,540
Consultancy Disbursements	\$ 160,000
Asset Management Framework and Plans	\$ 465,900
Project Total	\$ 1,463,178

Total Funds Required	ToPH Funds in 2011/12 Budget	Variation
\$1,463,178	\$565,000	\$898,178

Funding Strategy:

It is the officer's opinion that the budget impact of undertaking all parts of this framework being \$898,178 would be difficult to source in its entirety within the 2011/12 financial year.

It is therefore recommended that the framework is implemented over two financial years to reduce the burden, which will still ensure that the framework is implemented in line with the timeframes imposed by the Department of Local Government.

It is therefore recommended that Council consider the following works and funds to be undertaken and expended in each of the following financial years:

Plan/Strategy/Activity	2011/12	2012/13	TOTAL
10 Year Community Strategic Plan	179,588		179,588
4 Year Workforce Plan	126,000		126,000
Workforce Software		34,750	34,750
Housing Strategy		191,100	191,100
10 Year Long Term Financial Plan	251,300		251,300
Budget Centre Management Software		54,540	54,540
Consultancy Disbursements	80,000	80,000	160,000
Asset Management Framework and Plans	173,625	292,275	465,900
Project Total	810,513	652,665	1,463,178

For 2011/12, there are two options that Council may consider appropriate to source the \$810,513 total funds required.

The first is that Council's overall contribution of \$565,000 be utilised, with the CEO being requested to source the remaining funds of \$245,513 (almost equivalent to those required for the 10 Year Long Term Financial Plan) from BHP Billiton based on the previous discussions that have occurred. This is not the officer's recommendation and is discussed later in this report.

The second option is for Council's overall contribution of \$565,000 be utilised, along with attempting to fund the website development (currently allocated \$90,000) within the IT Network Upgrade budget allocation of \$1 million. A funding shortfall of \$155,513 would remain, which is recommended to be sourced through the December Budget Review.

The officer believes that there are two significant projects currently underway where, by December the final outcomes in relation to the budget allocation required for the 2011/12 financial year for these projects would be firmed up. The first being the IT Network Upgrade, currently allocated \$1 million, and the second being the High Profile Event currently allocated \$0.5 million.

The IT Network Upgrade is currently being designed by Dell, whereby the actual upgrade, including design is initially estimated to take 6-8 months, therefore extending into next financial year. EventsCorp have indicated that a decision in relation to their funding will not be made until January 2012 which will influence whether or not the event will be held this financial year. These two projects alone would easily provide the capacity for the Town to source the additional funds required in the December budget review.

This would therefore remove any requirement for the CEO (or his delegate) to formally approach BHP Billiton to source additional funding. It is the officer's opinion that funding internal organisational development programs such as this one should be the Town's responsibility and not necessarily passed onto other parties.

If Council agreed to the officer's recommendations, it would allow the CEO to be delegated authority to enter into negotiations to establish firm costing and specifications in order to award the final contract.

Attachments

Nil

Officer's Comment

Assessment methodology and process

A first assessment was made of all submissions focusing on number of consultancy hours allocated to the development of the various plans and strategies with the associated cost. The outcomes of this assessment are included in Table A with Disbursements (travel and accommodation) are additional to these costs.

Table A:

Deliverables	CAM Management		KPMG		Morrison Low		UHY Haines Norton	
	Est. # Hours	Est. Fees	Est. # Hours	Est. Fees	Est. # Hours	Est. Fees	Est. # Hours	Est. Fees
Strategic Community Plan	244	\$49,000	660	\$179,588	524	\$119,840	196	\$52,220
Long Term Financial Plan	288	\$60,800	835	\$251,300	378	\$92,280	286	\$92,400
Workforce Plan	264	\$54,960	435	\$126,000	510	\$128,320	298	\$92,400
Asset Management Plans	568	\$129,640	2097	\$465,900	648	\$156,880	685	\$208,500
ICT Strategy	200	\$37,520	925	\$288,650	576	\$201,600	478	\$113,460
Housing and Accommodation Strategy	56	\$12,080	869	\$191,100	56	\$13,920	24	\$7,200
Other	48	\$12,000	-	-	364	\$79,040	48	\$14,400

Table B indicates the evaluation criteria as described in the Request for Proposal the selection panel used to assess the compliant proposals. These scores were allocated for each of the 5 deliverables, therefore resulting in each of the deliverables being allocated 15% (75%) and the overall fee proposal being 25%.

Table B

Assessment Criteria	Maximum Score
Approach / Methodology	25
Track Record & Understanding of Projects/Key Issues	25
Key Personnel	25
Fee Proposal	25
MAXIMUM SCORE	100

The comparison of each of the assessment criteria for the request for proposal submissions was then used for each of the key components, being the 10 Year Strategic Community Plan; 4 Year Workforce Plan, inclusive of a Housing and Accommodation Strategy; 10 Year Financial Plan; 10 Year Asset Management Plan and the 5 Year ICT Strategy.

The combined scores for assessment criteria received is summarised in Table C. While it appears from the Agreed Score that CAM Management should be awarded the contract, it was quite clear from the proposals received, that the methodologies and hours allocated to the project presented by each consultant were quite different therefore resulting in a significant cost difference.

Table C (in alphabetical order):

Criteria		CAM Management	KPMG	Morrison Low	UHY Haines Norton
Request for Proposal No: 11/31 - Integrated Planning & Reporting Framework Stage Two	Weighting	Score	Score	Score	Score
Community Strategic Plan	15%	5.93	6.96	7.47	5.32
Workforce Plan	15%	5.62	7.03	5.96	3.69
Financial Plan	15%	4.50	6.61	7.04	6.24
Asset Management Plan	15%	5.17	6.99	7.18	5.57
ICT Strategy	15%	3.40	4.98	3.60	5.97
Fee Proposal	25%	25.00	5.73	11.12	16.15
AGREED SCORE (Overall)	100%	49.62%	38.30%	42.36%	42.94%
RANKING		1	4	3	2

At the end of this first stage of assessment it was determined that while the scoring process had assisted, the scores were reasonably close between most of the respondents but the scores did not accurately reflect a preferred respondent due to:

- High level and vague methodologies being presented from the consultants which prevented meaningful assessment, including a thorough gap analysis
- Inaccurate assumptions underpinning methodologies in relation to ToPH staff capacity to undertake aspects of the workload and availability of ToPH baseline data
- Potential for re scoping in methodologies with lower allocation of consulting hours once impact of City Growth Plan Implementation Plan was factored in
- Further clarification required in general in relation to the skill set and relevant experience of sub consultancies or personnel.

At this stage in the process, Morrison Low advised that due to resourcing implications within their consultancy, they were withdrawing from the selection process.

The remaining 3 respondents were therefore invited to make presentations on their methodologies to expand, explain and verify the following:

- Method of ensuring full integration with all plans and strategies, with particular reference to integration with City Growth Plan outcomes and the current network upgrade being undertaken by the Town.
- Clarification on project management methodology. This was to ensure a clear flow of information indicating there would be an appropriate management of information and the process itself, and therefore achievement of timelines and appropriate deliverables.
- Clarification of inclusion in the methodology and cost submission of appropriate engagement on an ongoing basis with local stakeholders. This covered each of the plans and strategies (particularly Communications Plan as required in the ICT Strategy, service levels required as part of the Asset Management Framework and the Community Strategic Plan).
- Clarification or amendment of methodology, timeframes, cost implications plus consultancy capacity to include data collection or collation required to develop required baseline data, audits and consultation.
- The provision of project examples undertaken by the proposed personnel to undertake the various elements of the scope of work plus relevant referees.
- The consultant's ability to work with another IT supplier undertaking the network upgrade to ensure the development of the ICT Strategy.

Outcome of Second Stage of Assessment

It was always the preferred option of officers to award the entire scope of work to a single consultancy or consortium. However, it was clear from the onset of the assessment process that this option may compromise the best outcome for each component of the brief.

To facilitate this option a deliberate choice was made to advertise for a Request for Proposal which allows for this flexibility rather than a Request for Tender. The recommended outcome of the assessment has further been scrutinised by WALGA to ensure compliance with the Local Government Act.

Presentations were made over two days by the remaining three consultancies.

*Community Strategic Plan**Scope of Required Work:*

A 10 Year Community Strategic Plan which will drive the short, medium and long term strategies of the local government as determined by the community, and the services required by the local government to deliver on these strategies.

Assessment:

All respondents demonstrated a capacity to deliver the Plan but both CAMMS and UHY Haines Norton were considered to have continued to underestimate the workload associated with the expected robustness of the Strategic Community Plan.

KPMG clearly demonstrated their understanding of the significance of the Plan to the overall Framework.

Methodologies all indicated an understanding of the principles of consultation but KPMG's experience was assessed as more significant. Also their close understanding and work with the Department of Local Government in the establishment of the Framework assured their credibility to undertake the Plan for the Town of Port Hedland.

It was recognised that CAMMS has significant experience in the Pilbara but not directly related to strategic community planning. UHY Haines Norton proposed personnel with good experience in place making and marketing but limited in strategic community planning.

Recommendation:

It is recommended that KPMG be awarded the request for proposal for the development of the Strategic Community Plan (660 hours - \$179,588) to be undertaken in the 2011/12 financial year.

*Workforce Plan including Housing and Accommodation Strategy**Scope of Required Work:*

4 Year Workforce Plan, inclusive of a Housing and Accommodation Strategy which will outline the additional or alternative resources and skills required by the organisation to ensure delivery of the actions and tasks needed to provide services and programs to our community into the future. This plan will also include a strategy to secure these resources plus a fully costed plan to provide adequate office accommodation and affordable housing.

Assessment:

Only KPMG demonstrated a clear understanding of the requirements of the Housing Strategy in their original submission. The Workforce Plan was adequately addressed in methodologies by all respondents however the number of hours allocated to the plan, despite clarification of the TOPH requirements, remains under scoped in both responses provided by CAMMS and UHY Haines Norton.

CAMMS response however included the utilisation of the CAMMS software module for the workforce plan which would allow for full utilisation of the TOPH's corporate software modules.

Recommendation:

It is recommended that the request for proposal for the Workforce Plan (435 hours- \$126,000) and Housing Strategy (869 hours- \$191,100) be awarded to KPMG supported by the purchase of the CAMMS software (\$34,740) to ensure full integration. While the Workforce Plan would be delivered in 2011/12, it is recommended that the Housing Strategy and software purchase be undertaken and appropriately integrated in 2012/13.

*10 Year Financial Plan**Scope of Required Work:*

A 10 Year Financial Plan which will be a rolling plan that informs the Corporate Business Plan to activate Strategic Community Plan priorities. This plan will provide an understanding of the local government's operations in relation to financial sustainability, and allow early indication of financial issues and their longer term impacts. The financial plan is to integrate with the asset management plan, workforce plan, and any other service plans and strategies to ensure accurate costing, planning and financial sustainability and show clear linkages with the Strategic Community Plan and Corporate Business Plan in order to enhance transparency and accountability of the Town to the community.

Assessment:

UHY Haines Norton demonstrated limited experience with larger local governments and seemed to have assisted with the preparation of plans rather than assuming responsibility for their development. Personnel were qualified and would use a template demonstrated to relevant TOPH staff. This methodology has under scoped the impact of the integration of the outcomes of the City Growth Plan Implementation Plan into the financial plan required. The pricing structure provided only delivers a basic financial model.

CAMMS also demonstrated limited demonstrated experience and proposed moderately qualified staff. Their methodology will use their software which may not be able to undertake required sophistication of scenario modelling but can produce required budgetary documentation integrated with existing TOPH corporate software and associated planning and reporting documents. The template can also be extracted to Excel format.

Whilst KPMG could only demonstrate limited experience in development of relevant plans for local government (similar to other respondents), they have strong experience in the understanding of the framework and the integral part the financial plan plays in supporting the outcomes required of the various strategies and plans.

KPMG also offers to develop the model in accordance with the TOPH's requirements as opposed to using a generic template. KPMG has access to sophisticated financial modelling resources if required and have a clear understanding of the current TOPH organisational capacity and documentation. This experience has come from undertaking the recent audit of the Town as part of a Pilbara Regional Council initiative to support the introduction of the Integrated Strategic Planning and Reporting Framework.

Recommendation:

It is being recommended that the request for proposal for the 10 Year Financial Plan be awarded to KPMG (835 hours- \$251,000) supported by CAMMS Budget Centre Software (\$55,540). While the 10 Year Financial Plan would be delivered in 2011/12, it is recommended that the CAMMS Budget Centre Software be purchased and integrated in 2012/13.

Asset Management Framework (inclusive of Strategy and Plans)

Scope of Required Work:

A 10 Year Asset Management Plan which will enable Council to show how their asset portfolio will meet the service delivery needs of the community into the future. This plan will include an audit of the current situation of Council's assets and their management plus identification of current and future needs versus adequacy of funding. This plan needs to ensure alignment with the overall goals and objectives of the Strategic Community Plan

Assessment:

All responses were assessed and all consultancies were considered qualified to complete the scope of work, and both UHY Haines Norton/Tonkin and CAMMS/GHD suggested suitably qualified personnel with local government experience with regards to capital infrastructure.

KPMG suggested a more suitable methodology inclusive of hours to undertake the required data collection whilst both the other respondents, even after rescoping, have provided consultancy hours considered insufficient to deliver the required outcome.

KPMG was the strongest respondent to demonstrate understanding and methodology to support the complexity of the TOPH circumstance and the role the Asset Management Framework is envisaged to play by the Department of Local Government in the Integrated Planning and Reporting Framework.

Recommendation:

It is being recommended that the request for proposal for the Asset Management Framework (inclusive of Strategy and Plans) be awarded to KPMG (2,097 hours- \$469,000). It is proposed that all development occurs in 2011/12 with the exception of the Implementation Plans. This would separate the proposed funding into \$173,625 for 2011/12 and \$292,275 in 2012/13.

*ICT Strategy**Scope of Required Work:*

5 Year Information Communication Technology (ICT) Strategy which will create a developed and practiced information and communications system that supports a distinct IT strategy and communications plan for both internal and external parties, along with an efficient and effective Records Management Framework and associated strategies and plans in accordance with compliance requirements of State Records.

Assessment:

The advertised project scope and timelines were refocused to reflect the network upgrade that the ToPH has embarked on due to failure of the existing platform. Further clarification of the upgrade implications was discussed at the presentations with all consultants.

Recommendation:

Despite the additional clarification it is recommended that the request for proposal for the development of the ICT Strategy not be awarded. The recommendation is that further negotiation be undertaken with Dell, the preferred supplier of the hardware required for the network upgrade, to increase their scope of work to include the development of the ICT Strategy. This component would be removed from the request for proposal totally and engaged under a separate scope within the current \$1 million Network Upgrade budget allocation. It should be noted that Dell are preferred suppliers appointed by WALGA that can be engaged in this manner by the Town in accordance with the Local Government regulations.

Overall Project Management

Project management was not a separate component of the request for proposal based on the preferred option of having a single consultant or consortia manage the process. The lead consultant would therefore assume responsibility for the project management required of all the various key strategies and plans plus ensure integration occurs with the ICT Strategy inclusive of the network upgrade to be undertaken by Dell.

Recommendation:

It is recommended that KPMG be required to undertake this role in facilitating the completion and integration of all components, but particularly to work with Dell to incorporate the ICT Strategy and associated plans.

Procurement Process

If Council adopts the officer recommendations, the proposals will then be awarded dependent on successful negotiations by the CEO with the preferred consultant. These negotiations will further clarify the final prices for the works to be undertaken, software to be purchased and to secure final agreement of specifications and deliverables. This will need to be supported with negotiations to ensure alignment of timeframes and expectations of the successful respondent to work together with the preferred supplier of the ICT Strategy to ensure integration of strategies and plans.

Once this has been achieved the Chief Executive Officer can develop and award the final contracts which will facilitate the commencement of works.

It is recommended that this project be staged over the 2011/12 and 2012/13 financial years in order to ensure both the financial commitments and its delivery. One of the key reasons for advertising on the market again, was to allow for an extended timeframe for delivery of the asset management implementation plans. It is not considered inappropriate therefore, that the funding for other non-critical components be sourced in the 2012/13. While non-critical until 2012/13, they will still be required to be delivered to ensure compliance with the Department of Local Government requirements and to ensure appropriate integration with the strategies and plans that will be developed in 2011/12.

It should be noted that many Council's have been developing these strategies and plans over the past several years while the Town has been focussed on developing the community and its infrastructure. This has been a very appropriate strategy given the pressures placed on the town during its developing phase. Given the vision of Council to transform into Pilbara's Port City, it is the officer's opinion that now is the time, irrespective of the requirements of the Department of Local Government, that it transforms the Council into one that is integrated, informed, and better equipped to understand the full impacts on resourcing requirements in order to remain financially sustainable into the future. This will ensure the capacity of the Town to transform into a City, not only by population statistics, but by the systems and processes that it operates.

Officer's Recommendation

That Council:

1. Award the development of the 10 Year Community Strategic Plan, the development of the 4 Year Workforce Plan including the Office Accommodation and Housing Strategy, the development of the 10 Year Financial Plan, the development of a 10 Asset Management Framework and the overall project management to ensure integration to KPMG over two financial years;
2. Delegate authority to the Chief Executive Officer to further clarify with the preferred consultant the final prices for the works to be achieved, software to be purchased and to secure final agreement of specifications and deliverables that also ensures integration with the ICT Strategy within a budget allocation of \$810,513 for 2011/12 and \$652,665 for 2012/13;
3. Request the Chief Executive Officer to source the additional \$155,513 required for 2011/12 to develop the various plans and strategies supported by the required software through the December 2011 budget review process;

4. Requests the Chief Executive Officer to allocate \$652,665 in the 2012/13 Budget to ensure the completion of the required plans, software purchases and therefore integration of the Strategic Planning and Reporting Framework in accordance with the requirements of the Department of Local Government;
5. Rejects all proposals for the development of the 5 Year ICT Strategy noting that this will form part of the expanded scope of works in relation to the network upgrade currently being undertaken by Dell, who is a WALGA preferred supplier;
6. Delegate authority to the Chief Executive Officer, upon the successful completion of negotiations within the revised project budget of \$1,463,178 over 2011/12 and 2012/13, to award the contract for the development of the 10 Year Community Strategic Plan, the development of the 4 Year Workforce Plan and Housing Strategy, the development of the 10 Year Financial Plan and the development of the for the 10 Year Asset Management Framework and the overall project management that will ensure integration with the ICT strategy to KPMG.

NOTE: SIMPLE MAJORITY REQUIRED

201112/233 Council Decision

Moved: Cr M Dziombak Seconded: Cr D W Hooper

That Council suspend Standing Orders.

CARRIED 9/0

1:17pm Mayor advised that Standing Orders are suspended.

201112/234 Council Decision

Moved: Cr A A Carter Seconded: Cr D W Hooper

That Council resumes Standing Orders.

CARRIED 9/0

1:33pm Mayor advised that Standing Orders are resumed.

201112/235 Council Decision

Moved: Cr A A Carter

Seconded: Cr S R Martin

That Agenda Item 7.1 'Integrated Planning and Reporting Framework - Stage Two Lead Consultant Appointment, Request for Proposal 11/31' be laid on the table.

CARRIED 6/3

Record of votes:

For	Against
Cr A A Carter	Mayor K A Howlett
Cr S R Martin	Cr G J Daccache
Cr J M Gillingham	Cr G A Jacob
Cr M Dziombak	
Cr D W Hooper	
Cr J E Hunt	

7.2 *Social Media – Advertising of Draft Policy (File No.: 03/01/0017)*

Officer Gordon MacMile
Director Community
Development

Date of Report 22 November 2011

Disclosure of Interest by Officer Nil

Summary

The (draft) Social Media Policy has been developed to guide Council (Councillors and Staff) using social media within the Town of Port Hedland context.

The (draft) Policy provides guidance with the fast-changing landscape of the Internet and the way residents communicate and obtain information online, when Town of Port Hedland departments may consider using social media to reach a broader audience, more effectively.

The report considers both the advantages and risks in utilising social media and proposes a 2 stage approach to implementation and usage. Council is requested to support the (draft) Social Media Policy.

Background

Council has previously advertised for public comment and adopted a Community Engagement Strategy that aims to inform, involve and effectively engage with the local community in the preparation of strategies, plans and policies, the implementation of projects and activities. The preparation of the Community Engagement Strategy demonstrated a clear commitment of Council to actively engage the local community through best practice consultation methods.

Council considered the Community Engagement Strategy (OCM 19 November 2011) and resolved to:

1. Note the outcomes of the public advertising of the (draft) Community Engagement Strategy
2. Endorse the final Town of Port Hedland Community Engagement Strategy.

A key element of the Strategy is the use of social media / e-consultation as a tool to increase the effectiveness of the engagement and general communication with the community.

The Town of Port Hedland has an overriding interest and expectation in deciding what is “spoken” on behalf of the Town on social media sites. This document establishes guidelines for the use of social media – currently Facebook only, and has been developed to inform Councillors and staff of their online responsibilities and to assist them in participating online in a respectful, relevant way that protects the Town of Port Hedland’s reputation.

E-Consultation and Social Media

E-consultation, electronic consultation and social media is the use of the internet, e-mail and other web tools to enable participation in, and sharing of ideas regarding specific policy issues and the preparation of strategies and/or projects. Importantly, the use of e-consultation methods is an effective way of maintaining ongoing engagement with the local community. The use of social media, particularly Facebook is also an effective mechanism for the broader community to communicate with Council in relation to issues affecting them.

The most ardent community members are much easier to engage with and will always find a way to make comment. However, there are many other community members that wish to participate but who are unable to access or are uncomfortable in environments created by traditional consultation methods.

E-consultation encourages informed public participation and engagement between Council and the local community, while also allowing the individual to choose when and where they are engaged. Unlike traditional methods of engagement, social media is ultimately driven by the users rather than controlled by an authority. The Town of Port Hedland acknowledges that social media is an important element of contemporary communication.

Used in conjunction with existing consultation methods and techniques, e-consultation and social media is the way forward in terms of ‘bringing more people into the conversation’. Like all other consultation methods, the use of social media must manage risks and establish parameters / operational controls for the discussion upfront.

Some advantages of e-consultation / social media include, but are not limited to:

- Compliments other forms of electronic interaction (website)
- The potential to reach, quickly and easily a wide and diverse audience
- The opportunity for people to participate and provide input at a time which is convenient to them and to respond interactively and register their views via email, rather than by post
- The opportunity for more informed consultation and ongoing engagement, by providing access to further information through links to online resources

- The opportunity to filter, analyse, direct and action responses automatically as they are received electronically
- The ability to conduct sustained discussion over time, allowing ideas to grow and develop which is not always possible in a one-off, face-to-face consultation. It is also an effective way of maintaining an open line of communication to foster ongoing engagement with the local community
- The opportunity to generate feedback and to provide them with a flow of information and updates through email alerts when future, similar consultation programs are launched
- Increasing transparency between the Town, stakeholders and the broader community
- Promote organisational activities
- Encourage and enhance feedback (through re-direction to website)
- Promote the Town as a modern vibrant city.

Some of the common e-consultation tools are:

- Internet forums (also known as “e-forums”)
- Webcasting meetings
- Facebook
- Twitter and YouTube
- Online polls
- Podcasting
- Online Surveys Electronic Voting
- Online feedback Forms
- Webinars (on line seminars or meetings)

Consultation

Internal

- Executive and Manager Groups
- Information Technology and Records
- Community Development Directorate.

External

- Currently an internal draft strategy

Statutory Implications

Nil

Policy Implications

Nil

Strategic Planning Implications

Key Result Area 6: Governance
Goal 2: Marketing and Communication
Continue to inform and consult with the community regarding local events, issues and decisions through a variety of communication mechanisms.

Budget Implications

Implementation of the (draft) Social Media Policy will require resources which will need to be considered from a budgetary perspective. Dependent on the Policy finally adopted by Council, additional staffing and information technology resources will be required.

Officer's Comment

Usage of Social Media within the Town of Port Hedland

Usage of social media within the Town of Port Hedland should be in accordance with:

- Draft Town of Port Hedland Social Media
- Requirements of the *Local Government Act 1995*.

The (draft) Social Media Policy proposes a 2 stage approach to the usage and summarised as:

Stage 1 – commences immediately following adoption by Council and focuses on:

- Developing an operational understanding of the risks potentially associated with organisational social media usage and risk minimisation strategies
- Establishing a suite of organisational guidelines, controls and internal mechanisms
- Training staff in the correct usage of organisational social media

Use of social media for Councillors and staff in Stage 1 focuses primarily on one-way communication that effectively receives, redirects and actions information / requests from the community. Additional usage will be limited to issue / topic specific (engagement on a specific matter with a limited time period), distribution of formal Council messages (mainly promotion of upcoming Council events and community activities) and the urgent distribution of emergency information (usually in the case of impending weather / natural event threat).

The parameters under which social media will function are detailed in the Town of Port Hedland draft Social Media policy.

Stage 2 will be implemented in the future when social media is established organizationally, with risks able to be mitigated / managed and will focus on:

- Full 2 way usage of a range of social media as a communication tool with community

Social media communication outside of the Social Media Policy is to be considered personal and not to communicate on behalf of Council in any way.

Attachments

1. (Draft) Social Media Policy

Officer's Recommendation

That Council:

1. Endorses the Town of Port Hedland's (draft) Social Media Policy
2. Notes that internal operating practice will be developed to detail the application of the Social Media Policy within the Town of Port Hedland
3. Notes the policy will be reviewed in 2012 as part of the annual policy review and updated accordingly.

201112/236 Council Decision

Moved: Cr G J Daccache Seconded: Cr G A Jacob

That Council:

1. Endorses the Town of Port Hedland's (draft) Social Media Policy with the following change on page 13 of the (draft) Social Media Policy:

"All items that are going to be posted will need to be sent to the Town of Port Hedland's Publicity Officer or Chief Executive Officer for editing and approval before being posted".

2. Notes that internal operating practice will be developed to detail the application of the Social Media Policy within the Town of Port Hedland
3. Notes the policy will be reviewed in 2012 as part of the annual policy review and updated accordingly.

5/4 CARRIED

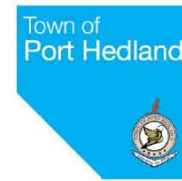
REASON: Council believes that it had to include the Chief Executive Officer as an additional recipient of items to be posted, in case the Publicity Officer is not available for a protracted period of time.

Record of Votes

For	Against
Mayor K A Howlett	Cr A A Carter
Cr G J Daccache	Cr S R Martin
Cr G A Jacob	Cr J M Gillingham
Cr D W Hooper	Cr M Dziombak
Cr J E Hunt	

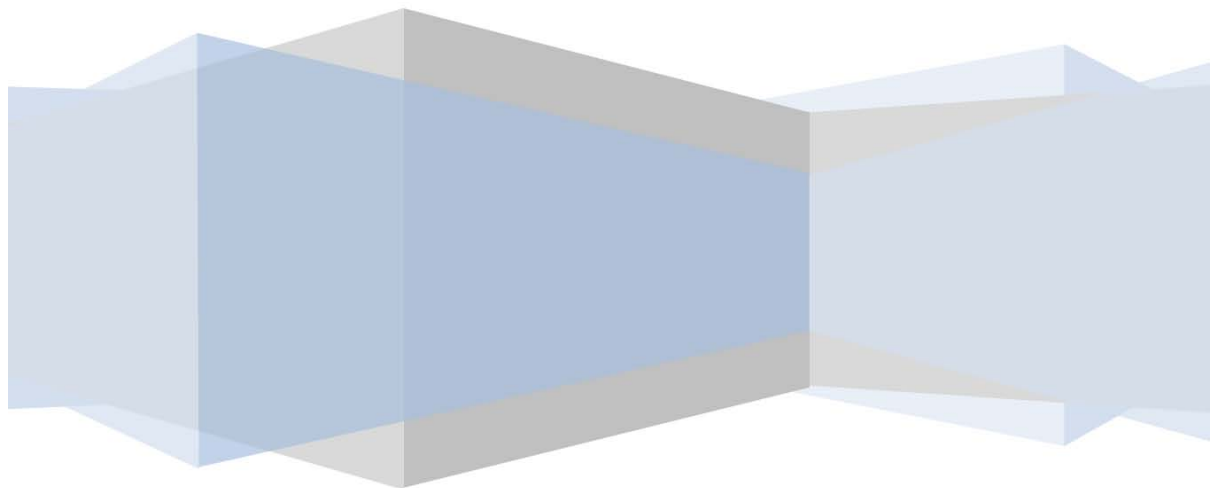
NOTE: Councillor S R Martin requested it be recorded in the Minutes that he objects to vote on Agenda Items which are presented to Elected Members just before the Ordinary Council meeting. In this way Elected Members don't have a chance to thoroughly consider the items and make informed decisions.

NOTE: Chief Executive Officer acknowledged Councillor S R Martin's comment, however he also added that the Late Item regarding the Draft Social Media Policy was circulated to all Elected Members on Tuesday 29 November.



Town of Port Hedland (draft) Social Media Policy

- Version 1 November 2011



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1. Background

The Town of Port Hedland has recognised the potential of social and digital media to foster communications with the community and is actively developing strategies to integrate these media into broader communications strategies.

While recognising the potential of social and digital media to enhance its communications, the Town of Port Hedland is also aware of the risks these new media pose to effective communications and to the Town's relationships with stakeholders.

2. Opportunities

Social and digital media present a number of opportunities to enhance consultation and communication with the community, consistent with the Community Engagement Strategy, which was considered and endorsed by Council at OCM 19 November 2011.

These opportunities include:

- Complementing other forms of electronic interaction (website);
- The potential to reach, quickly and easily a wide and diverse audience;
- The opportunity for people to participate and provide input at a time which is convenient to them and to respond interactively and register their views via email, rather than by post;
- The opportunity for more informed consultation and ongoing engagement, by providing access to further information through links to online resources;
- The opportunity to filter, analyse, direct and action responses automatically as they are received electronically;
- The ability to conduct sustained discussion over time, allowing ideas to grow and develop which is not always possible in a one-off, face-to-face consultation. It is also an effective way of maintaining an open line of communication to foster ongoing engagement with the local community;
- The opportunity to generate feedback and to provide them with a flow of information and updates through email alerts when future, similar consultation programs are launched;
- Increasing transparency between the Town, stakeholders and the broader community;
- Promoting organisational activities;
- Encouraging and enhancing feedback (through re-direction to website); and
- Promoting the Town as a modern and vibrant city.

Social and digital communication and consultation tools include:

- Internet forums (also known as “e-forums”);
- Webcasting meetings;
- Facebook;
- Twitter;
- YouTube;
- Online polls;
- Podcasting;
- Online Surveys Electronic Voting;
- Online feedback Forms; and
- Webinars (on line seminars or meetings).

3. Purpose of this document

This document provides guidelines for the use of social media by elected representatives and employees of the Town of Port Hedland.

The Social Media Policy proposes a two-stage approach to the usage of social media by the Town.

Stage One will commence immediately following adoption by Council and focuses on:

- Developing an operational understanding of the risks potentially associated with organisational social media usage and risk minimisation strategies;
- Establishing a suite of organisational guidelines, controls and internal mechanisms; and
- Training staff in the correct usage of organisational social media.

Use of social media for Councillors and staff in Stage one focuses primarily on one-way communication that effectively receives, redirects and actions information / requests from the community. Additional usage will be limited to issue / topic specific (engagement on a specific matter with a limited time period), distribution of formal Council messages (mainly promotion of upcoming Council events and community activities) and the urgent distribution of emergency information (usually in the case of impending weather / natural event threat).

The parameters under which social media will function are detailed in the Town of Port Hedland Social Media Policy.

Stage Two will be implemented in the future when social media is established organizationally, with risks able to be mitigated / managed and will focus on full two-way usage of a range of social media as a communication tool with community.

Social media communication outside of the Social Media Policy is to be considered personal and not to communicate on behalf of Council in any way.

4. Do these guidelines apply to me?

This policy applies to all elected representatives and employees of the Town of Port Hedland.

5. Risks

While social and digital media present a number of opportunities for the Town to enhance communication and consultation with the community, it presents both reputational and technological risks that need to be managed.

While these risks are addressed in detail in Appendix 2, they can be summarised as follows:

a. Reputational Risks

The immediacy, interactivity and uncontrollable nature of many social media environments creates significant reputational risks for the Town.

These risks include:

- Incorrect information being widely distributed at the time of publication;
- High levels of negativity and a backlash from the public;
- Slow response time to a query from a member of the community;
- Inaccurate / false comment from staff about the Town;
- Breaches of confidentiality by a staff member;
- Defamation / slander / libel of Council, organisation or staff; and
- Social media channels hacked and control of content lost.

b. Technological Risks

Local Government information systems are targeted by persistent, pervasive and aggressive external threats to the stability of their information systems.

The increased use of social media and engagement with external networks exposes the Town's internal information systems to increased risk of attack.

Social media technologies are vulnerable to an evolving range of methods of cyber attack, which include:

- Spear Phishing;
- Social Engineering; and
- Web-Application Attacks.

Spear Phishing

Spear Phishing is an attack targeting a specific user or group of users, and attempts to deceive the user into performing an action that launches an attack, such as opening a document or clicking a link. Spear phishers rely on knowing some personal piece of information about their target, such as an event, interest, travel plans, or current issues. Sometimes this information is gathered by hacking into the targeted network, but often it is easier to look up the target on a social media network.

In April 2009, the Federal Bureau of Investigation released a Headline Alert specifically citing social networking sites as a mechanism for attackers to gather information on their targets by harvesting information from publically accessible networks and using the information as an attack vector. As security tools become more sophisticated, so the attackers.

Spear phishing a high-value individual, also known as “Whaling” can use a customized infected document with specific information containing a unique malicious payload, making it more difficult for anti-virus companies to detect its unique signature. These targeted attacks seem to be replacing previous attack techniques.

Finally, spear phishers utilise social media as an alternative way to send phishing messages, as the social media platform bypasses traditional email security controls. Security teams have already observed multiple social media websites used as a propagation mechanism to trick users to open a document or click a link. Sometimes these attacks will use URL shorteners to obscure the actual website name.

Social Engineering

The second concern regarding social media use by Local Government employees is Social Engineering, which relies on exploiting the human element of trust. The first step in any Social Engineering attack is to collect information about the attacker’s target. Social networking websites can reveal a large amount of personal information, including resumes, home addresses, phone numbers, employment information, work locations, family members, education, photos, and private information. Social media websites may share more personal information than users expect or need to keep in touch.

A study by University of Virginia cites that out of the top 150 Facebook application, all of which are externally hosted, 90.7 % of applications needed nothing more than publicly available information from members. However, all of these applications were given full access to personal information not necessary for operation, but supplied by user granting the applications total access to their account.

When local Government employee joins a social media website, they may identify themselves as an employee of their department. This may happen intentionally in their profile, or unintentionally as they register with their .GOV email address. Their self-identification creates a governmental Internet footprint, which is valuable information to our adversaries. As more Local Government employees self-identify on social media websites, the Local Government footprint on social networking will grow, creating a target-rich environment to help our adversaries target specific individuals to launch various Social Engineering and Spear Phishing attacks. For example, an attacker may learn personal information about an individual and build a trust relationship by expressing interest in similar topics. Once the victim trusts attacker, the attacker can collect more information and penetrating the trust of departmental personnel.

Additionally, high-profile Local Government employees create an even larger footprint. As they have greater name recognition, collect more friends, and often want to engage with the public. A high-profile Local Government employee with greater name recognition is a prime target for a social engineer to exploit the trust relationships established within that social network. In an attack similar to the "Whaling" spear phishing threat cited earlier, social engineering attacks may target high-profile individuals by relying on established trust relationships, such as close friends and colleagues. Through a compromised social media account, the attacker may pose as a friend to elicit information, action, or support.

Web Application Attacks

Web Applications are dynamic web pages that use scripting to provide additional functionality to the user. Using Web Applications, users may create interactive web applications. However, with additional functionalities come additional opportunities to exploit the web application. Social media websites are advanced web applications, as their use requires a high level of interaction and capabilities. This opens up social media websites to a wide range of vulnerabilities exploitable by attackers. The Open Web Application Security Project (OWASP) has published guidance to improve the level of web application security, but it is not easy to determine if a social media website is following OWASP principles and building more secure web applications.

Advances in web application technologies allow attackers to use new techniques against social media websites not previously possible in email. For example, emerging techniques include using custom Facebook applications to target users.

Facebook applications are written by third party developers and often have minimal security controls. To illustrate this issue, consider that a user may grant a malicious web application access to their facebook account, which may compromise their account or download unauthorised software to their computer. This is demonstrated in figure 1, a screenshot of the "Secret Crush" application which installs the "Zango" Spyware/Adware program. Other attacks include using a Cross-Site Scripting (XSS) or similar attack to launch a javascript-based keystroke logger, capturing user keystrokes, including account usernames and passwords. Proof of concept code demonstrated this attack vector during a 2006 MySpace phishing attack area that compromised 34,000 usernames and passwords. Social media as an attack platform is an active area of cyber security research; attackers are limited only by their creativity to embrace flexible Web 2.0 technology.

Finally, while a hijacked personal social media account may be annoying and personally costly or embarrassing, a hijacked account of a Local Government user or a Local Government account may have more serious implications. Unofficial posts, tweets or messages may be seen by the public as official messages, or may be used to spread malware by encouraging users to click links or download unwanted applications.

6. Principles for Communication

All elected representatives and employees should be cognisant that their conduct when using social media, in either a personal or official capacity, reflects upon them and their position.

All elected representatives and employees should be cognisant that online content is recorded by a number of search engines and that the content of posts and discussions may be publicly available and searchable into the future.

While social and digital media provide opportunities for communications, there are several risks associated with their use, including a rapid and widely spread impact on Council's reputation, should incorrect information be given or inappropriate conduct occur.

7. Guidelines for Mayor

The Mayor is entitled to establish a Facebook fan page that identifies them as the Mayor. This page may be administered by the Mayor or delegated to Town of Port Hedland staff as appropriate.

On the information tab of the Mayor's fan page, the following disclaimer must be included:

This page is administered by the Mayor of Port Hedland and the contributions reflect the views of the Mayor, in their official capacity.

The contributions do not necessarily reflect the official position of the Town of Port Hedland. For official information, please visit the Town of Port Hedland's website or Facebook page.

All posts, comments and information on this page are regularly monitored and recorded.

The Mayor's fan page should be a single communication channel only. In the permissions section of the Mayor's fan page, it should be defined that users cannot post or write on the wall.

Any direct enquiries the Mayor receives through the fan page about Council matters should be forwarded to the appropriate Council officer for an official reply.

a. Acceptable Contributions

Acceptable contributions to be posted to the Mayor's official Facebook fan page include:

- information about Council decisions, activities, events which are within the boundaries of the position and open for comments/feedback; and
- information about Council agenda items after the respective OCM and a decision has been made.

b. Unacceptable Contributions

Unacceptable contributions to be posted to the Mayor's official Facebook fan page include:

- opinions or information about Council decisions, expressed as official statements;
- information in relation to the administrative functions and activities of Council; and
- personal opinions or comments on any topic or issue.

c. Limitation to Facebook

The Mayor is not authorised to establish any other social or digital media tools for official communications with the community. While future social and digital media strategies developed by the Town of Port Hedland may provide for the use of other social and digital media by the Mayor, such as Twitter, YouTube, LinkedIn, blogs, such tools are not authorised for official use at present.

d. Personal Use

The Mayor is authorised to establish and maintain personal social or digital media tools on platforms including Facebook, Twitter, YouTube and LinkedIn. However, the Mayor must not use the title of "Mayor" in the name of any account, profile or page established.

The Mayor should not make comments about the Town of Port Hedland, its Councillors and staff or its partners and stakeholders on their personal social media tools.

8. Guidelines for Councillors

Councillors are not permitted to establish official social media tools for communications with the community.

Councillors are authorised to establish and maintain personal social and digital media tools on platforms including Facebook, Twitter, YouTube and LinkedIn. However, Councillors must not use the title of "Councillor" in the name of any account, profile or page established.

Councillors should not make comments about the Town of Port Hedland, its elected representatives and staff or its partners and stakeholders on their personal social media tools.

9. Guidelines for Employees

While the Town of Port Hedland is actively developing strategies for the integration of social and digital media strategies into its broader communications strategies, the current policy limits the use of social and digital media to the use of websites and Facebook fan pages and tools.

This policy provides guidelines for the use of Facebook by Town of Port Hedland, with guidelines for the use and management of content on related websites provides in other documents.

e. Uses of Facebook

Town of Port Hedland employees will use Facebook and its tools for two purposes:

- As channels for disseminating time-sensitive information as quickly as possible (example: emergency information).
- As marketing/promotional channels which increase the Town's ability to broadcast its messages to the widest possible audience.
- Specific issue/topic information where appropriate for community consultation.

When using Facebook, the Town of Port Hedland will enter into online social communications on single conversation basis only. No person, including those approved to make online contributions will be permitted to respond directly or indirectly to a person's or organisations comments. Facebook settings for each tool should be set so that members of the community cannot post or comment.

f. Authorised Contributors

Town of Port Hedland employees who wish to establish a new Facebook tool or contribute to an existing tool, will be required to apply to the CEO and enter into Formal Contributor Agreement (see attached). Once approved, employees become an Authorised Contributor. Only Authorised Contributors are permitted to post content to Town of Port Hedland Facebook tools.

When applying to establish a new tool, employees should outline the purpose of the tool, how often contributions will be posted using the tool and how that content will be generated.

Once the Formal Contributor Agreement is completed and approved by the CEO, an IT Department staff member will set up the Facebook tool.

Only persons from the IT Department may create new tools. This is to ensure consistency and correct settings are applied.

The Publicity Officer will be responsible for the training of all Authorised Contributors to ensure compliance with the Policy guidelines.

g. Disclosure

Town of Port Hedland social media tools are subject to WA State public records laws. Any content maintained in a social media format that is related to Town business, including a list of subscribers and posted communication, is a public record. The team maintaining the tool is responsible for responding completely and accurately to any public records request for public records on social media. Content related to Town business shall be maintained in an accessible format and so that it can be produced in response to a request.

Wherever possible, such tools shall clearly indicate that any articles and any other content posted or submitted for posting are subject to public disclosure. Users shall be notified that all public disclosure requests must be directed to the relevant departmental public disclosure officer.

Users and visitors to social media sites shall be notified that the intended purpose of the site is to serve as a mechanism for communications between Town's and members of the community.

h. Branding

Town of Port Hedland branding standards must be used on all authorised Facebook tools.

i. Images

All images used on authorised Facebook tools must have received written permission from the person(s) featured. This writing must be documented and placed into Synergy.

j. Acceptable Contributions

Contributions should provide information, provide a path for the seeking of additional information and should not encourage a response.

An example of an acceptable contribution is:

"Come along to the Youth NAIDOC celebrations next Tuesday, we've got storytelling and music workshops running from 5pm. For further details check out www.porthedland.wa.gov.au"

An example of an unacceptable contribution is:

"Who's coming along to the NAIDOC celebrations next week? Is everyone looking forward to it?"

This is unacceptable because it is asking a question which is encouraging a response, it omits crucial details such as dates and fails to direct readers to the Town of Port Hedland website for further information.

Contributions are prohibited that:

- are not topically related to the particular social medium article being commented upon;
- are in support of or opposition to political campaigns;
- use profane language or content;
- use content that promotes, fosters, or perpetuates discrimination on the basis of race, colour, age, religion, gender, marital status, status with regard to public assistance, national origin, physical or mental disability or sexual orientation'

- contain sexual content or links to sexual content;
- include solicitations of commerce;
- conduct or encourage illegal activity;
- include information that may compromise the safety or security of the public or public systems; or
- include content that violates a legal ownership interest of any other party.

k. Contribution Frequency

Contributions should be made regularly at intervals of no greater than three days to ensure the Facebook tool remains relevant and of interest to the community. Before launching a new tool, Authorised Contributors should have a plan that provides for the regular generation of interesting content.

l. One Way Communication Policy

It is a requirement that all Authorised Contributors regularly (about once a month) do an update which outlines Town of Port Hedland policy.

An example of this is:

“Don’t forget, the Town of Port Hedland’s online policy does not allow you to respond to your (Facebook) comments directly, if you would like to provide feedback or have questions, please contact us by clicking here”

This will re-direct the reader to the Town of Port Hedland website.

m. Record Keeping

All items that are going to be posted will need to be sent to the Town’s of Port Hedland’s Publicity Officer or the Chief Executive Officer for editing and approval before being posted. The Publicity Officer will need to keep accurate records of all emails and responses received and register accordingly.

All Authorised Contributors are required to use this online record keeping system.

- An Online Records Report need to be made once a week and placed into Synergy;
- During initial training, Authorised Contributors will be given a template which they will need to save to Synergy and label Online Records Report: *Their Name*

- Once initially saved, this spreadsheet will be updated once a week, every week. It is the sole responsibility of the Authorised Contributor to fill out this report each week.
- Authorised Contributors should allocate 30 minutes per week to perform this task.
- The Record Keeping process will be shown in depth during training by the Publicity Officer.

n. Crisis Communications

In the event of a crisis, the Town of Port Hedland Publicity Team will be permitted to make contributions to the authorised Facebook tools to provide the community with emergency information.

o. Personal Use by Employees

Town of Port Hedland employees may maintain their own personal social media accounts and tools.

It is the preference of the Town of Port Hedland that employees do not initiate social media discussions on work related matters. If personally approached online in regards to a work matter, employees should immediately inform the Executive Group and seek advice on how to reply in a way that positively reflects the Town of Port Hedland.

If employees choose to reply, they should include the following disclaimer:

"The views expressed on this site are my own and do not necessarily reflect the view of the Town of Port Hedland".

In the event that employees respond to a work related query or comment, they should:

- not comment on information that is meant to be private or internal to the Town of Port Hedland;
- ensure all comments do not conflict with the Town's mission or official positions;
- do not comment on areas you are not familiar with; and
- do not discuss partners, sponsors or contractors without prior approval.

In using social media in a way that identifies their employment with the Town of Port Hedland, employees should be conscious that their online conduct reflects upon them and the Town of Port Hedland.



Appendix 1: Authorised Contributor Application / Agreement

Department: _____
Manager/Supervisor: _____

Contributor (Person to make contributions): _____

Training Completed (date) Contributor Signature Marketing Signature

New or Existing Tool: New / Existing (CIRCLE)

Existing Tool (Name): _____

New Tool (Describe): _____

Agreed Use (CIRCLE): Facebook

Individual Update Frequency: _____

Online Disclaimer Frequency: _____

By signing below I acknowledge the protocol outlined in this document and confirm I understand my requirements and restrictions when engaging in social media application particularly:

- I will not be permitted to engage in two-way communication (responding to questions via social media)
- I will ensure that only make comments live to the internet if they are deemed acceptable as per this document
- I will only comment on the topic with which I have been approved
- I will regularly inform readers of our online policy, encouraging them to contact us via email/website
- I will provide regular and constant stream of updates as agreed to above
- My updates will be in the form of statement and WILL NOT encourage a direct response via social media
- Where possible I will forward readers to the Town of Port Hedland (www.porthedland.wa.gov.au)
- I will perform the required record keeping every week as outlined in the Social Media Policy;
- I acknowledge that my access to the social media may be retracted if
o I do not follow these protocol correctly
o The use of social media is not providing productive

Contributor Signature

Manager Signature

Director Signature

CEO Signature

Appendix 2: Risk Analysis

In order to reduce this risk, the Town of Port Hedland has identified the following risks, its impact and possible solutions to prevent or resolve the risk:

What is the risk?	Cause	Likelihood	Impact/Consequence	Resolution
Incorrect Information being distributed at time of publication	Not following correct approval process; information could have changed between approval and publication	Medium to High	Misleading the public which could cause negative criticism of the organisation; lowering of reputation; embarrassment	Mayor, Councillors and staff to ensure all processes are followed as accurately as possible; once mistake is identified, endeavour to correct ASAP
High level of negativity and backlash from public	Controversial topic; personal agenda from a member of community	Medium	Negative publicity; lower level of engagement and use of social media from public	Ensure a disclaimer is clearly stated on the social media site regarding inappropriate comments; contact the community member to find out the reason behind negative comment and work with them to resolve issue
Slow response time to a query from community member/s	Not knowing answer to a question; ignoring a question; forgetting to respond; lack of access due to IT issues	Low to Medium	Angry community member/s; negative backlash; possible negative publicity;	Create a 'questions' register where all queries from public are recorded and directed to most appropriate officer for response; set a standard response lag time dependant on nature of question; if response time not achieved acknowledge the query and provide a more realistic timeframe of response based on ability to source answer
Inaccurate/false comment from staff about organisation	No knowledge of topic; did not clearly state between fact and opinion	Low to Medium	Misleading information to public; organisation may become liable and held responsible; staff member may experience serious consequences whether the comment was intentional or not	Councillors/staff to check information for accuracy before posting; clearly identify between fact and opinion when posting

What is the risk?	Cause	Likelihood	Impact/Consequence	Resolution
Breach of confidentiality by staff member	Lack of understanding of Code of Conduct; malicious intent	Low to Medium	Serious breach of code of conduct; may result in suspension or dismissal of staff; cause serious damage to reputation of Town with key partners and stakeholders	Staff to be aware of organisation's code of conduct policy; check with management regarding status of information; do not post information if not certain or approved by management
Defamation/slander / libel of Council, organisation, staff	Intent to damage reputation; negative reaction from public; personal agenda of community member/s	Low	Damage of reputation of parties concerned; personal insult	Ensure all negative posts/comments are immediately addressed and dealt with; ensure it is clearly stated on social media site the policy regarding defamatory/slander/libel comments
Social media site is hacked		Low to Medium	Access and privacy is breached	Ensure all privacy information (passwords etc) is safely secured and all staff understand ramifications of breaching privacy and confidentiality
Breaches of Social Media Policy		Low to Medium	Breach of Policy guidelines and procedures	Ensure all disciplined monitoring of all social media outlets and information. Appropriate action and referral (where required) taken by the Chief Executive Officer. Action may include disciplinary action / performance management for members of staff, removal of profile / page for Mayorall or specific Facebook sites, removal of the website for associated links or referral to the appropriate authority
Technological attack	Attempt to damage integrity of information systems or implementation of Social Media Policy	Medium	Integrity of systems undermined / loss of control of platforms	Thorough technological risk analysis to be undertaken and mitigation strategies put in place.

ITEM 8 CONFIDENTIAL ITEMS

NOTE: Section 5.23 of the Local Government Act 1995 states:

“(1) Subject to subsection (2), the following are to be open to members of the public —

(a) all council meetings; and

(b) all meetings of any committee to which a local government power or duty has been delegated.

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

(e) a matter that if disclosed would reveal —

(i) a trade secret;

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

(iii) information about the business, professional, commercial or financial affairs of a person,

where the trade secret or information is held by, or is about, a person other than the local government;”

201112/237 Officer's Recommendation / Council Decision

Moved: Cr G J Daccache

Seconded: Cr A A Carter

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

1. 'South Hedland and Wedgefield Underground Power Project – Proposed Billing Model and Funding Agreement for the Underground Power Project'

CARRIED 9/0

1:47pm Mayor advised the meeting is closed to members of the public.

201112/238 Council Decision

Moved: Mayor K A Howlett

Seconded: Cr A A Carter

That Council suspend Standing Orders.

CARRIED 9/0

1:48pm Mayor advised that Standing Orders are suspended.

201112/239 Council Decision

Moved: Cr A A Carter

Seconded: Cr G A Jacob

That Council resume Standing Orders.

CARRIED 9/0

2:02pm Mayor advised that Standing Orders are resumed.

8.1 South Hedland and Wedgefield Underground Power Project – Proposed Billing Model and Funding Agreement for the Underground Power Project (File No.: .../...)

Officer's Recommendation

That Council:

1. Notes the significant efforts contributed by the staff within the Town of Port Hedland and Horizon Power to date;
2. Approves the following assumptions for the Underground Power Billing Model:
 - i) a normal Household capacity is 10 kVA (advised by Horizon Power);
 - ii) gross contribution per property to be based on a set connection fee plus a charge per kVA capacity of the premise (i.e. higher kVA capacity, higher cost);
 - iii) no rebates allowed;
 - iv) properties which are already connected to underground attract a kVA charge however not a connection fee;
 - v) vacant properties attract a kVA charge however not a connection fee;
 - (vi) connection fees for group of units (that is, a dwelling that shares a common wall) will be divided among the number of units as these are likely to have one central connection. Each unit will attract a kVA based on whether is it a duplex (7.5kVA), triplex (5.5kVA) or quadroplex (3.5kVA) (as advised by Horizon Power). If the dwelling has more than 4 units, then a kVA for a quadroplex applies;

- (vii) each house in group dwellings will attract the full connection fee as well as the kVA charge based on average residential kVA of 10;
 - (viii) properties that will not attract any charges include reserves, drainages, pedestrian access, roads, sewerage tank and power station; and
 - (ix) the Town's properties attract a charge.
3. Acknowledge a service charge for the under grounding of power for South Hedland and Wedgefield properties of:
 - a) Connection fee of \$1,154.14 per connection; and
 - b) A KVA charge of \$117.27 per KVA capacity of each premise on the property;
 4. Acknowledge that the funding source for costs relating to Town's properties of \$249,807 will need to be identified and funded through the 2012/13 Budget process;
 5. Allows property owners an option to make payments over 5 years as it for the Port Hedland Underground Power project. Interest and instalment charges will be determined at the time of the adoption of 2012/13 Budget;
 6. Approve the funding of the Council's portion of the project costs (\$10,846,949) to be from a self supporting loan, being repaid as the funds are collected from property owners over 5 years;
 7. In accordance with Section 6.38 (2)(b) of the *Local Government Act 1995*, approve the establishment of a Underground Power Reserve Fund commencing in the 2012/13 financial year;
 8. Identify the purpose of the Underground Power Reserve Fund as being for "the installation of underground power within the Town of Port Hedland"; and
 9. Supports the signing and affixing of the common seal to the funding agreement between the Town and Horizon Power to facilitate its execution.

201112/240 Council Decision

Moved: Cr G J Daccache

Seconded: Cr D W Hooper

That Council:

1. Notes the significant efforts contributed by the staff within the Town of Port Hedland and Horizon Power to date;
2. Approves the following assumptions for the Underground Power Billing Model:
 - i) **a normal Household capacity is 10 kVA (advised by Horizon Power;**
 - ii) **gross contribution per property to be based on a set connection fee plus a charge per kVA capacity of the premise (i.e. higher kVA capacity, higher cost);**
 - iii) **properties which are already connected to underground attract a kVA charge however not a connection fee;**
 - iv) **vacant properties attract a kVA charge however not a connection fee;**
 - v) **connection fees for group of units (that is, a dwelling that shares a common wall) will be divided among the number of units as these are likely to have one central connection. Each unit will attract a kVA based on whether is it a duplex (7.5kVA), triplex (5.5kVA) or quadroplex (3.5kVA) (as advised by Horizon Power). If the dwelling has more than 4 units, then a kVA for a quadroplex applies;**
 - vi) **each house in group dwellings will attract the full connection fee as well as the kVA charge based on average residential kVA of 10;**
 - vii) **properties that will not attract any charges include reserves, drainages, pedestrian access, roads, sewerage tank and power station; and**
 - viii) **the Town's properties attract a charge.**
3. Acknowledge a service charge for the under grounding of power for South Hedland and Wedgefield properties of:
 - a) **Connection fee of \$1,154.14 per connection; and**
 - b) **A KVA charge of \$117.27 per KVA capacity of each premise on the property;**

4. Acknowledge that the funding source for costs relating to Town's properties of \$249,807 will need to be identified and funded through the 2012/13 Budget process;
5. Allows property owners an option to make payments over 5 years as it for the Port Hedland Underground Power project. Interest and instalment charges will be determined at the time of the adoption of 2012/13 Budget;
6. Approve the funding of the Council's portion of the project costs (\$10,846,949) to be from a self supporting loan, being repaid as the funds are collected from property owners over 5 years;
7. In accordance with Section 6.38 (2)(b) of the *Local Government Act 1995*, approve the establishment of a Underground Power Reserve Fund commencing in the 2012/13 financial year;
8. Identify the purpose of the Underground Power Reserve Fund as being for "the installation of underground power within the Town of Port Hedland"; and
9. Supports the signing and affixing of the common seal to the funding agreement between the Town and Horizon Power to facilitate its execution.
10. Request the Chief Executive Officer to investigate rebates as part of the 2012/13 budget process for pensioners, not for profits, owner occupier residentials and owner occupiers businesses.

CARRIED 8/1

REASON: Council believes that an investigation into rebate possibilities is for the benefit of the community.

Record of Votes:

For	Against
Mayor K A Howlett	Cr S R Martin
Cr G J Daccache	
Cr A A Carter	
Cr J M Gillingham	
Cr M Dziombak	
Cr D W Hooper	
Cr J E Hunt	
Cr G A Jacob	

NOTE: Councillor S R Martin did not vote on Confidential Item 8.1 'South Hedland and Wedgefield Underground Power Project – Proposed Billing Model and Funding Agreement for the Underground Power Project' as he did not have time to consider the item.

201112/241 Officer's Recommendation / Council Decision

Moved: Cr A A Carter

Seconded: Cr G A Jacob

That the Meeting be opened to members of the public.

CARRIED 9/0

2:07pm Mayor advised the meeting to be open to members of the public.

ITEM 9 CLOSURE

9.1 Date of Next Meeting

The next Ordinary Meeting of Council will be held on Wednesday 14 December 2011, commencing at 5.30 pm.

9.2 Closure

There being no further business, the Mayor declared the meeting closed at 2:08 pm.